



AjnVpGLe

Pioneering Growth - Dynamic Storage Mediums

Entry details

Your name

[REDACTED]

Your email address

[REDACTED]

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[REDACTED]

Name of Secondary Contact

[REDACTED]

Secondary Contact email address

[REDACTED]

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Organisation Name

GXO Logistics

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Please give a brief summary of your award submission

Summary

GXO is a global logistics company that manages outsourced supply chains and warehousing.

To support strategic goals and future growth plans it was identified that as a business we needed to work collaboratively with the client to quickly increase site capacity and reduce operating costs, whilst also increasing the product offering available to customers. The project resulted in a capacity increase of >20% whilst also delivering sizeable efficiency benefits.

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Section 1: What you achieved

- What results are you getting and what has the feedback been?
- How are you measuring the benefits?
- How are you sustaining the momentum/ outcomes?

This project has delivered several benefits -

1. **Increased Storage Capacity:** By introducing the new storage medium, the project effectively expanded our ability to store product, enhancing the SKU range on offer to customers and supporting ambitious growth plans. The increased storage capacity also allowed the customer to streamline their holdings and use one site to manage all requirements, saving significant cost.
2. **Enhanced Efficiency:** The new storage solution improved efficiency in accessing and managing stored items, reducing retrieval times and operational costs through an improvement in pick density. We're seeing a carton fill of circa 3 times the size of the previous iteration used, meaning we've hugely increased the capacity across the site.
3. **Innovation and Modernisation:** Through the implementation of dynamic storage mediums the organisation is now positioned at the forefront of fast fashion, showcasing the client's commitment to staying current with advancements in storage solutions whilst also giving us the capacity capability to provide the best possible choice for its' customers.
4. **Scalability:** This project provided a scalable solution, allowing for future growth and increasing demands without significant infrastructure costs and/or changes and will also allow us to quickly flex up capacity where required.
5. **Cost Savings:** The project has also resulted in cost savings through improved resource utilisation across site whilst also meaning that costly offsite storage space is no longer required.

Benefits are measured through colleague feedback, continual monitoring of site capacity utilisation alongside detailed views of how the dynamic storage mediums are utilised compared to the rest of the warehouse.

Overall, the success of the project can be measured in terms of increased capacity, improved operational efficiency, and readiness for future growth whilst colleague feedback has been overwhelmingly positive to date. We're continuing with our rollout of dynamic storage mediums and are continuing to work through system changes which will further enhance the benefits delivered and improve the colleague experience on site whilst ensuring we're well set up for future growth and are able to continue to drive customer satisfaction with the clients brand.

Section 2: Why you did it

- Why are you doing what you are doing and what did you hope to achieve?
- How does this initiative support the strategic direction and values of your organisation?

In order to support the clients' strategic goals and ambitious growth plans it was identified that as a business the client needed to consolidate their holdings (thus reducing operating costs) whilst increasing the product offering available to their customer base.

To achieve these objectives, there was a clear business requirement to increase the stock holding capability within the main UK site in a way that would require minimal infrastructure changes and require a low capex spend whilst still achieving the overall aims and delivering an ROI. Given other projects ongoing within the business and strategic decisions that had already been taken there was significant time pressure on this project with a forecast of 12 months before we'd see breaches in total site capacity which would have hugely hindered overall profitability and the businesses' ability to operate efficiently.

A cross functional project team comprised of key client stakeholders and GXO employees created a full VSM of our inbound processes and worked with 500+ stakeholders across the site to successfully design and deliver this initiative. Numerous discovery sessions and a multitude of trials were completed before reviewing all available data and

colleague feedback and selecting the dynamic storage mediums as the most suitable and sustainable solution and allowed us to rapidly implement a game changing initiative into the UK facility.

Section 3: How you did it

- How did you go about achieving the results you did?
- How did you structure your way of working?
- How did you go about involving stakeholders, gaining their buy in and support?
- How did the team pull together to achieve an excellent outcome?

Implementation was a 9-month process, following a DMAIC approach. Given the number of internal and external stakeholders involved, we divided the project team into multiple workstreams led by an accountable lead and used weekly touchpoints alongside an overarching steering meeting to ensure we stayed within the scope of the project and stayed true to our objectives. A comprehensive project plan was created and we compiled all risks at the initiation stage which gave us early visibility of the potential speed bumps we'd encounter. These were managed through the working groups with a weekly risks and issues meeting ensuring we were able to quickly address any concerns. Whilst we broadly followed the DMAIC framework we also needed to be agile and 'fail fast, learn fast' while testing various designs for the dynamic storage mediums given the time pressure on this project and using a more flexible approach allowed us to come to an agreement more quickly on the final solution.

We shared our project plan throughout the site at an early stage to ensure our colleagues were aware of what changes they'd see and when they'd occur and used various mediums (text/video/line manager briefings) to engage colleagues throughout the change(s). This approach ensured that our colleagues were well aware of the impact this might have on their daily roles at an early stage and meant that the approach was much more collaborative than it might have been. It also ensured that our colleagues move through the change curve was less complex, and colleagues felt prepared from day one of any change(s) going live.

Taking a collaborative approach with the client and suppliers allowed us to quickly engage the more senior stakeholders within the business, however one of the biggest challenges was the number of colleagues that we needed to engage to ensure that implementation was a success and that this was seen as a positive change, rather than an additional thing for our colleagues to consider as they completed their daily tasks. We engaged our shop floor colleagues through a multitude of channels, using videos, Champions, and a phased rollout. Support from the operations, training teams and external suppliers were absolutely key in the successful implementation and engagement with everyone impacted began very early on in the implementation process - ensuring that our colleagues were brought along on the journey with us and had the opportunity to share their feedback throughout. Another key step we took was to make amendments based on colleagues' feedback, no matter how small, to ensure that the best possible solution was delivered.

Section 4: What you learnt

- How was learning captured, actioned and shared to benefit others?

Learnings were captured throughout the process and proved invaluable, every iteration of various designs required trials to allow us to assess the impact and review any potential flaws in design.

One key learning was that no matter how simple or small a change might appear the same rigorous approach was required to engagement and risk management – something as small as a dynamic storage medium being 2MM too wide would cause issues that would have a really small impact on thousands of colleagues, thousands of times a day which would cumulatively add up to a huge impact across the course of a year whilst also adding an additional 'annoyance' for our colleagues to deal with, ensuring that their view of this change would be negatively impacted. To support the project team, we also needed to upskill colleagues on the shopfloor to allow them to coach and support their peers through the change curve and then effectively deliver feedback on the project in a constructive way to senior stakeholders. Through all stages of the project the colleague feedback was absolutely vital in advising how to move forwards.

Post implementation reviews are still ongoing as we continue to iterate the final solution and we're discovering key systematic changes that will further drive efficiency benefits as a result of ongoing colleague feedback. These are

expected to go-live within the next quarter and will significantly benefit the operation and the client's business as a whole.

We've presented the results and learnings to key senior stakeholders within the business, and these were received really well. Other sites are now reviewing the feasibility of implementing similar solutions based on how well these have landed within the network.

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