

## PRESS RELEASE

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### Dematic delivers for Tesco home grocery

Dematic ([www.dematic.com.au](http://www.dematic.com.au)) is providing Tesco with an automated materials handling system for the retail giant's new 120,000 square foot grocery fulfilment centre located in Enfield, Great Britain. When it goes live in January 2012, the system will enable Tesco to double its pick rates for grocery home delivery.

The integrated installation will feature zone routing, and separate Multishuttle tote order consolidation buffers for ambient and chilled goods.

The new centre is Tesco's fourth 'Dotcom Store', which is effectively a warehouse dedicated to delivering orders to customers' homes that have been placed online. The Dotcom stores replace Tesco's previous operation in some particularly busy areas where employees pick online orders straight from the shelves of its retail stores. The Enfield Dotcom Store will take over picking for online grocery orders from nine Tesco retail stores in the region.

Dematic's zone picking system will route customer totes directly to numerous pick zones in the ambient area, where some 18,000 different SKUs are held, and to the 3,000 different SKUs across zones in the chilled area.

Tesco staff will pick grocery, fresh produce and bakery goods into the order totes according to instructions received via wrist mounted Radio Data Terminals. Once scanned, totes will be sent to the next relevant zone via conveyor. Complete totes are then routed to the Multishuttle consolidation buffers.

The four-aisle ambient Dematic Multishuttle unit will hold up to 10,500 totes for home deliveries, while the two-aisle chilled Multishuttle will hold 4,000 totes. Once consolidated, the totes will be sent in reversed customer drop sequence to one of the centre's 28 van loading bays.

All of the integrated system's operations will be controlled by the Dematic Warehouse Control System (WCS) and Dematic will also carry out the order slotting for all products in all of the zones.

"With each of our stores we aim to move forward the model in terms of accuracy and quality for the customers as well as productivity for Tesco" explained Tesco's operations development manager, David Burroughs.

"Having gone out to tender for mechanisation suppliers, we picked Dematic because we felt their system would enable us to achieve our objectives of faster picking, accuracy and reliability, enabling us to give our customers excellent standards of service whilst still providing a profitable model for Tesco. This system will help us reduce our running costs and offer more delivery slots to customers from earlier in the day. We wanted to ensure we could get customers' orders picked, vans loaded, and out on time with the freshest possible



produce. The system also gives the accuracy we need to ensure the highest possible service levels,” he added.

According to Dave Burroughs, Tesco was particularly keen on Dematic’s Multishuttle. “Dematic’s Multishuttle offers a number of advantages over similar systems, particularly its speed for loading our vans and its ability to swap individual shuttles, which gives us a tremendous advantage in avoiding downtime. Furthermore, the height of the Multishuttle enables us to make good use of space that would otherwise be dead air in the warehouse thereby minimising its footprint,” he said.

Dematic’s Sales Project Manager, Shane Faulkner, adds that Dematic’s complete system enables Tesco to pick and deliver the same amount of orders as ten stores within the concentrated floor space of the single Enfield Dotcom Store. “This is an advantage in areas where rents are high. Also by automating its online order picking process, Tesco can increase volumes while at the same time maintaining the high service levels that are essential with home delivery,” he said.

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## **About Dematic**

*Dematic is a global leader providing an impressive range of intelligent logistics and materials handling solutions. With a global knowledge network of more than 4,000 highly skilled logistics professionals, Dematic is able to provide its customers a unique perspective in world class materials handling solution design. Our commitment to product and solution R&D combined with manufacturing plants in the US, Europe, China and Australia ensures Dematic has the range and capability to provide reliable, flexible, cost effective solutions globally. Our tremendous track record of success has led to the development and implementation of more than 5,000 world class integrated systems for a customer base including some of the world’s biggest companies. Dematic generates a global business volume of around \$1.2 billion.*

*For more detailed information about Dematic, please refer to [www.dematic.com.au](http://www.dematic.com.au).*

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