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Country's largest semi-automatic warehouse opening soon

By Sangeeta Anand

Coca-Cola Amatil (NZ), one of New Zealand's largest beverage companies, has almost finished building a \$77 million warehousing facility which will handle 31 million physical cases and allow for storage of 36,700 pallets.

The warehouse is a response to Coca-Cola's strategy to consolidate its scattered warehousing infrastructure. "Coca-Cola's existing decentralised warehousing network was leading to high operational costs for outside storage, including excessive transportation, and higher handling and leasing costs," says Michael Shirbin, Coca-Cola Amatil's manager for major projects (warehousing). These costs were projected to increase with Coca-Cola's rising sales volumes.



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Coca-Cola Amatil's new warehouse, shown here under construction, reaches the height of a five- storey building

The cost benefit is obvious. With plants in Auckland, Christchurch and Putaruru and a growing market share, the beverage giant relies heavily on its permanent warehouse, two leased warehouses and several temporary third-party storage facilities. These facilities cater to customer deliveries in the Auckland area, eight North Island cross-docking locations, and supplies for the Christchurch and Palmerston North distribution centres.

Such dependence on third-party facilities prevents Coca-Cola from enjoying the required customer service and operating cost improvements. As the only Coca-Cola and Schweppes licensee in New Zealand, the \$433 million New Zealand drinks company produces, distributes and markets over 80 beverage brands, and controls 15 percent of New Zealand's beverage market.

The new warehouse is expected to save materials handling costs while improving efficiency and offering customer service benefits of automation. Situated on a hectare of land near its head office in Mt Wellington, Auckland (which Coca-Cola bought for \$1.1 million), the new facility is expected to release additional space for future growth in the production facilities.

Spread on a massive 28,550 sq m plot, the warehouse reaches a height of almost 26 m (equivalent to a five-storey building) in the main section, allowing flexibility in operations and storage.

The semi-automated facility has been the outcome of comprehensive planning and extensive consultation with Auckland City Council and the community. The project involved a cost of \$39 million in land, design and construction, and directly connects the existing production lines' palletisers to the new warehouse. The \$28 million materials handling equipment includes 11 storage and retrieval cranes, 1.3 km of powered conveyors, 13 pallet elevators, and five pallet transfer shuttle cars.



The sophistication of the facility's \$4 million technology features is exemplified by its RF infrastructure, warehouse management system software, forklift terminals and voice picking terminals. The selective racking and pallet live storage in the pick hall uses voice recognition technology.

These advanced features are expected to increase inventory management efficiencies, reduce losses caused by ageing stock, and save working capital that normally gets blocked in the finished stock. Most importantly, it will improve Coca-Cola's capability to efficiently meet growing customer demands, including direct-to-distribution-centre delivery, 12- and 24-hour delivery, flow-through and cross-docking order preparation.

Of course, the complex project posed unique challenges to the design-construction team. Essential parameters such as energy efficiency, minimal impact on the landscape and local traffic flows, and innovative solutions for solid waste and water management were some of the ambitious objectives for the team. Also, stringent time and budgetary constraints weighed heavily on this project.

In particular, the team worked through major challenges like sourcing the additional land near the existing facility, obtaining building consents, providing adequate facade treatment for the 26 m high main storage building, and complying with health and safety practices.

On the technology front, the team worked towards developing the warehouse management system that was compatible with Coca-Cola's operating processes and integrated with the existing computer systems. Interestingly, the project team installed the materials handling equipment concurrently with the building activities, and managed to avoid interruption to the existing manufacturing operations on the same site.

Sangeeta Anand is a freelance writer, and the editorial director of The Global Indian, an Auckland- based ethnic publication

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