

Case Study

Schweppes Australia

Delivering an integrated voice solution to the warehouse.





Schweppes Australia decided to implement a fully integrated voice-operated system to deliver a comprehensive picking solution that would eliminate the double handling of pallets, equip managers and supervisors with work flow visibility, and provide a safer place of work for the pickers.

Iconic brand Schweppes has been delivering premium quality non-alcoholic beverages to Australians for over 150 years. First pioneered in Geneva in 1783 by Jacob Schweppes, the remarkable process of capturing and bottling bubbles was brought to Australia in 1850. The first Schweppes factory was built in Sydney in 1877.

Today, Schweppes Australia is a beverage powerhouse, boasting 1,800 employees, 11 manufacturing sites and 12 distribution centres across the country. It manufactures some of Australia's most loved and popular drinks including Schweppes, SOLO, Cottee's, Spring Valley, Pepsi and Gatorade.

Working closely with its customers, Schweppes Australia distributes and delivers beverage products to over 30,000 customers nationally. One of its largest distribution centres, the Archerfield site in Queensland services a large majority of the state's market. Over 40 employees pick up to 16,000 cases daily, which are then delivered to more than 5,000 customers.

Until recently, the site operated using a paper based picking system. The process of planning each load could take the picker

up to 15 minutes. As many of the product descriptions are similar, pickers could easily misread information and this caused delivery errors. Stock tracking was also made difficult due to multiple SKUs and pallets being stocked at each picking location.

In order to combat the inaccuracies and inefficiencies caused by an out-dated paper based picking system, Schweppes Australia decided to implement a fully integrated voice-operated system to deliver a comprehensive picking solution that would eliminate the double handling of pallets, equip managers and supervisors with work flow visibility, and provide a safer place of work for the pickers.

According to Schweppes Australia's National Logistics Execution Manager, Danny Murphy, what Schweppes Australia set out to do was actually much more than just replace paper.

"Our goal was to build a fully integrated system that would eliminate the double handling of pallets and non-value add repetitive tasks, as well as provide our



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managers and supervisors with visibility in the workplace, which creates a safer place to work for our pickers,” said Murphy.

Schweppes Australia engaged Dexion to implement a multifunctional paperless solution that would control the physical and operational aspects of Archerfield’s distribution centre. Dexion partnered with world leader in voice enabled solutions, Vocollect by Honeywell, to deliver a paperless picking system that would afford the best improvements in efficiency and accuracy.

According to Dexion Australia’s Systems Sales Manager, Mike Dowd, the Dexion Real-time Distribution System (RDS) was used as the platform to facilitate process improvements and integration with the Schweppes ERP system SAP.

“The RDS provides a flexible and cost effective solution to provide coal face functionality and practicality with minimal impact on the Host system,” said Dowd.

A key consideration in rolling out the new solution was to establish how the pallets would be built according to order size. In contrast to the old model, in which all work was completed on paper with numerous

SAP transactions, Dexion’s RDS provided a single real-time interface to Schweppes Australia’s existing systems, aggregating multiple features for the varying functions within the distribution centre.

Dexion’s RDS has resolved the issue of product identification, previously a major challenge for the Archerfield warehouse. Under the paper-based system, pickers had to identify 400 different products in the warehouse – some of which have markedly similar packaging, such as Pepsi and Pepsi Max.

According to Schweppes Australia’s Queensland Distribution Manager, Mike Heide, the operational improvements as a result of implementing Dexion’s RDS were immediately visible.

“We’ve seen a significant improvement in the allocation of resources, productivity and accuracy since introducing Dexion’s RDS. Within the first week of using the paperless voice system, our carton picking errors were reduced by 90%,” observed Heide.

“The implementation of Dexion’s RDS was seamless, particularly due to the help of Dexion’s expert team who were on site for



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six weeks prior to the cut-over, providing training and assistance wherever needed,” added Heide.

“One of the key benefits of the automated voice solution is that pickers can be trained in a much shorter timeframe. We can now set up voice templates for new operators in 10 minutes and a picker can be trained on the product range within 20 minutes. This contrasts to the old system where it would take up to two weeks before an operator could be fully confident to pick unsupervised,” said Heide.

Under the new automated voice solution, a picker is provided with a pallet label. They are then directed to the correct picking location via the new Vocollect SRX2 Wireless Headset. The location is confirmed by the use of a check digit upon arrival – removing any manual direction or confusion about location. The voice system advises the picker how many cartons they need to pick and the picker repeats the quantity back to the system.

Vocollect by Honeywell’s regional manager for Australia and New Zealand, Paul Phillips, has already witnessed major

enhancements to Archerfield’s customer service levels.

“A voice-directed solution was the stand-out option for Schweppes to optimise its supply chain performance due to the ease with which it could be implemented and trained across the entire workforce. The integration of the voice project occurred very quickly, providing a significant return-on-investment within a short timeframe,” said Phillips.

“Schweppes Australia should be commended for its forward thinking. It set out to achieve so much more than just replace paper. The integrated Dexion and Vocollect voice system eliminates double handling of pallets and non-value add repetitive tasks. This equates to a more efficient and accurate distribution centre operation,” added Phillips.

According to Archerfield picker, Mitchell Henwood, the consensus amongst the team is that the voice-controlled system is very simple to use.

“The new system has made my job much easier because I’m no longer using any paperwork. All I need to think about is pulling up at the location given to me,



repeating the check digit and verbally confirming the quantity picked,” explained Henwood.

Archerfield’s Distribution Centre Manager, Nathan Lucinsky, has also witnessed greater accuracy in order completions.

“We can gauge the workload at the beginning of the day and flex our casual labour force based on this information, rather than waiting for the end of the day to determine how much work is still required. The new system has allowed us greater accuracy for our customer deliveries,” observed Lucinsky.

Heide expects productivity benefits for the pickers too, particularly when it comes to product replenishment. He observed a pick rate increase of around 20%.

Henwood agrees that the new system is noticeably quicker.

“I pick a lot faster and the process of invoicing is much smoother. It’s also more accurate because I’m allocated a specific pallet and a specific number of products that need to be picked,” said Henwood.

The availability of these accuracy and productivity figures under the new system means management can now clearly identify what each picker is picking, what their pick rate is and how much work they’ve completed. Where managers used to manually review each picker’s paperwork daily, they now simply press a button to access a comprehensive productivity report for each picker.

The improvements in efficiency, productivity, visibility and safety have together enhanced the site's supply chain performance – a benefit that is ultimately passed on to the customer, who is rewarded with quicker and more accurate deliveries.

Safety is also a top priority for Schweppes Australia. Voice is well-suited to operations such as Schweppes because it allows workers' hands to be free for picking, rather than occupied with paper, scanners or labels. Drivers no longer need to refer to their pick sheet whilst driving; they now receive all instructions via a wireless headset, so as not to be distracted.

“Safety in the workplace is a big priority – we want to make sure our workers go home safe. Under the old system, forklift operators would drive around the warehouse with their heads down looking at their pick sheet. Under the new system, there's no paper so their heads are up and they are visually checking to make sure everything is safe as they drive around,” said Lucinsky.

Murphy considers the biggest benefit of the voice solution to be the seamless integration of all the warehouse systems.

“As a result of implementing voice we were able to activate a real-time replenishment system, which is more efficient and accurate. We have stronger batch control at our

pickface and we're providing a safer work environment for our employees,” observed Murphy.

Schweppes Archerfield's distribution centre is not the only winner following the implementation of the new voice system. The improvements in efficiency, productivity, visibility and safety have together enhanced the site's supply chain performance – a benefit that is ultimately passed on to the customer, who is rewarded with quicker and more accurate deliveries.

Schweppes Archerfield's pickers are also incredibly pleased with the new system, valuing the investment made by their managers to ensure that they have access to the latest technologies that will make their jobs much easier and safer.

Given the success of Archerfield, Schweppes Australia's General Manager of Logistics and Customer Service Operations, Ian Gatenby, has plans to roll out the new technology nationally. “We would like to leverage the benefits we're seeing at Archerfield right across our network. Ideally, Archerfield will set the

picking standard in Australia. We have already seen a range of productivity, quality and safety improvements. Most importantly, we have seen the benefits to our customers. We've had a terrific experience at Archerfield, and I strongly recommend using this technology across all our distribution centres. I see it as

another milestone step in our journey to becoming a best practice workplace,” said Gatenby.

