

Case Study

Sony DADC

Taking entertainment distribution performance to a new level.





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They say there's no business like show business. And that's certainly true when it comes to the supply and distribution end of the business. With movies, interactive games and music releases all driven by rigidly fixed launch dates and highly visible marketing campaigns, product has to be delivered on time, every time. So performance is everything.

This is the pressurized environment in which Sony DADC Australia operates. Part of the Sony Corporation, the company is an independent third party logistics provider. Initially moving into distribution in 2009, they were running operations out of a warehouse in Kingsgrove, Sydney. But with growth came the need for more space.

Their search for premises ended in Erskine Park and their first call was to Dexion, who'd been responsible for the infrastructure and software systems of the Kingsgrove facility for 15 years. Steve Voorma, Sony DADC General Manager Distribution Australia & New Zealand explains: "Given Dexion's involvement with our previous site, we got to see their

capabilities, solutions and service up close before we moved. We decided to involve them in our new site, working with them to put together an effective supply chain solution from an automated conveyor perspective." Dexion worked closely with the Sony DADC team to concept and then implement an automatic conveyor system, a pick to light system and the Realtime Distribution System (RDS).

The zone routing system would take orders directly to the correct picking zone, so rather than a manual system, which sees pickers having to travel up and down storage location aisles looking for inventory, now boxes would go straight to the appropriate area, reducing congestion and double handling.

Pick to light replaced paper picking, where the picker interpreted the order from a piece of paper and then gathered stock and packed it. With the pick to light system, a light indicates the SKUs to be picked and then an LED display shows the number required. It's quick, easy and much more accurate than paper picking.



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Completing the new set up was Dexion’s Realtime Distribution System (RDS). The brain of the operation, this software provided an end-to-end process, catering for all the conveyors – routing orders, checking orders, and sorting orders to dispatch lanes. Also incredibly user – friendly, it features a boldly graphical interface and simple point-and-click control. And being web-based, RDS can be accessed from anywhere, any time. As James Shaw, Sony DADC’s Distribution Centre Manager notes: “Anyone can make metal, but it’s the software in the background that keeps it going.”

Going from strength-to-strength, Sony DADC began to win more business and soon almost 50% of their volume had

shifted back to paper picking to cope with the new demands. It soon became clear that they would need to boost their outbound capacity and this led to a second phase of development. Again working with Dexion, they developed a plan to add another 18 zones to their conveyor loop, plus increase their pick to light capabilities and bulk storage.

Now the team faced a new challenge, though. How do you implement major new additions to a supply chain without disrupting the day-to-day business of processing, picking and packing? Not an easy task when you run two shifts between 6am and 10pm, but an absolutely crucial one. As Steve Voorma puts it, “We couldn’t expand at the expense of our clients.”



Part of the plan was already in place because during the initial design phase, there was always a vision for expansion. Finding room wasn't the issue; it was finding how to fit around the flurry of daily activity. The new expansion to the conveyor was going into the same area that was being used for paper picking. By laying it in sections and co-ordinating workflow around it, however, this hurdle was cleared. Testing was completed after hours and picking was ready to go again as soon as the first shift arrived the next morning.

Overseeing this whole process was one Dexion Project Manager who was involved at every stage and understood every need and nuance. This single point of contact was something the Sony team appreciated. James Shaw says, "Great project manager – he spent a lot time on the site working with us to solve the inevitable teething issues." Steve Voorma was similarly impressed with the hands-on approach but had a slightly more pragmatic way of explaining the benefit. "I call it having 'one throat to choke'", he says with a chuckle.

And the results of this new phase of growth? Since moving from their Kingsgrove facility and implementing an automated solution, overall operational performance and efficiency has improved by upwards of fifty percent. Prior to the second expansion phase, average daily capacity was around 55,000 units picked and packed. Since the upgrade, the same number of staff is now processing 100,000 units, with a maximum output of 185,000 units in a day operating at maximum overtime. There are environmental and safety gains, too, with less paper being used and less bending and lifting of cartons.

These new efficiencies also send a clear message to prospective customers. James Shaw says, "As one of the few – if not the only – distribution operations in the market willing to invest seriously in increasing efficiency we're showing that we're a serious contender."

This investment strategy is paying dividends and doesn't look like slowing any time soon. To further boost outbound capacity, a mezzanine floor is being added



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above the existing conveyor, effectively doubling the amount of floor space available. As well as more automated conveyors, there'll also be additional racking and bulk storage.

With this third phase of expansion, Sony DADC is continuing its surge as a force in the distribution industry. And Dexion will be there to help them plan and implement their growth. As Steve Voorma describes it,

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