

EPG[®] ONE[™]

INVENTORY ACCURACY REACHES 100% WITH EPG:

Union Coop Handpicks LFS for Dubai Warehouse





Union Coop – one of the largest cooperative groups in the Middle East and North Africa (MENA) region and the largest consumer cooperative in the United Arab Emirates (UAE) – has successfully deployed the kze EPG ONE™ Warehouse Management System (LFS) to manage its complex and challenging logistics operations.

The cooperative group, which has a multinational workforce of 3,100 employees, operates 23 hypermarkets, supermarkets and retail outlets as well as three shopping malls in Dubai. The Dubai-based cooperative giant offers consumers over 69,000 varieties of food and non-food commodities sourced from over 30 countries.

Customised Coop Factory

Union Coop launched Coop Factory, a state-of-the-art central warehouse facility, in July 2020 to meet its growing storage requirements. Located in Dubai’s Al Tayy suburb in the Al Khawaneej district, Coop Factory is one of the largest and most technologically advanced warehouses for food and non-food commodities in the MENA region.

Covering a total area of 129,369 m², the 8-storey warehouse incorporates pellet and shelf racking systems, with a storage height exceeding 20 metres. The facility also houses a self-service wholesale outlet.

The warehouse maintains a strategic stock of more than six months’ worth of food and non-food items and houses storage units for foods and non-food commodities in addition to cold stores/freezer storage units. These are all served through 22 gates for incoming and outgoing goods. Featuring around 20,000 pallet locations, the warehouse is divided into five operational sections (food, non-food, chiller, freezer, damage) and operates with multiple employee shifts.

Khalid Bin Diban Al Falasi, CEO of Union Coop, says: “Installed with the latest equipment for operations – such as loading, unloading, handling and storage – the warehouse enhances the storage capacity of goods and ensures their availability at all times.”

UNION COOP: FAST FACTS

Status: Largest cooperative group in the UAE

Primary industry: Retail

Ownership type: Private

Established in: 1982

Warehouse in Dubai:
Coop Factory (8-level)

WMS: EPG ONE™ LFS

Total workforce: 3,100

Retail outlets in Dubai: 20+

EPG'S WAREHOUSE MANAGEMENT SYSTEM LFS COMES OUT ON TOP



Union Coop set up a task force to evaluate global Warehouse Management System (WMS) providers in 2018, while Coop Factory was still under construction. The cooperative giant then floated an international RFQ and received many bid proposals from the world's leading WMS providers, including the Ehrhardt Partner Group (EPG).

Union Coop's task force was very impressed by EPG's testimonials from the UAE retail industry, as they highlighted the deployment and successful use of EPG's LFS by leading players in the UAE retail sector.

Aiman Othman, IT Director of Union Coop, provided strong leadership throughout the execution of the project as well as guidance to his team, including the project manager and team members, to help ensure the successful realization of the project.

In addition, Othman – along with other business directors – played a vital role in the selection of EPG's LFS. Furthermore, Aiman appointed Kashif Rasheed as the project manager for WMS implementation at Union Coop.

Following the go-live, Rasheed says: "Firstly, we became aware of renowned UAE-based retail industry companies featuring in EPG's testimonials, which had similar operations to ours and were also using the same leading ERP system. We figured that if these industry players are using the EPG LFS solution, so should we – especially as there is a very tight integration between ERP and WMS."

He continues: "Secondly, we asked ourselves which specific vertical is using EPG's LFS solution? We are in the retail [food and non-food commodities] industry, just like the other highlighted UAE-based retail players that are successfully using LFS. These were the crucial points that led Union Coop to opt for the EPG system for our new warehouse in late 2019."

TOTAL MANAGEMENT

Union Coop went live with LFS at the Coop Factory warehouse in February 2020, joining over 100,000 other global LFS users. The sophisticated LFS solution today manages the entire warehouse operations.

Warehouse employees use RF-equipped LFS-guided portable data terminals (PDTs) on a day-to-day basis to receive, store and pick goods. When a picking operation has to be conducted via a PDT notification, a warehouse picker selects the pick list on their personal PDT and allows LFS to guide them to a bin location to pick the requested item.

After scanning the bin location, LFS prompts the picker to scan the item in order to ensure that the correct item is being picked. LFS then displays the quantity to be picked on the picker's PDT, before informing the picker of the dispatch location where the picked item needs to be kept.

In the Coop Factory warehouse, picked items released from 6 am onwards and stored near the gates, where from 8 am onwards pickers start dispatching the items via 25 trucks and three refrigerated trucks to the cooperative group's retail outlets located around Dubai.



POSITIVE FEEDBACK FOR EPG'S LFS

Rasheed notes: “Before LFS there was no automated bin location identifier. The receiver alone would know where an item was located. Today, however, we only have to provide LFS with an item number to know where the item is located, its best-before date, height, weight, and SKUs – we can instantly access the entire inventory status and so we are very happy with EPG’s LFS”, says the project manager.



Prior to the go-live of LFS, Union Coop’s warehouse teams received specific training at EPG’s Logistics Solutions Center in Dubai Logistics City.

Since deploying LFS, Union Coop’s warehouse inventory accuracy has now reached 100 percent today, compared to 85% before the implementation in August 2020. Rasheed says: “LFS has also reduced errors by 90%, improved pick-up times [branch orders allocation] by 95% and enhanced space allocation by 95%.”

Commenting on the growth potential of EPG’s LFS for various industry verticals in the MENA region, Sreekumar Ravindran Nair, Manager Logistics Consulting, EPG Dubai, says: “The prospects for LFS are good, as warehouse operators in the region are increasingly optimising their supply chain operations to meet the fast-growing demand. As such, they are seeking optimum efficiency, looking to reduce operational costs, and and striving for growth. In such cases, these warehouse owners can rely on the LFS solution to provide them with detailed, real-time WMS data, which can then be used to make crucial inventory management decisions.”

Rasheed adds: “The Ehrhardt Partner Group’s team of logistics experts based in Dubai Logistics City was extremely competent, very flexible and very supportive in assisting us [Union Coop’s Warehouse & Logistics and IT Departments] in the quick and successful implementation of LFS at the Coop Factory warehouse facility. This is why we are happy to continue our journey with EPG and LFS.”

**“LFS has also reduced errors by 90%, improved pick-up times by 95%
and improved space allocation by 95%!”**

Kashif Rasheed, Project Manager



CHALLENGE

- Inventory management mismatch
- Huge warehouse
- Food and non-food commodities
- Over 20,000 pallet locations
- Complex distribution to 20+ retail outlets
- Multinational workforce

SOLUTION

- EPG ONE LFS
- Dividing huge warehouse into 5 zones
- EPG Logistics Solutions Center (Dubai) training
- 24/7 EPG support with project implementation team

RESULTS

- 100% integration with client's ERP system
- 100% inventory accuracy achieved
- Errors reduced by 90%
- Pick-up times improved by 95%
- Warehouse space allocation enhanced by 95%
- 100% LFS stabilisation