



While the role of Tech Data in the channel continues to evolve, the business of managing inventory and providing efficient, reliable delivery of products continues to be a core part of the value it brings to the channel – and like the rest of the business, logistics services are continually evolving. We spoke to Simon Coldwell, Logistics Director, Tech Data UK and Ireland, about how this part of the business is adapting to meet the changing needs of customers.

With Tech Data's role evolving into that of an enabler and supporter of transformation in the channel, providing availability of products and fast, efficient delivery remains at the core of the value it offers to the channel.

The warehousing and distribution part of its operations are therefore vital to the company's relevance and continued success.

Reseller and retailer businesses could not operate efficiently and profitably without the vast and super-efficient logistics engine that lies behind the everyday business of ordering and delivering IT products.

Tech Data's operation is enormous. Every day, the company collects up to 120,000 items from over 40,000 locations and ships 4,500 orders out for next day delivery right across the UK and Ireland. Its huge, 504,000 square feet (47,000 square meters) warehouse at Magna Park on the outskirts of Lutterworth in Leicestershire, would almost cover seven football pitches. It's through here that all Tech Data's UK and Ireland orders are physically processed.

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Hive of activity

With so much happening each day, you might expect to find a hive of activity inside the immense structure. In fact, it's surprisingly calm. Across the site, workers go about their business, checking incoming or outgoing deliveries, manoeuvring pallets between stock locations and areas with fork-lift trucks, or picking, packing and sending items on their way to the customer by placing them onto the 5.5km of conveyors that run through the warehouse.

This constant hum of activity is dwarfed by the sheer scale of the warehouse and the thousands of boxes it contains – and the controlled atmosphere masks the constant pressure that the logistics team is always under to deliver to the highest standards, as Simon Coldwell, Logistics Director, Tech Data UK and Ireland, explained.

'In logistics, we have to continually drive improvement, value and cost-leadership. We have to get it right first time, using the great toolkit we possess, whether physical infrastructure or systems. It's also with the broad understanding that one mistake is one too many for any reseller/end user and there's considerable knock-on cost associated with rectifying that error – aside from any reduced confidence in our service.

Speed and accuracy of handling, plus the transparency of product status to all functions in the business, is pivotal to success. Ultimately, executing on the efficient/seamless flow of orders out to customers via integrated carrier partners to best in class standards is the objective and what shapes our behaviours to always drive for improvement.

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Logistics Director,
Tech Data UK and Ireland

Adding value

The advanced capabilities of Tech Data's logistics facility

As well as providing you with slick, efficient and reliable next-day delivery, the logistics operation can provide several value-added services...

SOLUTIONS CENTRE

In its state-of-the-art facility, the team can design, assemble and test systems for use in data centres and private cloud infrastructures, including Cisco UCS Data Centre solutions and advanced servers – built-to-order and pre-installed with operating system, virtualisation software and applications.

SUPPLY CHAIN MANAGEMENT

The logistics team can help customers plan ahead and meet specific customer requirements for the supply of products to a defined – and perhaps flexible – schedule.

CONFIGURATION AND TESTING

Tech Data can pre-configure and test all kinds of devices prior to shipment, installing processor, memory, storage and other components, and applying pre-defined system images as required.

LIFECYCLE SERVICES

As part of the TD Renew service, Tech Data can receive and carry out the work necessary to ensure that end-of-lifecycle products are managed in a compliant and secure way.

SPECIALIST DELIVERY

Specialist packing and shipment services are available for the safe delivery of large, fragile or difficult-to-handle products.

All of these services are designed to provide reseller and retailer customers with the flexible, scalable support they need to be the trusted advisor and IT supplier partner of choice to their customers – and to deliver great service and customer satisfaction.

A well-oiled machine

Underpinning this activity and automation is a highly efficient processing and management system that makes sure every customer order placed on InTouch or keyed in by the sales teams is handled efficiently, accurately and on-time. The whole operation is a well-oiled machine that runs reliably and consistently every day and in doing so, fulfils that core requirement of distribution.

But the constant activity at Magna Park is not confined to receiving, storing, packing and shipping products. Indeed, the logistics operation offers several value-added services (see box) to customers.

In the clean room environments of the Solutions Centre and the Configuration Centre, for example, engineering staff are busy completing builds of specialist servers and systems, for customers. They may be assembling and testing – with the support of Advanced Solutions specialists – Cisco UCS systems for use in data centre or private cloud deployments, for example. Or working on custom server builds that are offered through Tech Data's Global Computing Components business.

Logistics thus plays an important part in offering added value in many different ways, and this is something the whole team are made aware of at all times. Tech Data's customer obsession and its Trusted Advisor approach ensures every act is geared towards helping resellers and retailers to increase sales and profits, reduce costs and improve customer satisfaction, and is as prevalent in Magna Park as it is everywhere else.

Magna Park in numbers

- > 504,000 square feet (47,000 square metres)
- > 15,000 SKUs
- > 42,000 storage locations
- > 5.5 km of conveyor belts
- > Located within four hours of 85% of the UK population
- > 24-hour operation (at peak times of the year)
- > Inbound capacity for up to 800 pallets per day
- > Same day receipt & put-away
- > Up to 4,500 orders and 120,000 units shipped daily
- > 65% of shipments re-packed, 21% original box, 14% on pallets



Constantly in touch

While the warehouse is some distance away from the three main locations (109 miles from Basingstoke, 105 miles from Bracknell, and 112 miles from Warrington by the shortest route), the logistics team is constantly in touch with the sales operations and shares the same culture and values.

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Simon Coldwell

Simon Coldwell said: 'Our culture is primarily one that encourages people to work in the best way they can to continually drive value and meet the customer's needs. In logistics, it's also one that understands that we must constantly respond and adapt as the environment changes.'

Some of those changes are driven by customer expectations and the increasing complexity of requirements, some by the bigger transformation taking place in the IT channel, Simon Coldwell told us.

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'The complexity of the value streams and proposition has changed, with support for various requests, for differentiation or otherwise, much more prevalent. We absolutely understand the marketplace and that our customers are being asked to do more for their end-user customers now, and when they have a challenge in meeting those requirements, they are asking us if we can help them. When that happens, we will always be positive and help wherever we can to deliver efficient, robust and sustainable solutions.'

ACROSS THE USA



Changing dynamics

The challenges are often multi-faceted, and will commonly involve issues of scale, flexibility and the management of inventory. There may also be financial elements or a need to recycle or trade-in products. A reseller or retailer may want to purchase some stock now and some later. They might need to change the specification or volume of products, depending on customer needs. Tech Data can often provide at least part and sometimes all of the solution to these challenges.

Simon Coldwell believes that the increasing frequency of these requests for special assistance may be part of a broader trend that is seeing reseller and retailers working in closer partnership with distributors and vendors more often. While the slick, automated and efficient management of inventory and provision of fast, reliable delivery will continue to be the core focus for the logistics operation, it's also important that Tech Data responds to these changing dynamics.

'In a sense, we need to think globally and act locally. You have always got to be fine-tuning to make sure that 99% of what we do is efficient and understood, that it's repeatable, scalable and bullet-proof. There is also that 1% of times where there's a requirement for us to do things differently – where we can add value, help our customer to differentiate and open the doors to other opportunities.'

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Logistics Director, Tech Data UK and Ireland

Increasingly, B2B resellers and retailers have differing requirements, he noted, and Tech Data is also ready to provide the specialist services required in both fields. In retail, for example, really efficient order cycles are critical. A retailer may have a need to accelerate a wide range of re-worked products into their own networks quickly, and it's in such scenarios that the capabilities and value Tech Data can deliver can be realised. Invariably, high degrees of flexibility are pivotal to success, as product may require security or asset tagging, testing, repackaging, reconfiguring or bundling, prior to shipment to the retailer's own hub, all within a 48-hour window.

It also takes direct feedback on its performance via Tech Data's regular customer satisfaction surveys. This is used in the ISO9001 process, which requires that organisations work on continuous improvement. While the changes that result can appear to be relatively small, they can make a big difference to the customer – in both quality and sustaining the value contribution of Tech Data's service.

Customer obsession

This feedback loop, the customer-focused approach that Tech Data takes across its business, and the work the company does on developing its people, enable it to constantly improve and stay right on top of its game.

'We take complete pride in what we do.'

Simon Coldwell

'The customer surveys tell us that we're broadly in the top echelon of logistics performers, but of course, we want to be the best-in-class. We take complete pride in what we do. You come to work for a reason, to achieve team and individual goals, and to deliver on company objectives. That might sound a little bit corny, but we obviously have detailed tactical plans and we always strive for excellence in what we do. To continuously improve and be as good as we possibly can be – that's what we push for and hopefully it differentiates us and ensures we keep delivering our part in contributing to the organisation's success.

'We have a really great set of tools, a great infrastructure and very solid and robust ERP, warehouse management and subsystems. The rest of it boils down to competent logistics management, knitting together demand and the flow of products, and creating an environment and a culture that delivers consistently, despite all things that can happen to bend it out of shape. We can never rest on our laurels in logistics. We have to constantly drive change to remain fit for purpose.'

While the market is changing and more customers are now adopting cloud-based solutions and hybrid infrastructures, and purchasing software on subscription, the need for Tech Data to make products available and ship them overnight to all corners of the UK and Ireland is not going to diminish in any way. The slick, efficient machine that is its logistics operation will continue to be a vital part of the value Tech Data delivers and an engine for growth for the whole channel.

Location, location, location

Why Magna Park's position at the heart of the UK makes all the difference

The exact location of the Magna Park warehouse is very important. 'When you look at the benefits it brings you understand why' Simon Coldwell explains. 'There are multiple national and international carrier network hubs situated within 30 to 45 minutes of Magna Park, and that gives us more options – whether it's greater flexibility or working with later cut-offs whilst still maintaining next day services.

The central location means shipments from Tech Data have the best chance of reaching their destination in all corners of the UK on time.

At the busiest times of the year, it runs for 24-hours a day, so there will be shipments going out around the clock. The outbound flow to retail can be running around the clock and six, and at times, seven days a week. This is critical, especially for retailers at busy times of the year, when their buyers, planners and merchandisers are themselves under pressure to get stock onto their own shelves.

'The demands, the expectations, the capabilities that are required in the logistics sector are higher than they've ever been. It can be an incredibly fulfilling place to work'

Simon Coldwell

Interested in finding out more and engaging with Tech Data for Logistics?

For more information or if you have any questions, please contact your Account Manager or email **TDUKLogistics@techdata.com**

