

The Jade Portal Scanner Optimizes Processes at Simon Loos' Warehouse in the Netherlands

Overview

Forester Research reported in 2015 that US online sales will grow to \$334 billion by the end of the year and estimates these revenues will reach \$480 billion by 2019. These are amazing numbers that merit attention, but behind them lurks another growing statistic, one that keeps retailers awake at night – the growing number of e-commerce returns. E-commerce returns require a costly, time intensive process to manage and grow with the increase in e-commerce sales.

Some e-tailers have built their business and their reputations around product returns. They anticipate and plan for high return volumes as part of their business plan. The goal is to give shoppers the ease to buy multiple sizes and colors from which to make their selection. Handling so many individual items consumes extensive resources and significantly impacts operational efficiency, pricing, and profit. Retailers and their service partners, third party logistics providers, are concerned with the rising number of returns and their associated cost.

Traditional automation systems can be very costly to implement for e-commerce returns and are not primarily designed to function at the item level. These systems often include tunnel scanner systems and sortation systems which are very expensive and are unable to handle individual products. Because of this, most logistics operators rely on labor intensive manual processing with workers handling products, using handheld scanners to identify them.

While e-commerce returns are in the spotlight for high product returns, other applications similarly generate high numbers of product returns. One example is pre-stocked promotional displays. Manufacturers contract with retailers for placement of pre-stocked display units on the store floor for a time period. At the end of the promotion, the displays are returned and inventoried to analyze the sales by store and product. Depending on the success of the promotion, a large number of items may be returned with the display. Both the promoter and the retailer depend on accuracy of the inventory to ensure correct invoicing and payment.

Processing returns of individual retail items for e-commerce and pre-stocked promotional displays is very similar to the checkout process at grocery retailers. In both cases, items are scanned individually. Technology developed for retail scanning has evolved and can be used to cut the cost of item level returns.

Datalogic, the global leader in automatic identification technology developed the Jade™ X7 portal scanner to accelerate the grocery checkout process. Jade portal scanners are the industry's fastest automated checkout solution. These devices allow shoppers to place items in any orientation onto a fast moving belt; each item is automatically identified at speeds significantly higher than a traditional manual checkout. Shoppers move through the checkout process much more quickly and smoothly.

System integrators worldwide realized that Jade automated scanners had applications beyond the grocery checkout. In the Netherlands Vierpool, a Certified Datalogic Business Partner, developed a complete solution using the Jade portal scanner and software to quickly process high volumes of

inbound and outbound inventory. Such a system was installed at Simon Loos for processing returns of pre-stocked promotional displays.

Simon Loos is the warehousing and value added logistics supplier for the largest retailers in the Netherlands. The company regularly works with retailers and executes promotions using pre-stocked displays. When displays are removed from stores, employees at Simon Loos scan all the returned products. Reports are then prepared based on the data from the inventory.

The Challenge

The traditional method for handling returns was very labor intensive. As many as seven staff members would work at one station. Presentation scanners and handheld scanners were used to individually scan items as they were unloaded from the displays. Conveyors then transport the scanned items to the packaging area. The speed of the process was dictated by the speed of the manual scanning. To increase speed, more manpower would be added to scan more items per minute.

The Solution

Vierpool automated the process at Simon Loos using the Jade portal scanner. The solution includes a user-friendly interface for operators and file sharing with parent administrative systems. Beyond the functionality to identify items, the system captures images of the items allowing annotated pictures of products for easier identification and inventory records.

A Jade system was placed at the start of the returns process, providing much faster scanning of items. Now a single employee places items onto a fast moving belt. The items pass through the Jade portal scanner which identifies them at a significantly faster rate than manual scanning. The items continue to the next station where they are re-packaged. This process alters the structure of the work space, creating a much more efficient use of the area.

The Results

The implementation of the Jade X7 portal scanner in the logistics environment has significantly improved returns process productivity. The logistics operation tripled its productivity and better optimized its personnel. A first read performance above 99% delivered very high throughput for the complete process. The system speed has been increased without the need to add resources. The solution has created a 50% savings in the cost of the returns process.

Automation using the Jade portal at Simon Loos for processing returns of pre-stocked display items has caught the attention of global e-commerce companies. Jade systems are now being tested for processing e-commerce returns. Other important uses for the Jade portal include pick-and-pack operations and omni-channel fulfillment.

Customer: Simon Loos

Industry: Retail

Application: Inventory management

Country: The Netherlands

Datalogic Product: Jade Portal

Datalogic Partner: Vierpool

