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RJ'S LICORICE LTD FACTORY MANAGER SEAN WILDE



Sweet Success

WITH PICK & SCAN SYSTEM

RJ's Licorice Ltd makes its world-class confectionery to a winning formula. And the company has gone for the same with the new logistics system at its Levin plant.

Product handling efficiency has soared and distribution errors plummeted since the system was introduced in March. RJ's Licorice has replaced manual, paper-based processes with state-of-the-art scanning and automated documentation for sales order fulfilment, and for the tracking and tracing of consignments. It is indeed a winning logistics formula – one based on the smart use of GS1 System bar coding.

"We have seen a dramatic reduction in the time required to pick product and pack consignments in our distribution operation," says Factory Manager Sean Wilde. "And we now have hardly any errors because of checking functions built into the system."

Mr Wilde says the system will support continued high sales growth and, with more development, enable RJ's Licorice to strengthen its production management. "The old processes could not have kept pace with growth in our orders. We are now shipping from Levin up to 40 pellets of product each day."

Founded 10 years ago by the Halliwell family, RJ's Licorice is the only New Zealand-owned and operated maker of this specialist confectionery. The core ingredient is licorice paste imported from the Middle East where it is extracted from the roots of a herb known as the blue flowering snow pea. The company puts an emphasis on the high quality of its black and red licorice products, cooked to a formula that is not only winning but also a family secret!

RJ's Licorice produces almost half of all licorice sales in New Zealand, its extensive range offered throughout most food retailing chains. In addition, the company produces in increasing volumes for the most discerning of sweet-toothed consumers in Britain, United States and Australia. Exports have risen sharply to now represent around 25% of total turnover. RJ's Licorice uses Palmerston North as a distribution hub for up to 180 tonnes of product sent to domestic and international markets each month.

Mr Wilde says the company has moved to a Microsoft Navision package for all its IT, with full integration of a pick and scan system for product handling. Staff can move about the

warehouse with radio frequency scanners that receive and display details of each order entered in the system. The scanners are then used to read bar coding on cartons picked to fill each order – if the wrong product is picked, the scanner signals a mismatch with the order.

The system automatically generates delivery notes that record order details and match the information held in an EAN-128 standard bar code on each carton in the consignment. "We can track and trace any batch of product from the plant to the individual store in which it will be offered to consumers," says Mr Wilde. "In a recent exercise, it took just 12 minutes for us to turn up exactly that information from a batch chosen at random."

RJ's Licorice prints its own bar codes for product cartons using HEXCOM Ticket 2000 Release D on a Toshiba Tec SX4 printer. Bar codes are pre-printed on the confectionery packaging, sourced from local printers.

With the new logistics system in place, RJ's Licorice is far from done with innovation. Mr Wilde says next steps include the move to electronic consignment notes that will be exchanged with the company's freight supplier. "We can move to a paperless system very easily from this point," says Mr Wilde.

He is also keen to introduce picking and scanning of raw ingredients as they enter the plant and are used in its cooking processes. The system can readily be expanded to include production inputs as well as outputs. "At that point, I will be able to sit in the office and at any given time, see what ingredients we hold and how they are being used, as well as monitoring our finished stock position," says Mr Wilde. "Obviously there are major advantages for ordering inputs, planning production and managing working capital."

Mr Wilde says the transition to a fully integrated pick and scan system for product handling has been relatively straight forward, with staff adapting well to the change. "We had a good IT supplier and RJ's Licorice has never been scared of innovation," he says. "We've now got a logistical system that can really help drive our growth."