



Dynamic Warehousing

Case Study - Preston Motors

Preston Motors Group Launches New Campbellfield Distribution Centre

Preston Motors Group

This business operates over a number of dealership sites representing twelve different franchises, furthermore the company's parts and refinishing operations take place out of six locations across Victoria. From these parts and refinishing locations the business receives and dispatches parts for Holden, Ford, Mitsubishi, Hyundai, Suzuki, HSV, Infiniti, Porsche, KIA, 3M, PPG, Festool, Ultimate Tools, Proform products, KC Tools, Karcher, GPI, Sata and Septone.

This business has a large history in the Australian Automotive Industry celebrating their hundredth year of operation in 2012. Senior management share the opinion that James Bergmuller, Chairman of Preston Motors is 'a visionary', always looking to the future and this focus on continuous improvement has become a central part of the business.

We sat down with Phil Scott, General Manager and Don Hovenden, Operations Manager to talk through their latest large scale project – the launch of a dynamic warehouse at Campbellfield.

The Challenge

Creating a parts and refinishing warehouse that would increase efficiency and support growth well into the future.

Background

As real estate across Melbourne continues to appreciate and associated costs increase, there comes a time to think about using space smarter. Over the years, Preston's site in Campbellfield has been resized, repurposed and rebuilt to suit business growth and respond to changing market conditions. Don Hovenden told us, 'you either think you're okay doing what you're doing and keep the same customers or you watch them drop off. This business realises things are changing and so we evolve and change with them.'

The management team at Preston Motors Group are big picture people as well as detail oriented. When asked about the Campbellfield project, they articulated many small details from lighting levels to the number of bins/trays ordered then moved quickly to industry changes and OEM requirements.



Preston Motors Group decided to engage Pentana Solutions on this project as consultants for IT requirements and associated process efficiencies. The following project summary highlights several different areas, learnings or hurdles overcome.

Project Summary

This project was a chance to leverage on the experience gained at the Dandenong warehouse where Dynamic Warehousing had been deployed just 18 months before.

Knowing What to Ask

After deploying Dynamic Warehousing from Pentana Solutions at our Dandenong warehouse we knew what questions to ask. Phil Scott said, just thinking about the conveying system, 'you could ask about options that were wider, faster and better. If we hadn't done Dandenong, we just wouldn't know what exactly to ask in order to achieve what we set out to. Knowing these things, we were able to push every boundary a little further.' He furthered this by adding, 'being able to ask detailed specification questions is great, the quote may come back the same' but being able to enquire on each option put us in a great position with all our suppliers at our Campbellfield warehouse.

“Leveraging experience gained at Preston’s Dandenong warehouse was key to this Dynamic Warehousing project.”



Challenging Your Consultant

The team at Preston Motors Group said, ‘Working with Noel Connelly throughout the consulting piece was fantastic’. The software wasn’t perfect for our needs so at every opportunity we challenged our Pentana Solutions consultant.

Phil added, ‘We’ve always challenged Noel to help us be better. When we see a problem, we want to solve it, to make things better.’

One of the key benefits of having Noel consulting on this project was his honesty. ‘One night, late in the evening he called me and said “I don’t think you should use Dynamic Warehouse at Campbellfield – in fact, you’re not using it.” Naturally I was surprised,’ said Don. Don added, we then sat down with the project team and ‘we thrashed out all the issues,’ was it actually too hard for us to ‘go to a Dynamic Warehouse’ could we overcome all the challenges? In the end we decided that we could overcome the challenges within the timeline proposed so we made the commitment to move to a dynamic warehouse at Campbellfield. We were resigned to the fact that we needed a system running a warehouse rather than the processes we had in place previously. While we appreciated our consultant’s honesty and his dedication to questioning, we wanted to challenge him back and we believe the result is better for it. Don said, ‘Instead of looking at the headline of the category we went right down to the most detailed level. Rear panels for example are now stored in a way they have never been before and we’ve started using cages for large quantities of small items.’

During the project the team turned their attention to scanning. Don shared his experience, telling us, ‘When it came to scanning, we just didn’t accept the solution, we worked Noel really hard until we had a “bang moment”. From there, we all sat down in a room, and talked through the options available, if they made logical sense then Noel helped us make the changes. Now the receipting system is all “ticks” and I feel like if we showed anyone the solution they would agree it’s world class.’

When asked about interactions with their consultant, Noel Connelly, Don said, ‘He was our ultimate critic – he was massive in the project, simply crucial.’ Phil added, ‘Without the steady influence throughout the project we would have flown to the moon.’

Appointing Product Champions

These projects run over months, sometimes years and knowing this. Preston Motors Group appointed product champions very early on. Pulling experts from their existing Dandenong Dynamic Warehouse deployment was key. Our Dandenong Product Champion was all about reinforcing process right from the point of receipting a part through to scanning, logging, processing and of course dispatching out the other side. This was so important that Phil and Don appointed this product champion a good six months prior to the Campbellfield deployment. Employee adoption of new systems is always a challenge as organisations and people are typically resistant to change. Preston Motors Campbellfield project was no different. However the management team at Preston Motors Group already had passionate people who they knew would be the key to success if they leveraged their enthusiasm early. Phil shared, ‘We involved people who were going to move the warehouse in all the decisions, they were part of the discussion so it was in essence their project. From there, we realised there were lots of people involved but no one person assigned to be the mirror image to our Pentana Solutions Consultant. We knew they had to have an intimate parts knowledge and also great IT ability.’ Once Phil and Don gave Trevor Sellman this responsibility, making the launch of Dynamic Warehousing his sole focus the project really took flight.

“This project was really about being agile and changing in relation to project requirements.”

Once Preston Motors was moved into their Campbellfield site the management team set about identifying other product champions. Don said, ‘Necta is very analytical, he asks Noel questions and he’s really like a sponge to all Noel’s experience, he’s learning and it’s infectious he’s teaching others and ensuring they keep learning too. However you can’t just have one person, we like to identify lots of gurus and reward them for sharing generously.’ Appointing product champions really helped Preston Motors go from a flagship site and one other warehouse to a flagship site and another serious competitor.



Move Management

For this project team, the sheer amount of data analysis was a mountain to be reckoned with. With 16,000 locations in two carousels there were up to fifty picks that had to occur to have one part moved. Phil noted, ‘The more picks, the bigger the challenge, so we moved those challenges out fast. We then knocked off the medium term stock.’

Data analysis in this project was huge, and all hands were on deck as over 24,000 parts were reviewed and analysed for the move. Phil Scott, General Manager of Parts, redirected his own efforts for this project, rolling up his sleeves and handling 17,000 labels himself to ensure the Campbellfield Dynamic Warehouse project stayed on track.

This learning was really around being agile and changing in relation to the project requirements wherever necessary.

The next process change was about reallocating resources on the floor.



Don told us, ‘We starved our resources in the conveyor so when the tote was full, all the resources could be dedicated to put away so everyone finished at the same time.’

Current State of Play

When Pentana Solutions sat down with Phil Scott and Don Hovendon at Campbellfield, we asked how they saw their new Dynamic Warehouse at Campbellfield they were very positive.

Phil stated, ‘it’s a magnificent facility, it’s the best of the best when it comes to parts warehousing. This site at Campbellfield does exactly what we want it to do.

In three words, efficient, efficient, efficient.’ The chief Pentana Solutions Consultant added, ‘the customers are the barometer of success, they’re very happy with service levels so that’s telling us something.’

However Don isn’t finished, he told us, ‘I’m constantly engaging our team who work in different areas of the warehouse and asking them to tell me why and how we can improve our operation. My next point of call are high and low picks in the paint bunker.’ Phil finished by saying, ‘The team here are very critical of themselves but honestly it’s like chalk and cheese – the way we run this business now is totally different.’

What we provide

Consulting and Project Management for warehousing and parts is part of the MDS & eraPower suite of products. For over 40 years, Pentana Solutions has pushed the automotive envelope through innovation, cutting edge technology and industry-changing invention. We think outside the box. We push the boundaries. And we never stop developing for the future.

Why? Our customers. Our passion for the industry and our expertise in the field drive us to always look for the next opportunity. Through customer collaboration and over 40 years of industry knowledge, we work around the clock to ensure our customers' businesses operate more profitably.

With a global footprint spanning more than 100 countries and 50,000 users – we're driven to deliver innovative solutions that transform the way you'll work tomorrow.



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