

PROPOSALS FOR KELLYMART

WAREHOUSE OPTIMISATION SOLUTIONS

OPTION DETAILS ASSUME OPTIMISATION
WOULD BE APPLIED TO THE ENTIRE
WAREHOUSE

FOR ATTENTION OF
ZISHAN KHAN

C/O KellyMart



ALL INFORMATION CORRECT AT TIME OF PRINTING



OPTION 1

SOLUTION OVERVIEW

By installing a new Warehouse Management System (WMS) KellyMart will be able to manage their day-to-day warehouse operations. This new software will allow you to revolutionise how you manage goods when they are received into the warehouse, as well as optimizing the way they are stored, picked and shipped to customers.

This system intelligently recognises when stock levels need replenishing, automatically re-ordering as a result.

You'll never need to display an 'out of stock' message to your customers.

COST

RRP £249,999 (option to pay in yearly instalments - additional 5% charge each year)



OPTION 2

SOLUTION OVERVIEW

Semi-automated storage and retrieval systems (AS/RS) are ways of automatically moving items to and from storage in a way that is both highly efficient and highly accurate.

This system uses robotics in conjunction with employees to automatically find, pick and ship a product, **meaning that items can be sent to a customer with minimal human input.**

Whilst humans are still required for unloading, sorting and putting away stock, as well as 'guiding' the robotics, this still presents a huge increase in efficiency.

COST

RRP £4,119,999 (option to pay in yearly instalments - additional 7.5% charge each year)



OPTION 3

SOLUTION OVERVIEW

By converting your warehouse to a fully automated facility, you will see your stock move both in and out with efficiency and autonomy.

This system sees a fleet of robots communicating with a main system to fulfil orders 'live' as they are received. Through 'machine learning' the system intelligently develops an understanding of demand, making changes in programming to increase efficiency.

An investment in this system will see you distributing your products **faster, cheaper and more accurately than any of your competitors.**

COST

RRP £16,799,999 (option to pay in yearly instalments - additional 10% charge each year)



PROJECTIONS

RETURN ON INVESTMENT

Based on current sales figures and the solution RRP (Recommended Retail Prices) of the three solutions in this pack, the expected ROI (Return on Investment) across 10 years is as follows:

	Current Warehouse	1	2	3
Total monthly picking/distribution cost	£152,457	£139,285	£95,296	£35,450
Average units shipped per month	16000	16801	20001	24801
Capacity in warehouse (units)	187400	187400	224880	281100
RRP		£249,999	£4,119,999	£16,799,999
Benefit (from each solution) per year		£22,249	£296,640	£940,799
10-year total benefit from the solution		£222,490	£2,966,400	£9,407,990
10-year ROI *		89%	72%	56%
Future (25 years) suitability (handling different products in line with expected future demands)	☆☆☆☆	☆☆☆☆	☆☆☆☆	☆☆☆☆

* Please note that the 10-year ROI figures are based upon the RRP being paid in a lump sum



BENEFITS

In the table below, you will see all of the benefits associated with each of the optimisation options:

Option 1	Reduce cost per unit • increased accuracy • increased customer service • slight reduction in staff costs • comprehensive stock management
Option 2	Reduce cost per unit • increased accuracy • increased customer service • comprehensive stock management • greater control of stock • improved safety • save floor space • halving staff costs • reduced pick time
Option 3	Increased accuracy • increased customer service • comprehensive stock management • greater control of stock • improved safety • reduced pick time • total reduction of staff costs (salary, pension etc.) • big reduction in cost per unit • maximum use of floor space • improved handling • minimizing errors