



CASE STUDY: Warehouse Management and Supply Agreement - Linework and Stones Limited

Connetics entered into an agreement to manage three warehouse operations and supply material to Linework in the greater Wellington region with just a few short months notice.

SUPPLY + LOGISTICS

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PROJECT SCOPE

Linework commissioned Connetics to take over their procurement, logistics and warehouse management in Paraparaumu, Petone and Levin. This significant project involved the purchase of a considerable amount of inventory to meet Linework requirements, establishing a new IT infrastructure, implementing systems and procedures and recruiting three staff.

CHALLENGES

This was a large project that involved taking over the procurement, logistics and warehouse management from the incumbent who had been running the operation for the previous three years. Connetics was required to set up a whole new database for approximately 1,500 stock items, establish the IT infrastructure and recruit new staff to help set up and run the operation.

The operation needed to be running within two months, so the timeframes involved presented a major challenge. A wild storm causing power outages in the middle of the project was an upset to the planned timeframes and objectives.

SOLUTIONS

At the outset, the Connetics team spent considerable time with Linework staff getting to know how their current supply and logistics system worked. This process identified issues that needed to be resolved for the new system greatly improving stock availability and customer service levels.

Connetics gathered all the stock information from Linework and negotiated favourable pricing with suppliers, which was aided by Connetics national buying power and economies of scale.

The IT infrastructure setup provides Linework with daily transactional updates of critical information and regular price book file updates. These files are configured so that they can be uploaded directly into Linework's Nimbus IT platform from Connetics web portal.

Connetics policies, procedures and management systems have been implemented at the warehouse facilities in Paraparaumu, Petone and Levin replicating the processes that have been tested and proven within the Christchurch operation.

Connetics deployed IT, finance, management accounting, procurement, and warehousing staff on this project to ensure that the tight deadlines were achieved. Their affinity for the industry enabled Connetics to understand the customer requirements and ensure that practical solutions were developed that made certain that material was in the right place, at the right time.

RESULTS

Connetics' ability to be flexible and increase their workloads when required enabled them to meet their deadlines despite many setbacks. The time Connetics spent talking to Linework staff about their issues was time well spent, enabling Connetics to significantly improve

service levels with better stock availability and favourable pricing.

Linework and Connetics maintain an excellent ongoing relationship through the management of the warehouse facilities and supply of materials at a local level. Operating from Christchurch, the management team undertake regular site visits and contract performance reviews.

"I would have to say that I was apprehensive when the time finally arrived when Connetics took over the Warehouse Management Contract from the incumbent. The day arrived just happen to coincide with a major storm hitting the Horowhenua and Kapiti area. The pressure was on Connetics to perform and perform they did. They made the transition as seamless as possible and have listened to our requirements. Connetics recruited well and the staff has a very good working relationship with our staff and contractors. As both companies operate in the network distribution arena has been a bonus for Linework, they understand and appreciate the business we are in."

Allen Hutchison
General Manager
Linework and Stones Limited