

TOSHIBA

SUCCESS STORY

KG Electronic - how Australia's largest online department store ensures that their customer's receive their order on-time.

Customer: KG Electronic
Country: Australia
Industry: Retail



THE CLIENT

KG Electronic is Australia's largest online department store, selling a vast range of products, from home entertainment, computers and appliances, to toys, fashion, auto care and sports equipment.

But their rapid growth and success became a problem when their old warehouse and its systems simply couldn't cope with the volume of orders. Nimrod Ganon, Co-founder and Director explains the operational issue: "Our system and our warehouse meant we had to put the brakes on our growth", he says.

"The key measure in our business is the number of orders we can process and ship in a day. We were handling between 1200 and 1400 (which meant sending out up to 2000 items), and our warehousing operation simply couldn't handle any more. Yet there was more demand in the market and we wanted to capture it."

THE SUPPLIER

Ozzielabels are an Australian owned and operated company offering the latest in conventionally printed and computer generated labels, using the most up-to-date techniques and printing methods. Specialising in the supply of all types of labels, ranging from plain to factory printed labels, incorporating special effects such as screen prints, raised screen prints, embossing, graining, varnishing and laminating.

Thomax Technology are a custom software company specialising in warehousing (.wms) and transport management systems (.tms) to increase quality assurance and customer relationships.

Based in Sydney, both Ozzielabels and Thomax are dynamic providers of warehousing, logistics and manufacturing solutions that aim to revolutionise the way their customers do business and are proudly partnered with Toshiba.

THE CHALLENGE

Nimrod started researching warehousing systems and found .wms from Thomax Technology. Impressed by the great feedback from existing users, and by the fact that .wms had an Application Programming Interface (API) to Neto, the Enterprise Resource Planning (ERP) system that KG Electronic was using, they engaged Thomax to deploy .wms at the same time as they moved into their new, larger, warehouse.

Every part of a warehousing operation requires printing - barcode labels for products, picking lists, shipping labels - so, as part of his solution, Thomas Jackson of Thomax needed to find the right printer for KG Electronic' demanding requirements.



THE SOLUTION

The printers were supplied by Toshiba Platinum Partner Ozzielabels, who worked with Thomax to test and refine the printing solution. Ozzielabels together with Toshiba, produced custom firmware and, as a Platinum Partner, were able to access Toshiba facilities and experts worldwide to make custom changes to the product.

“Working together with Thomax”, says Ozzie Marzic of Ozzielabels, “we were able to create a custom printing solution that did exactly what KG Electronic needed. We tested it with the labels they’ll be using, so they were 100% confident that everything was going to work together.”

Ozzielabels also provided the hardware support that is included in Thomax’s packaged solution. “The fact that we could provide reliable local, Australian based support was really important to Thomax”, explains Ozzie.

Nimrod confirms that they were happy with Thomas’ decision to pick Toshiba printers and Ozzielabels’ support; “We have eight printers throughout the warehouse”, he says, “and every one of them needs to be efficient and reliable. We’re delighted that Thomax chose Toshiba. The printers were really easy to install and use; they print and cut the labels in seconds.”

“The best thing though, was the way that Ozzielabels and Toshiba really understood what we were trying to achieve and went out of their way to meet our requirements. Although the printers were great, as part of our feedback after the initial installation, we mentioned that there was a half a second delay between the print and cut functions and asked if there was an alternative that was faster. Half a second sounds like nothing, but when you’re printing up to 3000 labels a day, it makes a massive difference.”

The next thing they knew, Ozzielabels and Toshiba had made a custom change to eliminate that pause, and trim the half a second off the label print time. “We were really impressed with the way Ozzielabels and Toshiba listened to us and took a proactive approach,” says Nimrod.

THE RESULT

Yehuda Elbaz, KG Electronic’ warehouse manager takes up the story; “The new system has made all the difference”, he confirms. “The combination of our move to the new warehouse and the new warehouse system has meant we can grow again, and we’ve already seen our output increase by almost 50%.”

“Our warehouse operations - goods in, inventory management, pick and pack, dispatch - are all so much more efficient. We scan every item into .wms and a printed label goes straight onto each item. It’s faster, easier and we can keep track of everything in the system.”

The move to .wms and Toshiba printers from Ozzielabels has been a great decision for KG Electronic. “They have really impressed me”, says Nimrod, “the printers are very important to us, a malfunction would hold us back, but they’ve been reliable, efficient and the support means we don’t have to worry about a thing”.

“We’ve shaved off every bit of inefficiency. We’re sending out up to 3000 orders a day, or an average of 4500 items. Our growth is back on track - and we’re now seeing our goals becoming reality. Those goals are big and were previously just dreams, but thanks to our new, efficient warehousing system, they are achievable - we’re on our way to 4500 orders a day and same day dispatch. The bottom line is that efficiency translates to dollars.”

“We’ve shaved off every bit of inefficiency...our growth is back on track” - Nimrod Ganon, Co-founder and Director, KG Electronic

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The logo for OzzieLabels features the word "Ozzie" in a black, sans-serif font and "Labels" in a red, cursive script font.The logo for THOMAX TECHNOLOGY features the word "THOMAX" in a large, blue, sans-serif font with a stylized "X" that has two diagonal lines, and the word "TECHNOLOGY" in a smaller, blue, sans-serif font below it.The logo for KG Electronic features a blue television set icon with two antennae, followed by the text "KG Electronic" in a blue, sans-serif font.

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