



Dixons Group plc, (HQ Hemel Hempstead, [www.dixons.co.uk](http://www.dixons.co.uk)) specialises in the sale of high technology consumer electronics, personal computers, domestic appliances, photographic

equipment, communications products and related financial and after sales services. The Dixons Group operates a combination of high street retail outlets, out-of-town superstores, on-line businesses and after-sales service operations across the UK and Europe. The Group's UK brands are Dixons, Currys, PC World PC World Business, PC Service Call, MasterCare and The Link. The Group also owns businesses across Europe, including Elkjop, EI System, Kotsovolos S.A. and European Property.

## Dixons Group Challenge

As the leading electrical retailer in Europe, Dixons Group has a huge challenge in meeting the supply demands of its retail outlets and on-line customers. It operates 17 local distribution centres, ten service centres and three National Distribution

Centres (NDCs) based in Stevenage, Lincoln and Newark. The NDC in Stevenage is a 270,000sqft warehouse and it is here that the Catalyst WMS is installed.

The sheer size of the warehouse operation, together with the heavy

seasonal bias leading up to the Christmas period, creates a huge operational challenge for the Dixons Group. During the last financial year 13.9 million packs were moved through the warehouse.

## Dixons Group Goals

With multi-million pound stock throughput and more than 5,000 SKUs (stock lines) in the warehouse at peak season, the efficient management of goods is of paramount importance. Goods-in are taken into specific areas depending on whether they are small or bulk, fast or slow moving. Additional segmentation is carried out,

depending on whether goods are to be delivered to main storage areas or the automatic storage and retrieval system (ASRS). Once stored, these goods have to be readily accessible to the 20 different picking zones to prepare them for despatch.

The goal for Dixons Group is to

ensure that inventory is managed throughout the goods in, storage, picking and despatch processes to ensure the smooth running of the operations. With deliveries and despatches occurring continually throughout the day, accuracy and efficiency are essential.

## The Catalyst Solution

Catalyst WMS was first installed in June 1997. The system now manages all aspects of goods-in, storage, picking and despatch and is integrated with the ASRS and the VanRiet sortation system. Stock is generally received on pallets and is booked in the week prior to arrival, with most suppliers delivering on a weekly basis. Small items and fast-moving bulk

items are scanned and then transferred to the ASRS. A stand-alone storage area is dedicated to slow moving bulk goods. These storage areas support the pickfaces and when they reach a trigger point, replenishment is generated automatically. These trigger points are flexible parameters, specified in Catalyst, and vary depending on the size of the pickface.

The ASRS system informs Catalyst WMS of the precise volume of stock remaining and when the pre-specified number is reached the WMS requests the ASRS to replenish the stock item. This is all controlled by the interface between the Catalyst WMS and the ASRS, developed by Catalyst and CSA. Pickfaces themselves are divided into 20 zones and picked stock is either

placed on a conveyor or manually taken to the despatch area where pallets are located in run order before being loaded onto a vehicle. Conveyorable stock is sorted on a VanRiet Sortation System where an

interface with Catalyst enables the sorter to identify branch destinations from bar-codes on the carton using 4 Erwin Sick OMNIV490 terminals. All stock is order-picked with Catalyst

generating the pick runs. The whole process is monitored using more than 250 Telxon RF systems ensuring that Dixons Group always knows the status of all aspects of its warehouse activity.

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## Return on Investment

The Catalyst WMS has enabled Dixons Group to handle the significant increase in warehouse throughput generated by the growth of the business and the development of its multi-channel retailing division, while controlling inventory accuracy. In addition, with the massive increase in activity over the peak period of October to December, the company needs a system that has the capability to handle significant upward shifts in throughput. Catalyst has allowed

Dixons Group to change operating methods, including the addition of the multichannel sales function, without system re-writes. It has also allowed control over real-time replenishment, real-time stock audits, far less administration and increased picking accuracy.

An interface developed by Catalyst from the WMS to the WCS (*warehouse control system*) has allowed Dixons Group to move a

greater volume of items through to despatch and then to distribute these equally across the Van Riet sortation chutes allowing for a more balanced workload. In addition, the interface to the ASRS has eliminated much duplication of effort and, in turn, improving goods in accuracy. With the increased volumes of direct business, Catalyst has allowed for an easier integration of this service into the standard operation.

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## Customer quote

*“The main benefit of Catalyst can be seen in a reduction in the vast amounts of administration that was associated with our mainframe system. Real-time replenishment has reduced*

*the number of cross-offs significantly.*

*“The Catalyst WMS system is now delivering significant payback for Dixons. We are much better able to*

*monitor stock, carry out regular audits and we have a much greater understanding of our stock exposure than we have ever had.”*

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## Technical Facts at a Glance

### WMS Version

- Catalyst WMS Release 7

### Configuration:

- IBM AIX mini, Oracle database

- 250 Telxon RF radios, Bespoke warehouse control system, VanRiet Sortation System, AutoStore Automatic Storage and Retrieval System from CSA

### Warehouses:

- 270,000sqft national distribution centre at Stevenage
- 2 more 200,000sqft+ national distribution centres
- 17 local distribution centres



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