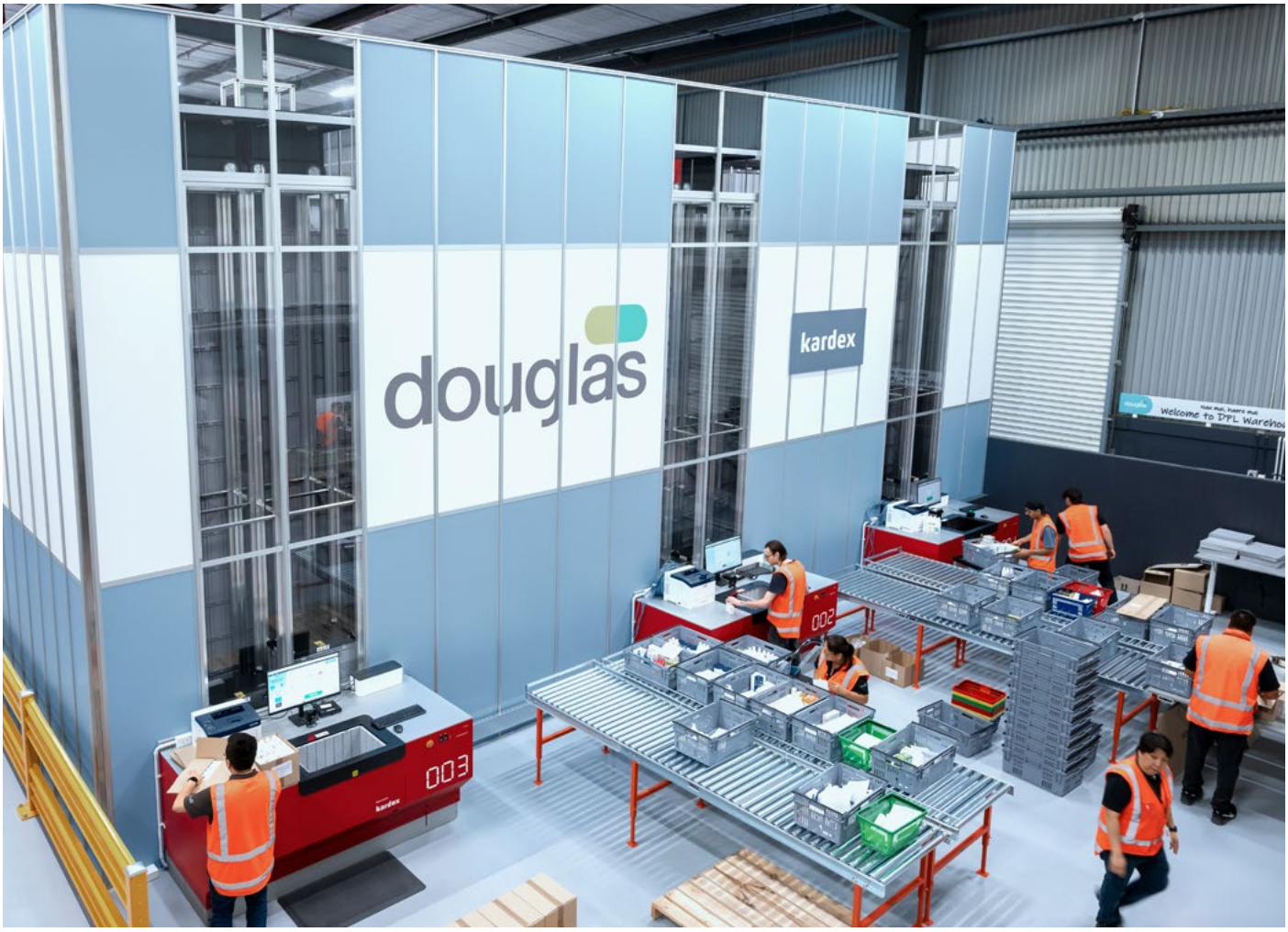
Success Story

Douglas

Future-proofed fulfilment with New Zealand's first AutoStore™



douglas
improving lives

kardex

Case at a glance

Kardex installed the first AutoStore system in New Zealand at the Douglas campus in West Auckland.
Douglas needed to scale its West Auckland warehouse to meet growing demand, with manual operations limiting capacity, speed and space. Partnering with Kardex, an AutoStore solution was implemented, delivering a 68% uplift in throughput, significantly faster picking and increased storage within the existing footprint.

Douglas' Journey with Kardex and AutoStore

Customer and task
Founded in 1967, Douglas is New Zealand's largest family-owned healthcare business. In addition to producing prescription drugs, the company develops, manufactures, and distributes a wide range of consumer health and wellness products. As demand for inventory storage grew to support retail, wholesale, and DTC orders, the facility – one of two warehouses on the site – was nearing capacity. This prompted the company to seek a solution to increase warehouse storage and future-proof its fulfilment operations.

Solution
The AutoStore automated storage solution is the world's fastest goods-to-person (GTP) system per square metre. It comprises bins stored in a high-density grid, with robots working 24/7 to carry and deliver products to ports where they are picked and packed to customers' orders.

Kardex worked closely with the Douglas team, using their data and projections to ensure the planned system met the company's current and future requirements. A high-density AutoStore Grid comprising over 6,300 storage bins, 13 robots and four Ports was installed at Douglas' headquarters in Henderson, West Auckland, providing additional inventory storage capable of handling forecast growth for the next five years and providing scope for future expansion.

68%
improvement
in throughput

Order picking up
4 × to 200
lines/hr

Total
storage capacity
up 30%

Scope of delivery

13 AutoStore robots

6,000-bin capacity AutoStore Grid

3 CarouselPorts and 1 ConveyorPort

The best option for Douglas – AutoStore

Douglas explored three alternatives to expand its storage and fulfilment capacity before selecting warehouse automation as a solution. These were:

- **Expanding its existing warehouse:** This was rejected as it would have required significant reconfiguration of its West Auckland campus at a high cost. In addition to presenting logistical challenges, expanding its manual operation would have scaled up inefficiencies rather than addressing them.
- **Purchasing a new storage facility:** This option came with substantial acquisition costs and complexities in setting up a new site. Storing products off-site raised coordination and efficiency concerns.
- Installing an AutoStore ASRS: **Faced with these challenges, Douglas recognised** the need for a scalable, efficient, high-density solution to meet growing demand for inventory storage. The company looked for a system capable of handling higher order volumes while maintaining accuracy and speed.

"We chose AutoStore primarily to help solve challenges that we face today, but also to be well positioned for the future."

Andrew Mackintosh, Douglas General Manager Supply Chain

Built to grow with AutoStore

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The new system has:

- ✓ Quadrupled picking throughput to 200 orders per hour
- ✓ Provided a 68% improvement in operational throughput from order receipt to dispatch
- ✓ Delivered 99.99% pick accuracy
- ✓ Improved order cycle time by 25%
- ✓ Freed up 30% more storage capacity

Jason Wu, Ryan Gibbs, Andrew Mackintosh and Grant Smith (left to right)

"AutoStore powered by Kardex is redefining warehouse operations globally, and it's exciting to now see it here in New Zealand. Douglas has embraced the technology and made it a natural part of their day-to-day operations. We're seeing more businesses explore what's possible, and we're looking forward to supporting them on that journey."

Grant Smith, Head of Business Development ANZ for Kardex

Many benefits delivered

Minimal disruption of warehouse operations during installation: The AutoStore system was installed following intensive planning and modelling to ensure a smooth transition. The primary adjustment was grinding the floor for the AutoStore Grid. Built alongside Douglas's existing warehousing operation to minimise disruption, the project was completed on time and on budget.

New ports and robots can easily be added in the future and the system is equipped with round-the-clock capabilities: Currently, the AutoStore Grid only takes up around 10% of the footprint of the building, freeing up 30% more storage, and is expected to meet demand for the next five years in its current form.

Quadrupling picking throughput: High throughput was another big draw for Douglas. The Kardex empowering AutoStore solution has increased picking rates from 50 order lines per hour to 200. Robots handle product movement and Douglas employees pick items at ergonomic stations to reduce physical strain and enhance safety.

The AutoStore solution delivers 99.9% accuracy: The system also improves traceability and enhances stock management operations, making sure the right products are delivered at the right time in line with critical factors such as batch sensitivity and best before dates.

Employee satisfaction is enhanced: ASRS systems eliminate repetitive, boring and strenuous manual warehouse work and improve safety. AutoStore robots handle product movement, while workers pick items at ergonomic ports.

AutoStore powered by Kardex systems enhance sustainability: AutoStore bins are recyclable and made to last, while 10 AutoStore robots use the same energy as a single conventional vacuum cleaner. AutoStore Grids adapt to any building layout, utilising dead space and enabling companies to use buildings more efficiently.

"AutoStore has proven to be extremely reliable with minimal downtime. We are achieving every operational target we had set, and the modelling Kardex provided during the design phase has been spot on."

Ryan Gibbs, Douglas Warehouse Operations Manager

Lessons from Douglas' Journey

- **Provider Reliability:** Kardex has a proven track record and a professional team that works closely with customers to provide their best solution and support them in their automation journey.
- **Minimal disruption:** Kardex carries out extensive planning and modelling, while AutoStore solutions can be installed and expanded alongside existing operations.
- **Fast, future-proofed automation:** AutoStore is the fastest GTP system per square metre in the world and is enhanced by Kardex's software and solutions. It provides higher throughput, accuracy and reliability immediately, as well as the flexibility to adapt to future growth.
- **Robotic ASRS for SMEs:** AutoStore empowered by Kardex provides the tailored, scalable solution SMEs need to realise their growth ambitions by working closely with businesses to better understand their operations.

"I am so proud of the work done by our team and Kardex's to meet and exceed our goals and install the first AutoStore system in New Zealand. This investment makes sure we are ready to expand our consumer goods operation by future-proofing storage and fulfilment, reducing waste, and improving work for our warehouse team."

Jeff Douglas, Managing Director of Douglas Pharmaceuticals

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6,000-bin capacity AutoStore Grid

3 CarouselPorts and 1 ConveyorPort

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