

We, at Boticário Group, with the implementation project of the new DC by FH, were able to provide a better logistics structure to support the growth of the world's largest perfumery franchising network.



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# DISTRIBUTION CENTER CONTROL SYSTEM FOR IMPROVED LOGISTICS EFFICIENCY

With the construction of a new DC, Boticário Group counted on FH's experience to enable uninterrupted service for all its franchise network.





**#SuccessCase** 



## **OVERVIEW**

# Industry Income Employees Location Aste

#### Manufacturing / Retail

- + R\$12,3 billion
- + 10.000 collaborators

# São José dos Pinhais - PR

grupoboticario.com.br

#### DISTRIBUTION CENTER CONTROL SYSTEM FOR IMPROVED LOGISTICS EFFICIENCY

With more than 3900 points of sale in Brazil and abroad, Boticário Group is the world's largest perfumery and cosmetics franchising network. For 11 years, it has partnered with FH for SAP consulting projects.

With over 600 products in its portfolio, Boticário Group offers comprehensive beauty solutions and delights consumers around the world. Supporting the projected growth in its planning required building a new Distribution Center with storage capacity of 25,200 pallets and shipping speed of 45,100 parts/hour. To enable operations in its new DC, Boticário Group counted on FH's knowledge to assist in designing/reviewing all logistics, accounting and tax processes required to achieve the proposed goals, guaranteeing uninterrupted service for all its franchise network.

#### CHALLENGES

# Minimize impacts on service, shipping and billing operational procedures;

# Ensure availability and reliability of inventory and cost information with required details to meet management and accounting consolidation criteria;

# Stratify cost composition of DC inventory items, allowing separation of production costs and aggregate costs with the factory purchasing operation (taxes and freight);
# Adapt warehouse system to optimize use of the new DC shipping line;

# Transfer quality control process to the DC.

# Using scanners (SAP Console) to automate the warehouse process and SAP PI for picking

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interface (Knapp); # Activating Ledger Material and AVR (Alternative Valuation Run) features to enable stratified information of costs in inventory

composition;

# Setup of transfer processes between companies for DC supply and between centers for transfer between DC and other regional distributors;

# Use of ASAP methodology for project control with 2 integrated test cycles.

### **OPERATIONAL BENEFITS**

# Implementation completed in a short time, even before the DC construction was finished;

# Increased control of the shipping process, allowing information by shipping or shipment group of the amount that is available for picking and what is still pending to be reserved for picking;

# Increased storage area for finished goods as well as shipping and customer service capabilities;

# High accuracy in management information and high level of detail in the breakdown of inventory costs;

# Very low operational impact (using the same routines that users were already adapted);

# Clearing physical space in the factory;

# Increased inventory turnover due to increased shipping capacity.