

New cross-docking center generates considerable savings for Forbo

An interview with Mr. Kees van de Lagemaat, logistics manager at Forbo Flooring in Assendelft (The Netherlands) by Marcel te Lindert

Until recently, each of Forbo Flooring's 12 factories shipped their completed orders directly to the relevant customers. As a result, clients would sometimes receive as many as six different trucks at once, all delivering Forbo products to their premises. That has now changed with the opening of a new distribution center in Assendelft, The Netherlands, which not only offers extra warehousing space but also serves as a cross-docking center. This generates considerable savings for the manufacturer of linoleum, vinyl and other floor coverings.



Kees van de Lagemaat

Forbo Flooring produces almost two thirds of the world's total volume of linoleum flooring. This wear-resistant material, made from natural products such as linseed oil, resin, wood flour, limestone, organic colorings and jute, is a popular floor covering in schools, hospitals and offices. "For many years, we only supplied the material on rolls. Nowadays we're increasingly selling it in tile and plank form too. Demand for that is on the up," says Kees van de Lagemaat, logistics manager at Forbo Flooring.

The growing demand for tiles and planks resulted in a shortage of storage capacity for pallets in Assendelft, which is where the main production facility is located. In recent years, Forbo solved the problem by renting external warehousing space, but that situation was far from ideal. Hence, expansion of the storage capacity was one of two reasons behind the decision to assess the feasibility of a new distribution center. The second reason was related to customer deliveries. As Van de Lagemaat explains: "We often supply directly to project sites, and they'll sometimes receive six delivery trucks from six different Forbo factories at once: one with linoleum for the hallway, one with doormats for the foyer, one with flooring for the boardroom, etc. We were keen to find out whether consolidating all the deliveries through a single distribution center could be beneficial."

Forbo contracted Groenewout to conduct a feasibility study. "We've worked with Groenewout successfully on several occasions. Within that consultancy, there are a number of people with the specialist knowledge needed to work through various scenarios. We also considered several other consultancies but Groenewout stood out from the rest, in a positive sense," comments Van de Lagemaat.

Gravitating towards Assendelft

The feasibility study set out to answer two main questions: 'How much money could a new distribution center potentially save?', and 'What would be the optimal location?' The answer to the first question was extremely encouraging, and the answer to the second question was Assendelft. "We have a very strong market position in Western Europe, particularly in the Benelux region, Germany and France.

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Page: 2/3
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Because 60 percent of our total production is manufactured in Assendelft, virtually every client always receives at least one delivery from that factory. Hence, the focus automatically gravitates towards Assendelft. Moreover, North America is becoming an increasingly important market for us, and Assendelft proved to be a good basis for the container flows to that continent,” says Van de Lagemaat.



As advised by Groenewout, Forbo has constructed a distribution center of 5,500 square meters and 11 meters in height on its own premises in Assendelft. The facility features pallet racking with space for 7,500 pallets. An order pick zone with shelving has been created on a mezzanine floor. An area of 20 by 50 meters has been kept clear for the daily cross-docking operation. Van de Lagemaat: “Groenewout supervised the tender process and advised us on the design of both the facility and our processes. How and where should we store the products? How many people were needed for the operation? We now have 15 people working in the distribution center, spread across four shifts.”

Up on the roof are solar panels which will generate at least 100,000 kilowatts per year. “Linoleum is a sustainable product that is made entirely of natural materials. So we want to run a sustainable operation too,” explains Van de Lagemaat.

Significant savings

Construction work on the distribution center started in January 2013, and Groenewout was tasked with quality control and project monitoring, among other things. The facility was operational less than six months later.

Page: 3/3

Our ref.: 9024D281/IS/It | September 2013



"According to the original plan, the distribution center was not due for completion until November. However, we challenged everyone involved to bring that date as far forward as possible – and they succeeded," says Van de Lagemaat, who has no reservations about explaining the reason why: "The economy is still unfavorable, so every cost saving is welcome. The sooner we could get the distribution center up and running, the sooner we could say farewell to that costly external warehousing." Forbo expects that the new distribution center, which was officially opened on 3 September, will enable the company to improve its service level and achieve significant savings. Because external storage space is no longer needed, the transport costs associated with travelling backwards and forwards between the factories and the warehouses have also been eliminated. Furthermore, delivery costs to customers are reduced thanks to the cross-docking operation. "And last but not least we have less impact on the environment, which is an important point for Forbo."

Forbo has absolutely no regrets about making this investment in such challenging economic times. "Helped by Groenewout's efforts, we have been able to meet an extremely tight deadline and keep the additional costs in check," comments Van de Lagemaat. He was particularly impressed by the sparring sessions with the project assistant from Groenewout: "He made action lists and constantly posed critical questions. As a result, our people learned a lot during this project too. Although the project assistant had no formal authority, his involvement led to the entire project team working together more efficiently."

By Marcel te Lindert

Marcel te Lindert is a journalist with over ten years of experience in logistics. He was editor-in-chief of the Dutch magazines Transport+Opslag and Logistiek. Today he works freelance for magazines like Supply Chain Magazine and Logistiek Totaal.

More information

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