

Domino's Pizza continues to grow with a new distribution and production center in Nieuwegein

Interview with André ten Wolde, CEO Europe of Domino's Pizza Enterprises, by Mark Dohmen.

In order to support its continued growth, Domino's moved into a brand-new distribution and production center in Nieuwegein, The Netherlands, in 2020. As before, the world's biggest quick service restaurant chain enlisted the help and expertise of logistics consultancy firm Groenewout for the design and realization of the new facility. "We were confident that they were the best to help us and, once again, we weren't mistaken," says André ten Wolde, CEO Europe at Domino's Pizza Enterprises.

CLAUDIUS PRINSENLAAN 132A 4818 CP BREDA THE NETHERLANDS

t +31 (0)76 - 533 04 40 mail@groenewout.com www.groenewout.com



André ten Wolde, CEO Europe of Domino's Pizza Enterprises: "Groenewout has exceeded our expectations once again."

"Our existing distribution and production center in Gorinchem had simply become too small," explains André ten Wolde. However, it was not possible to expand the 2,500m<sup>2</sup> building, so as it grew the company rented space at a number of external facilities. "We managed to keep the operation running thanks to a heavy dose of creativity and inventiveness. But in hindsight we should have moved out two or three years earlier," says the CEO.

In the summer of 2020, Domino's finally moved into its new premises. At approximately 12,000m<sup>2</sup>, the newly constructed facility in Nieuwegein is almost five times the size of the previous building.

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The state-of-the-art production and distribution center, which is also the new European head office, is a clear illustration of the pizza chain's ambitions and will facilitate its future growth.



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# Fastest growing quick service restaurant chain

Founded in 1960, Domino's enjoyed immediate success and has since become the world's biggest and fastest growing quick service restaurant chain by far. It currently has around 17,000 stores worldwide and that number increases by about 10% every year. There are approximately 2,700 Domino's stores in Europe, more than 400 of which are in the Netherlands, Belgium and Luxembourg. "And that's not even a quarter of our potential," states Ten Wolde.

According to him, the chain's success is largely due to the company's 'fresh food fast' approach: fresh dough and fresh ingredients in combination with fast delivery. In addition, Domino's focuses on optimal control, both inside and outside the stores. "We want to keep the entire chain transparent and manageable. That was getting increasingly difficult in our old building. The new facility will enable us to continue to grow and to supply all our stores in line with our high standards," he adds.

# Full and undivided attention

At the end of 2018, Domino's enlisted Groenewout's help to develop and design the new distribution and production center. "We are pizza experts. We don't know much about the construction and layout of a logistics facility. After all, it's not part of our daily work.



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But we were well aware that a project like this requires full and undivided attention in order to get the most out of it. 'Stick to what you know', in other words!" says Ten Wolde.

Ten years ago, Groenewout supported Domino's with the realization of its logistics center in Gorinchem. Ten Wolde: "That was a very positive experience, so we approached them again this time around. We contacted other potential partners too, of course, but we were once again in no doubt that Groenewout would be the best choice for us. The production of dough is quite specialized and complex; it is a living product that has to be made in a controlled environment. That calls for the right expertise. At Groenewout they have all the knowledge and experience we were looking for. They understand the market and our company, plus they are a joy to work with. So it wasn't a difficult choice."



Due to the specialized and complex production process at Domino's, the new-build project required the right expertise and experience.

# Minimizing the burden

One of the things Groenewout did was a logistics study into the optimal layout of the new distribution and production center. The consultants also performed a feasibility study and supervised the tender process. In addition, Groenewout took care of the project management between Domino's on the one hand and the various companies involved in the construction process on the other.



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"And there were a lot of them," says Ten Wolde. "From crate suppliers and the conveyor installation company to suppliers of the refrigeration system, the crate washing system and the dough production machines. Every link in the chain counts, and good coordination and collaboration are essential. Groenewout supervised the entire process perfectly. They minimized the burden on us."

The Domino's project team met up once every two weeks in order to discuss any changes in the customer's wants and needs and to make the necessary decisions quickly. "This meant that we could continue to focus on our core business and keep all our stores running smoothly, even during the construction period and the subsequent move," adds Ten Wolde.



Domino's has made a conscious decision to manage the entire supply chain itself. Both the home-delivery activities and the store replenishment activities are performed by company employees.



At around 12,000m<sup>2</sup> in total, the new facility offers significantly more storage space.

### **Optimization improvements**

The new facility in Nieuwegein produces fresh dough daily for the 400-plus Domino's stores in the Netherlands, Belgium and Luxembourg, and replenishes them with fresh ingredients and other supplies too. "We've made a conscious strategic decision to manage the entire supply chain ourselves, partly because dough is a pretty critical product," says Ten Wolde. "We can only live up to the high standards we set ourselves by controlling and managing the whole chain. That includes running our own fleet for store replenishment and employing our own people for home deliveries."

Compared with the existing building, the new production and distribution center has more loading docks, offers significantly more storage space and, above all, is designed for growth. Single production lines have been installed initially, for instance, but the design accounts for a doubling of the capacity. The move to Nieuwegein has also facilitated optimization improvements and further increases in the process efficiency. In close consultation and partnership with Groenewout, several process steps have been automated or robotized. "For example, we're now using robots to transfer the dough balls into crates. The robots carry out their tasks faultlessly, with maximum efficiency and no interruptions. They are very dependable and hard-working," says Ten Wolde.



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# Sustainable and responsible

In addition, the project has paid extra attention to sustainability and corporate social responsibility (CSR), both in the construction of the new building and in the logistics set-up. Solar panels will be installed on the roof of the distribution center before the end of this year, and the company expects to achieve substantial water and energy savings in its production processes. "The heat generated by our refrigeration system is now reused to heat the offices and for our crate washing system, for example, and the washing process itself consumes significantly less water. So we've really got the most out of it in that respect too," he continues.

Thanks in part to the resolute approach to the project, the new building was delivered on schedule and within budget – despite the short preparation time, tight deadline and the coronavirus pandemic. "The Groenewout team were very flexible and once again exceeded our expectations," concludes Ten Wolde.



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# About the author

Mark Dohmen has been working as a journalist in the logistics industry for 25 years. After graduating with a degree in logistics management, he worked as an editor for the trade publications Transport+Opslag, Logistiek and Logistiek.nl and was editor in chief at Logistiek Totaal and Warehouse Totaal. Nowadays he works as a freelance writer and produces articles and videos for logisticsinside.nl and logisticsinside.eu.

# More information

If you would like more information about this project, please contact Stijn Belt (<u>belt@groenewout.com</u> / tel. +31 (0)76 533 04 40). For more information about Domino's: <u>www.dominos.nl</u>