



## Argos

### An agile and flexible supply chain for Argos

#### The Client

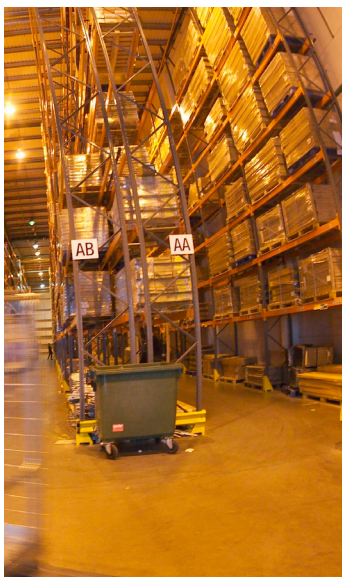
Argos is recognised for choice, value and convenience. Its products are sold via a network of 746 stores, as well as online and over the telephone. 103 of these stores are serviced from Mossend. In the last financial year, Argos sales topped £4.6 billion, with an operating profit of £266 million. Argos are also winners of the Supply Chain Excellence 2010 Voice Putaway at Stores Award and Retail Week's 2008 Supply Chain Transformation Award.

#### The Challenge

- ◆ In early 2005, following a period of sustained growth; Argos began talks with TDG regarding their requirements for a new, dedicated distribution centre.
- ◆ TDG was already running an established and successful regional distribution facility in Scotland.
- ◆ Mossend provided an idea location but, due to other customers also utilizing the site, there was insufficient capacity to cope with an operation the size of Argos. However both Argos and TDG were keen to explore the options available.
- ◆ First taking time to understand Argos' operational requirements, the TDG team set about planning a possible solution to pitch. This initially involved some discussion with the existing TDG Mossend warehouse customers regarding the transfer of their operations to a nearby sister site.
- ◆ Proposals regarding staffing levels were also included. These plans were presented to Argos as a possible solution for Scotland
- ◆ TDG secured a 5-year contract with Argos in June 2005.

#### The Solution/Benefits

- ◆ Today, TDG Mossend is a busy distribution centre responsible for meeting the daily requirements of nearly 100 Argos stores across Scotland, Northern Ireland and some areas in the north of England.
- ◆ Following its revamp, TDG Mossend now provides Argos with 330,000 square feet of dedicated warehouse capacity; including 29,000 pallet locations, 7,000 pick slots and state of the art voice pick technology
- ◆ The permanent complement of 256 staff at Mossend includes a 30 strong senior and first line management team, over 100 warehouse staff, 80 drivers, 40 office based support staff and 3 dedicated trainers.
- ◆ Protecting their stock assets is also very important for Argos, the TDG solution was a dedicated security team on site 24 hours a day, 365 days a year.
- ◆ TDG's recommended security provider is now used by Argos on a national basis.
- ◆ The EPOS system in individual stores feeds into the Argos central server in Milton Keynes. This system automatically updates the regional distribution centres throughout the day, prioritising stock requests into A, B and C bands according to urgency and triggering preset replenishment level reorders.
- ◆ TDG Mossend delivers 5 – 7 times a week to each store, depending on demand levels.
- ◆ In 2006 Argos and TDG set up a 4PL contract managing the transportation of returned goods to warehouses and resellers in: Estonia, Latvia, Holland, Germany and France.



*"Our customers quite rightly have high expectations of us, and as a consequence Argos also expects extremely high performance standards from its partners. TDG have worked hard to build a motivated and highly responsive distribution centre which now delivers excellent support across the Northern region."*

*Catherine McDermott, Distribution Director, Argos*