

*Case Study*

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# Home Centre.

World class facility for world class retailer.





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The story of Home Centre as a major force in the home furniture and furnishing retail sector is an interesting one. However, it is part of a much bigger and more impressive story - that of its parent company, The Landmark Group.

Founded in by its CEO Mr Micky Jagtiani in 1974, The Landmark Group opened its first 5000sq.ft retail store in Bahrain.

The Landmark Group brought to the industry a business ethic where quality is never compromised by price and that customer service is behind everything they do.

More than 30 years on and the core philosophy of the “customer comes first” burns as brightly today as it did in the early days.

The Landmark Group is now a major retailing force operating across the Middle East, India and Spain - with over 500 stores and a retail presence of over 6 million sq.ft.

Within this dynamic and diverse group is the home furniture and furnishings business, Home Centre.

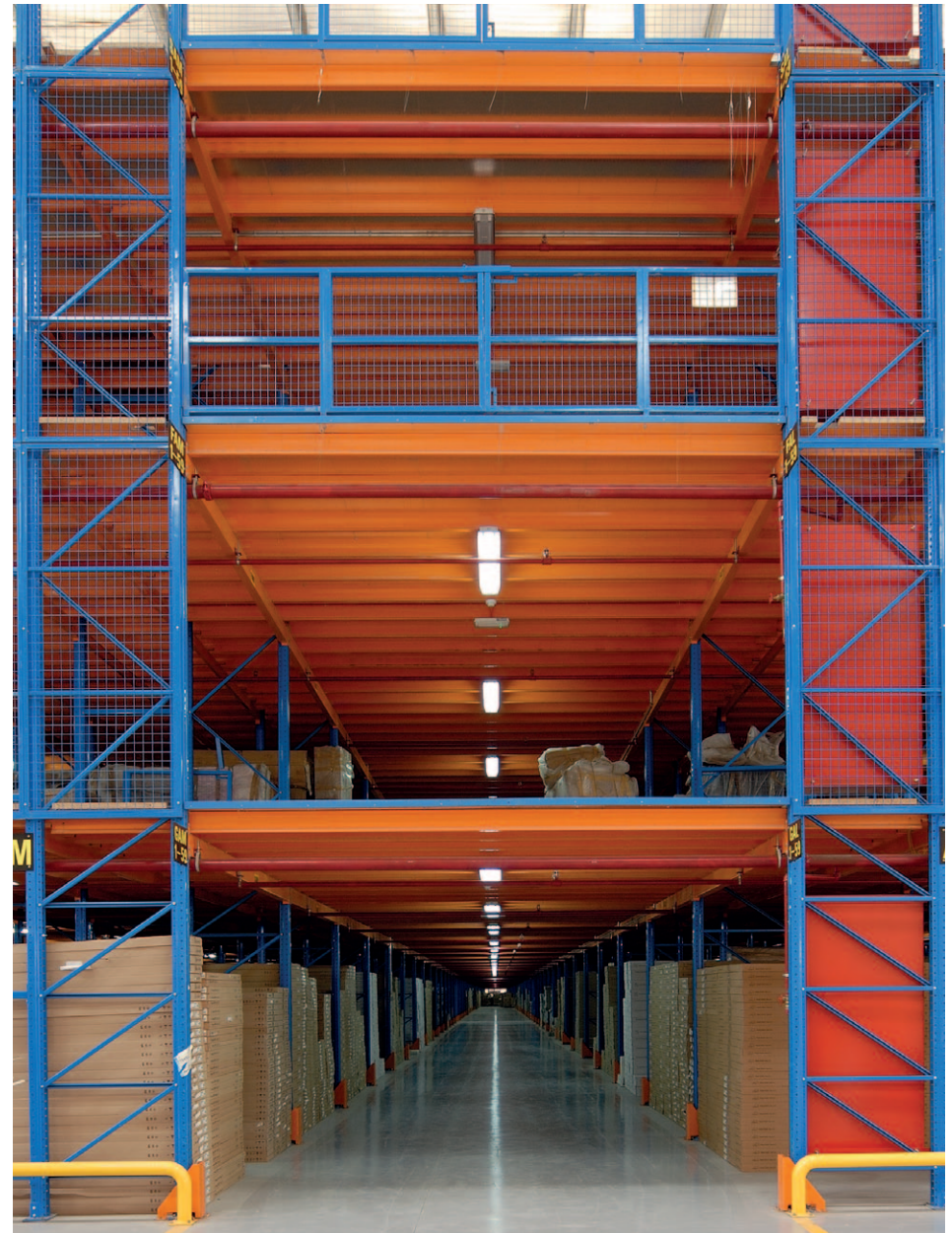
Home Centre declares there is “no place like home”, which could just as easily read as “there is no place like Home Centre”. It strives to transform any living space into a dream home, by offering the finest range of furniture, furnishings, home accessories, kitchen ware, garden furniture and gift ideas.

Home Centre's MD, Jonathan Jagtiani, was set the challenge to find better methods of managing the logistics involved in handling over 20,000 product lines.

He nominated as the project leader Mr Balaji Sambasivam, General Manager, Home Centre, UAE, to drive such an ambitious and challenging project.

History will show this was an inspired choice. With the complete backing of his MD and the then COO, Mr David Singh, Mr Balaji and his team set about researching the most effective and efficient method of handling the Home Centre product range.

Of primary importance was the desire to increase pick efficiencies, improve stock control, and excel in delivering customer



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satisfaction. According to Mr. Balaji, time was taken to examine the most suitable storage solutions.

“After extensive studies into the various storage and distribution methodologies we concluded that a multi tier racking system would be an ideal solution for the unique kind of operating requirements presented by the Home Centre business model,” he said. “This type of system would provide avenues to enhance efficiencies in processes and ultimately provide better value and quality of service to our customers.”

Mr Balaji also confirms that, “60% of the efficiency of warehousing operations is in the formulation of the design architecture of the warehouse storage solution.”

Aware that a potentially small error at the design stage can lead to a huge amount of operating losses, time was spent on refining the design on the drawing board before deciding on the final blue print.

The operating pickers and sorters (as they

as users of the system are the best evaluators) were an inherent part of this design process which was enhanced by the experience, knowledge and innovative direction provided by the Management Team of Home Centre.

Once the concept was agreed, it was then presented to Jonathan, who after careful consideration gave the project his complete support, providing the team with the vision and guiding light that would last for the duration of the project. With this vision crystallised the design phase could commence.

The system design phase took more than 4 months to complete with intricate assessment of detail relating to floor loading capabilities to withstand the expected loads, yield strength of the steel and ensuring the steel being used is compliant with industry standard.

Other areas thoroughly examined included the modulus of elasticity of bend in the floor, the internal bond levels in the strebord flooring, confirmation that the



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design and the materials used are seismic compliant one (in relation to the zone of operation).

This micro detail screening of all elements of the project was conducted with an objective of ensuring that the system would be safe for its intended use.

Once satisfied that all issues had been covered, the project then entered the next phase, partner selection.

The tendering process for this project was highly competitive with most of the market leading storage solutions companies involved and, eventually, Famco (Dexions' distributor in UAE) was awarded the project.

The Home Centre team evaluated the submissions provided by all tendering companies with particular attention given to the technical, safety, commercial, and installation elements in each proposal.

As expected, the standard of submissions was extremely high with all participants displaying great expertise and a vast depth experience in this field of business.

The evaluation process provided invaluable dimensions of thinking and value in terms of defining the project deliverables.

On receipt of the order Managing Director of Dexion Asia, Mr. Frank Johnstone, was quoted as saying - “We as a Famco/Dexion team thank you for your confidence in choosing us to execute this prestigious project.”

Mr Paul M Floyd, Managing Director of Famco was also quoted as saying - “On behalf of Al Futtaim Group we are delighted to reach an agreement with Home Centre. We appreciate the confidence you are showing us and assure you that we are fully committed to providing you with an installation of the highest quality.”

These statements reflected the prestigious nature of the project and the commitment of top management at both Dexion and Famco to ensure the project was executed to the highest quality and within the agreed time frames.

This commitment was consistent not just in words but in action throughout the

duration of the entire project as Mr. Balaji confirmed.

“We were confident that Famco/ Dexion could support us in terms of ensuring the Multi Tier racking system achieved the objectives of enhancing efficiencies in our operations levels as it was first perceived,” he said.

Project execution was the biggest challenge with all the elements of management rudiments put to the test, almost every single day of the project, throughout the 30 weeks of the projects' installation phase.

The project was completed ahead of the agreed time frame in the last week of September 2006. Time will determine the merits of the design and operating methodology but there is no doubt that Home Centre Imbibe has benchmarked this facility as one of the best for industry practices anywhere in the region.

The facility is also designed to manage the future growth expectations of the Landmark Group which recently publishing its

corporate profile providing an insight into its intended growth path of:

- Over 850 stores across 15 countries by 2009
- Total retail area in excess of 12.5 million sq.ft by 2009
- Expansion into new territories including China, and other Middle East countries
- Franchise of core concepts into South East Asia and Pakistan
- Launch of hypermarkets in the Indian sub continent in 2007
- Launch of Budget hotel concept in the Middle East and India
- Launch of new Oasis centre in Dubai by 2008 covering over 500,000 sq.ft
- With this projected growth it's comforting to know that the investment in both material and human capital at the Jebel Ali facility will ensure Home Centre is able to cope with the demands of the future.

“This project has been a journey which has filled me with great pride and professional fulfilment.”

The following comments are symbolic of the reaction received from visitors to the World Class Facility:

Majestic, innovative, massive, big, fabulous, amazing, tremendous, excellent, distinct, different are the most commonly used superlatives by first time visitors to the warehouse facility, which is part of the massive warehouse and office complex of Landmark Retail Ltd at Jebel Ali industrial area in Dubai.

“This project has been a journey which has filled me with great pride and professional fulfilment. Being a member of the project team and seeing this project, with it’s unique design, develop from blue print to reality has been a unique experience,” said Mr. Balaji. “This is indeed another golden feather in the success cap of Home Centre, The Landmark Group, FAMCO and Dexion.”

