

Case Study

Super Cheap Auto.

Right product, right place right time...





“Due to the rapid increase in volumes and the complexities of orders, Dexion introduced more sophisticated solutions and moved from paper based to RF picking as well as automating the movement of orders via conveyor systems to pick modules.”

With sales already in excess of half a billion dollars this year, the Super Cheap Auto Group, incorporating Super Cheap Auto BCF (Boating, Camping and Fishing), is growing rapidly.

Without an industry-leading supply chain management system, the Super Cheap Auto Group would be unable to service this growth, and deliver customers the level of service they demand.

The Super Cheap Auto Group philosophy is simple - right product, right place, right time or else! The product must be there when you need it to be there, at the right price or customers will take their business elsewhere.

Super Cheap Auto Group and Dexion: A long-term relationship.

Dexion has been managing the storage and materials handling requirements of Super Cheap Auto for many years. Keith Clarris and his team at the local Brisbane Dexion Supply Centre have been associated with Super Cheap since the late 80's.

Back then Super Cheap Auto operated a small 600-700m² warehouse that serviced four or five stores.

In the mid 90's Super Cheap moved to a significantly larger site in Newmarket which was again fitted out with Dexion pallet racking and shelving. Whilst there the business started to grow rapidly and to cope the storage equipment was completely reconfigured to add more storage capacity.

By the end of the 90's it was obvious that the Newmarket facility would not cope with the projected growth and plans to move to the current site in Lawnton began to take shape.

Super Cheap began operating the new warehouse, two low level buildings, in 2001. Due to the rapid increase in volumes and the complexities of orders, Dexion introduced more sophisticated solutions and moved from paper based to RF picking as well as automating the movement of orders via conveyor systems to pick modules.



“A typical 6 day week will see a million units into the facility and out again, we’ve pretty much doubled the volume through this place with the same resource levels.”

Super Cheap then concluded the low level buildings would not suffice and these were consolidated into one large warehouse. Dexion again managed the move, installing an advanced order fulfilment system as well as dismantling the existing rack systems and reconfiguring them in the new facility.

According to Steve Tewkesbury, General Manager – Overseas Sourcing, the philosophy behind the upgrade is based on enhancing systems with inherent flexibility that support a supply chain designed to carry the business forward and into the future.

“The Super Cheap Auto Group is working on an aggressive growth vision that will see the company reach a billion dollars in sales by 2010,” said Tewkesbury. “For this to happen we need to continually assess our warehousing and distribution techniques to ensure we can distribute product to our retail outlets efficiently and cost effectively.”

Today, the Group uses a combination of the latest technology, processes and applications, together with a unique

company culture that emphasises true “partnerships” with its suppliers, to ensure its rapid growth is sustainable and manageable.

Super Cheap Auto operates over 230 retail outlets throughout Australia and New Zealand. In 2003, the Super Cheap Auto Group identified camping and outdoor leisure products as a retail category which provided an opportunity to develop a new and innovative retail format. In only its 2nd year of operation, there are now 32 BCF retail stores in Australia. The Super Cheap Auto Group’s supply chain ensures that 97% of available stock is in all stores at all times and 98% of the “top 200” lines are in stock.

In the last 15 months the storage capacity has increased from 4,500 to 9,500 pallet positions as a result of Dexion redesigning the rack configuration in the distribution Centre and the introduction of Deepstor drive-in racking in an adjoining warehouse. The adjoining warehouse enables product to be delivered into one pick face, reducing the number of handling phases.



A number of key changes have been made to the operation which included the extension of the mezzanine above the existing sortation lanes, utilising the wasted air space and increasing the mezzanine floor area by 65%.

According to Brendan Walsh, Queensland Distribution Manager, a number of changes at an operational level have led to dramatic increases in productivity and storage capacity. “We altered the carton live storage system and extended the depth by 20% and increased the capacity by 50%,” said Walsh, “and by extending the depth of the CLS we reduced the travelling distance of the pickers by 50%. We also installed high density rollers which cope

better with the increased volumes,” he said.

“This is a high density warehouse,” said Walsh, “and a typical 6 day week will see a million units into the facility and out again, we’ve pretty much doubled the volume through this place with the same resource levels.”

“Dexion has been able to share in Super Cheap Auto Group’s success,” said Walsh. “They have worked very closely with us, progressively advising regarding our storage and order fulfilment requirements. The relationship has proven valuable in terms of aligning with a world class organization that delivers what it says it will,” he said.