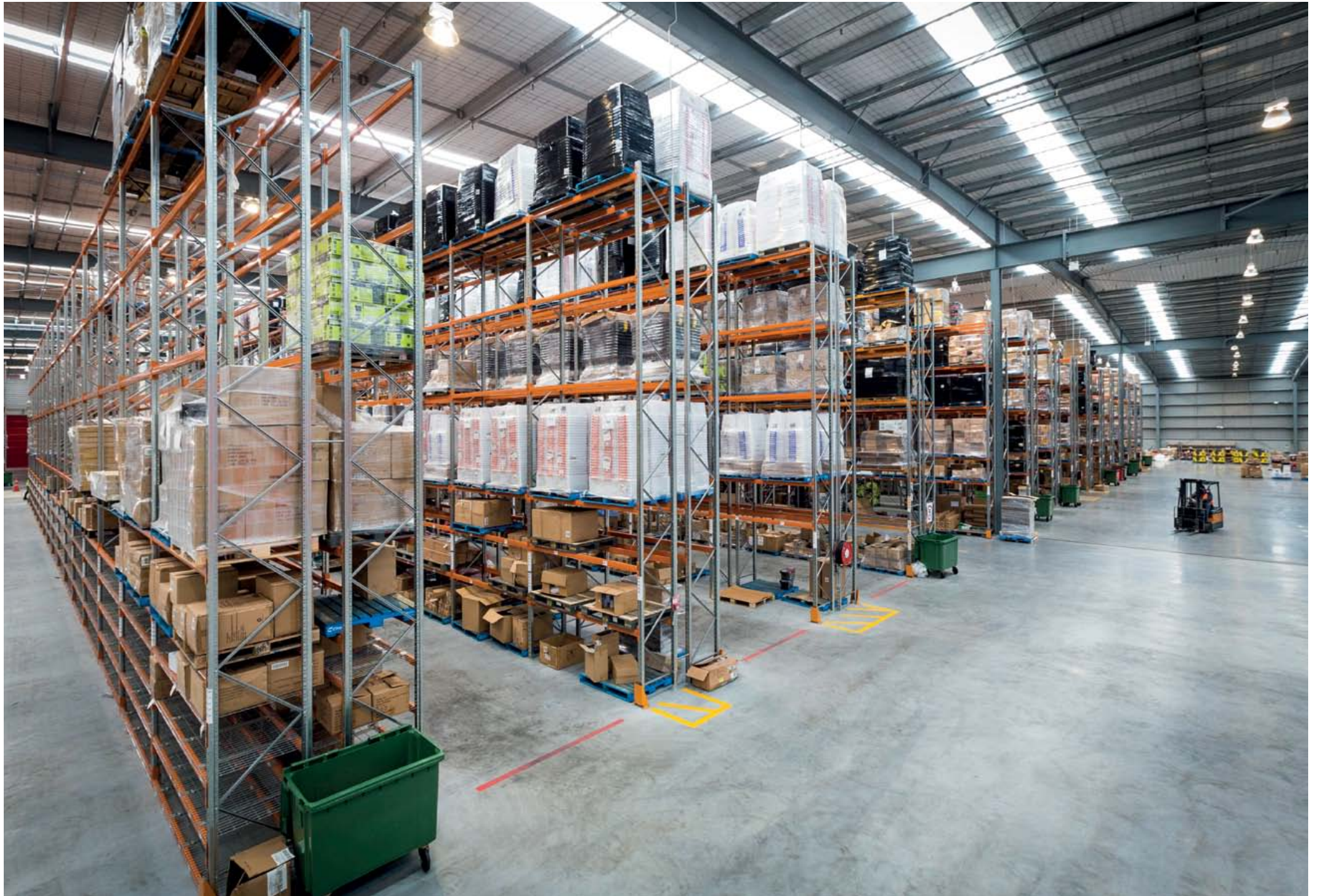


Case Study

The Super Retail Group.

Looking toward a Super Retail future.





“Super Retail had been working with Dexion from their New Zealand beginnings, and the company was a natural choice as partner in the new project.”

The Super Retail Group in New Zealand is experiencing strong growth. Their flagship brand, Super Cheap Auto, has grown from nothing to 43 stores in just nine years. Last year, the group launched a second brand, Fishing Camping Outdoors (FCO), with 13 stores open at the time of writing.

By the end of 2011, it was clear to Super Retail, and its national distribution manager Paul Reed, that it had outgrown its relatively ad-hoc distribution capabilities and a more permanent, forward-looking structure was required.

“When the business originally opened in NZ, we had 2500 square metres in Wiri, not far from Auckland Airport,” Paul explains.

“We quickly outgrew that, took 5500 sqm at Airport Oaks, added another 2000 sqm, built a raised platform to add another 1000 sqm and then had to lease another 4000 sqm on a remote site.”

“It was exciting because the business was successful, but we were also not working as efficiently as we could. Having a

second site meant we were duplicating processes and adding transport costs. And when we launched FCO, well, that was the trigger point for something new.”

The Super Retail Group has its origins in Australia, where Super Cheap Auto and two outdoor brands similar to FCO, BCF and Rays Outdoors, had been using the same supply chains for five years. But Auckland represented the business’ first opportunity to create a DC for both businesses from a Greenfield site, and thus became something of a test case. For Paul, it was clear that all eyes in the organisation were on him.

Flexible thinking

Super Retail had been working with Dexion from their New Zealand beginnings, and the company was a natural choice as partner in the new project.

“Craig Landon, (General Manager Dexion NZ) and his team understood the story of our brand in New Zealand, and where we were heading. They’d worked with us on



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the Wiri and Airport Oaks sites, and we wanted to move a lot of that existing Dexion racking to the new location.”

“I really value collaboration with the people and companies we work with,” says Reed. “We had to move without any interruption to store supply. And as the rollout of FCO was still being finalised during the planning process, Dexion had to be flexible in their thinking as the details came to light.”

How much flexibility was going to be required was about to become clear.

The defining feature of Super Retail’s new centre, in the Auckland suburb of Otahuhu, was the storage of dangerous goods. As an auto supplies and outdoor retailer, there were aerosol cans, motor oils, thinners, car paint, camping gas and more. All of which required special bunkered storage, varying in accordance with the class of dangerous good and New Zealand regulation.

This was no problem at all to Craig Landon’s team, who brought the experience of

many similar projects to bear. They worked in close collaboration with the project dangerous goods specialist and the Super Retail Group team to supply a conforming solution.

“During the process, changes in regulations required some of the existing system to be upgraded to the latest fire code and with close consultation with the project fire consultants, a variety of solutions and applications were developed to enable the system to be compliant.”

The latest Seismic design requirements were factored into the final design specification.

“During the execution phase of the project, our project and construction managers had regular ‘toolbox review meetings’ with Paul and his team,” notes Craig. “We’d sit with the team and go over the project plan and explore specific issues to make sure the transition to Otahuhu would be seamless and safe.”

“And because the manner of our communication was already open and



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frank, we were able to work through complex issues that were at times challenging, with minimal disruption to either budgets or timing.”

Seamless & safe

“Craig’s team were exceptional throughout the process,” says Super Retail’s Paul Reed. ‘Together with the firming of FCO’s rollout, we had to redraw the racking plans 8 or 9 times. And I think that by the end of

the process, the Dexion guys knew the implications of the various changes in codes better than anyone else in New Zealand. Because they studied it, tested it and tested it again.”

Super Retail’s Otahuhu plant opened in June this year. Though the whole project took six months from signoff to opening, construction was completed in just 6 weeks. Existing racking and a mezzanine

floor were moved over from Airport Oaks and amalgamated with new assets. The number of pallet positions more than doubled from 4000 to 10,000.

Today, there are 827 ‘regular’ bays and 169 specially constructed dangerous goods bays, complete with code-compliant sprinkler and smoke capture systems. There are also 466 sqm of carton live storage over 16 bays.

Linking the ground and mezzanine levels is 94m of powered conveyor system with zone routing and a spiral interface that takes up less than 3 sqm of floor space (“That’s about a tenth of what you might expect it to take up,” says Reed).

Safety is the number one priority too, with generous lanes throughout the plant for safe traffic flow, and an innovative swing gating system that doubles as a safety barrier.



Dexion Case Study – The Super Retail Group

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Growth protected

Dexion’s Craig Landon: “The project was successful because we effectively captured and understood Super Retail’s needs and wants and incorporated these as critical success factors into the project plan. We were able to recognise and anticipate issues through our project risk assessment review process and devise alternate strategies before these issues could effect the project timing and budget.”

Reed remains understandably coy on Super Retail’s expansion plans for the future, but notes the Otahuhu plant is ‘growth protected’. He estimates that around a quarter of a million items pass through ‘on a quiet day’ to service the group’s 56 outlets, with ‘plenty in reserve’ should the need to scale up arise. He’s also pleased to say that the Super Retail group is looking to roll out designs based on the NZ project, covering everything from cannisters to kayaks, in Australia. Paul has shared his learning’s with his colleagues ‘across the ditch’.

