

SAPSA Impuls 2021

H&M Group

Achieving the Next Level of Customer Experience through
Innovations in EWM Solutions and Deployments



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Background

- Growth will require increased warehouses capacity over the next years
- Warehouses were not omni channel
- Limited inventory visibility across channels
- Rollouts were time consuming
- Used 3PL setup that was seen as high risk due to high need for agile business development

Time To Market

OMNI



Goals

- Create a future proof state of the art warehouse
- Test new, OMNI ready automation solution using robotics & AI with EWM
- Stand up H&M operated flexible and full omni warehouse in a few months
- Validate, in real operations, the value adding hypothesis of automation solution

High degree of
automation

AI & Robotics



EWM & Automation Solution – Process Overview



EWM as "Greybox"

Automation Solution as WES



EWM as "Greybox"

GREYBOX?

- Keep HM complexity in SAP EWM
- Be able to utilize development/investments already achieved in SAP EWM
- Make integration to Automation Supplier (WES) easy and straight forward
- Secure that business process/areas where we foresee complexity / high amount of business development is managed in SAP EWM.





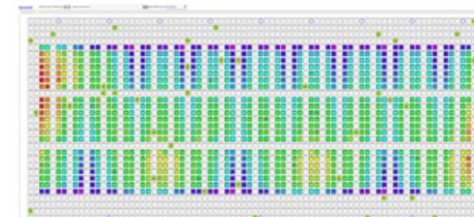
Automation Solution

- Mobile Storage Units (MSU) for holding the stock
- Robots moving the MSUs to the induction stations for all inbound processes and to the pick and pack stations for outbound
- Sorting of online customer parcels with Flexo sorter
- Stock reorganization, at operation idle hours, based on usage of products to optimize efficiency
- Auditing of MSUs during operations
- AI engine planning and optimizing continuously.



Some of the benefits

- One inventory view across channels
- “Waveless” optimize based on batch or ad hoc when needed to optimize output
- Flexible management of both channels (priority/pick volume) to optimize customer experience
- Quality of inventory levels
- Rack rearrangements during off hours



EWM & Automation Solution – Process Overview



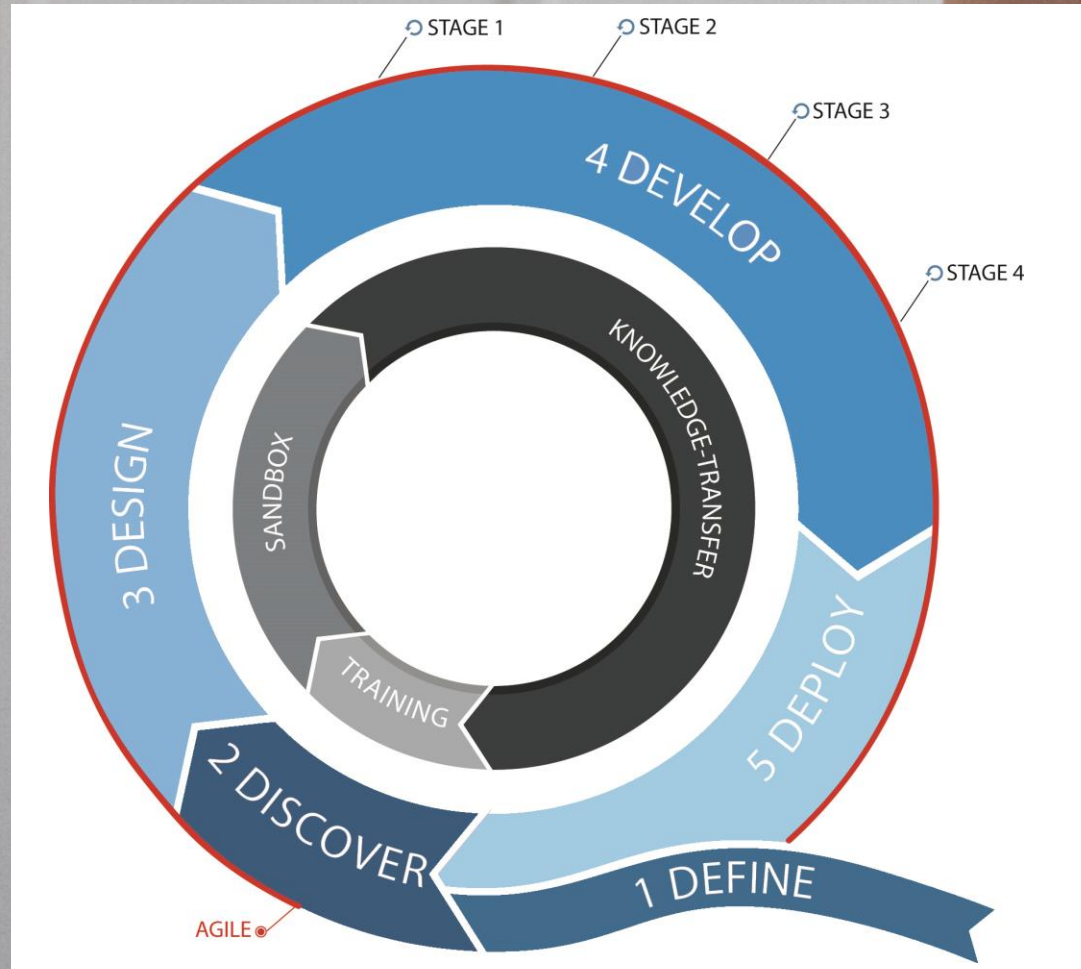
EWM as "Greybox"

Automation Solution as WES



EWM as "Greybox"

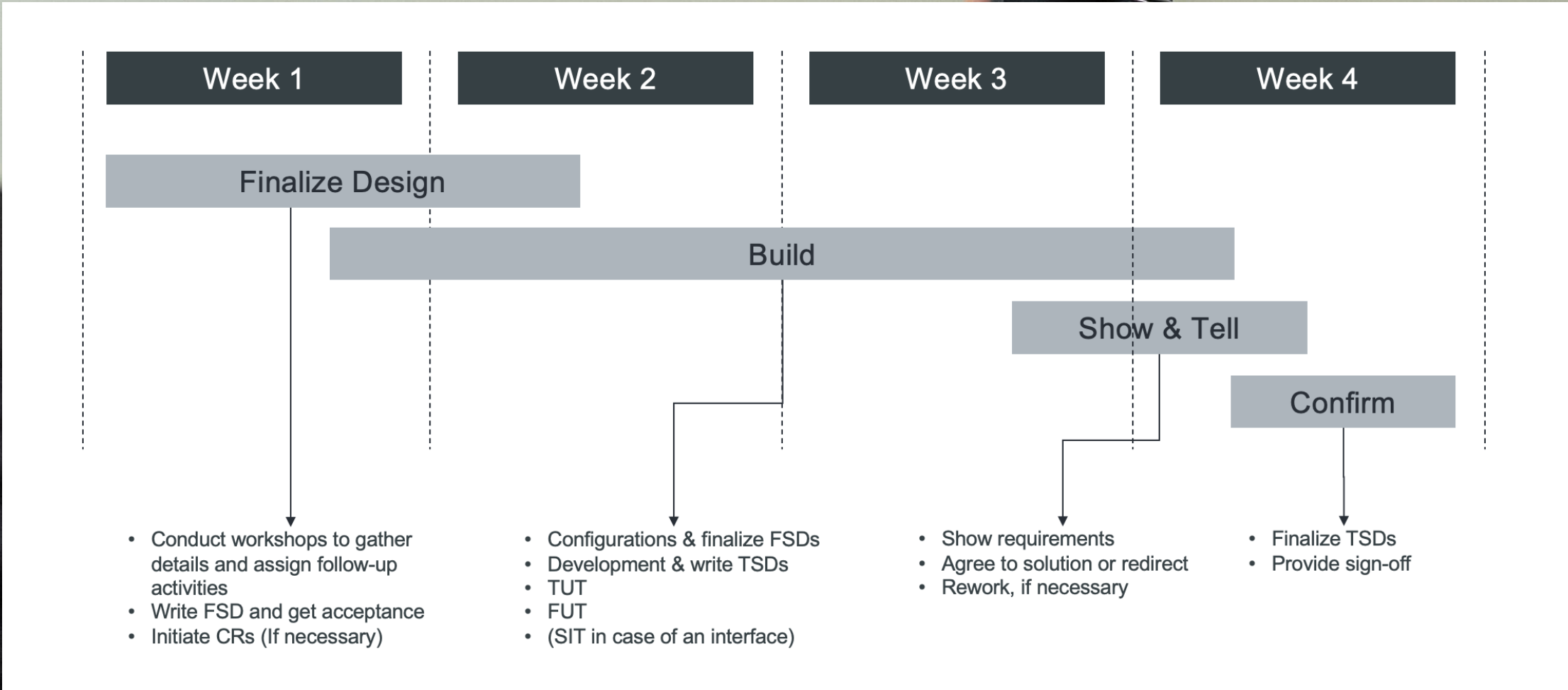
Westernacher's Implementation Methodology



Key Points

- Fast start-up with short time until development starts
- Focus on understanding scope and overall design
- Development in sprints (4-6); regular updates for the business
- Involvement in testing from day 1 of development
- Integration testing starts before end of development
- Ongoing collaboration, inclusion, and knowledge transfer

Typical Sprint



Results of Pilot & Outlook

Results

- All go-lives were executed as planned; no delays and with the planned scope
- Overall IT project was under budget even with Covid stoppage and additional scope
- Quality was above expectations / usual go-lives

Outlook

- After our pilot, we are now scaling up the approach with another implementation
- Next step is to productize the approach and solution
- Test the concept of exploiting the strengths of both, EWM and alternative WES solutions
- Test combining multiple automation approaches within the same warehouse (MFS, GTP, ...)

Thank you!

