



CASE STUDY

RUSTA AB
SWEDEN

A MODERN CENTRAL DISTRIBUTION CENTER FACILITATE GROWTH FOR MAJOR RETAILER

The first Rusta department store was opened in 1986 in Gävle, Sweden by entrepreneurs, Anders Forsgren and Bengt-Olov Forssell; two culture-bearers that complement each other and who's families are still the principal owners of the business. By 1996, Rusta had established 15 stores and opened purchasing offices in Asia. The rapid expansion continued throughout the 1990s, and in 2000, there were 25 Rusta stores operating in Sweden. Since then, expansion has continued at a high pace and 2020 there are 167 stores throughout Sweden, Norway, Germany and Finland.

RAPID AND UNPREDICTABLE GROWTH

Since its inception in 1986, Rusta has doubled its turnover every five years. The group continues to expand rapidly, while the retail trade is otherwise experiencing a stagnation. To cope with the rapid expansion in Sweden, Norway, Finland and Germany, in 2013 Rusta decided to build a new, modern, central warehouse center north of Norrköping, Sweden. Swisslog has been responsible for the design of automation and integration of two high-bay warehouses in close collaboration with Rusta's own specialists.

"The new central warehouse made it possible to close down eleven smaller facilities including two main warehouses and this gave us great flexibility and growth potential," says Magnus Hallin, Logistics Manager at Rusta and one of two responsible project managers for the new facility.

Rusta has a plan for how they are going to meet their continued fast growth with an increased storage capacity. But when the new warehouse was finalized it was clear that the existing warehouse of 120,000 square meters had to be further expanded earlier than originally planned. A decision was made to build an additional 8,000 square meters of warehouse space with, among other things, eight additional Vectura high-bay cranes, an accompanying ProMove conveyor system and 57,000 additional pallet locations as well as additional storage areas for freestanding goods.

The high-bay facility now consists of 121,000 pallet locations, 17 Vectura stacker cranes and an expanded conveyor system, both for goods reception and unloading, which gives Rusta a better ability to handle larger flows with good redundancy. Also included in the second phase is an upgrade of the WarehouseManager6 software and an extension of service and support agreements.

"The overall objective with the new modern distribution center was to enhance Rusta's competitiveness through increased capacity to supply all department stores in all our markets and to get a firm control of our supply chain. Strategically, we wanted to improve our efficiency in the warehouse, picking processes and distribution. Together with Swisslog we have created an efficient supply chain designed for the future,"

Magnus Hallin
Logistics Manager, Rusta



Together with Swisslog we
 « have created an efficient supply chain designed for the future »

Vectura Stacker Cranes with double-deep handling

“We have a very good cooperation with Swisslog and their competent project management, ever since we built the first phase of the central warehouse. We know each other well and have a very good and trusting partnership since the start, so it was natural to continue to work with Swisslog on the second phase of the warehouse expansion as well”

Magnus Hallin
 Logistics Manager, Rusta

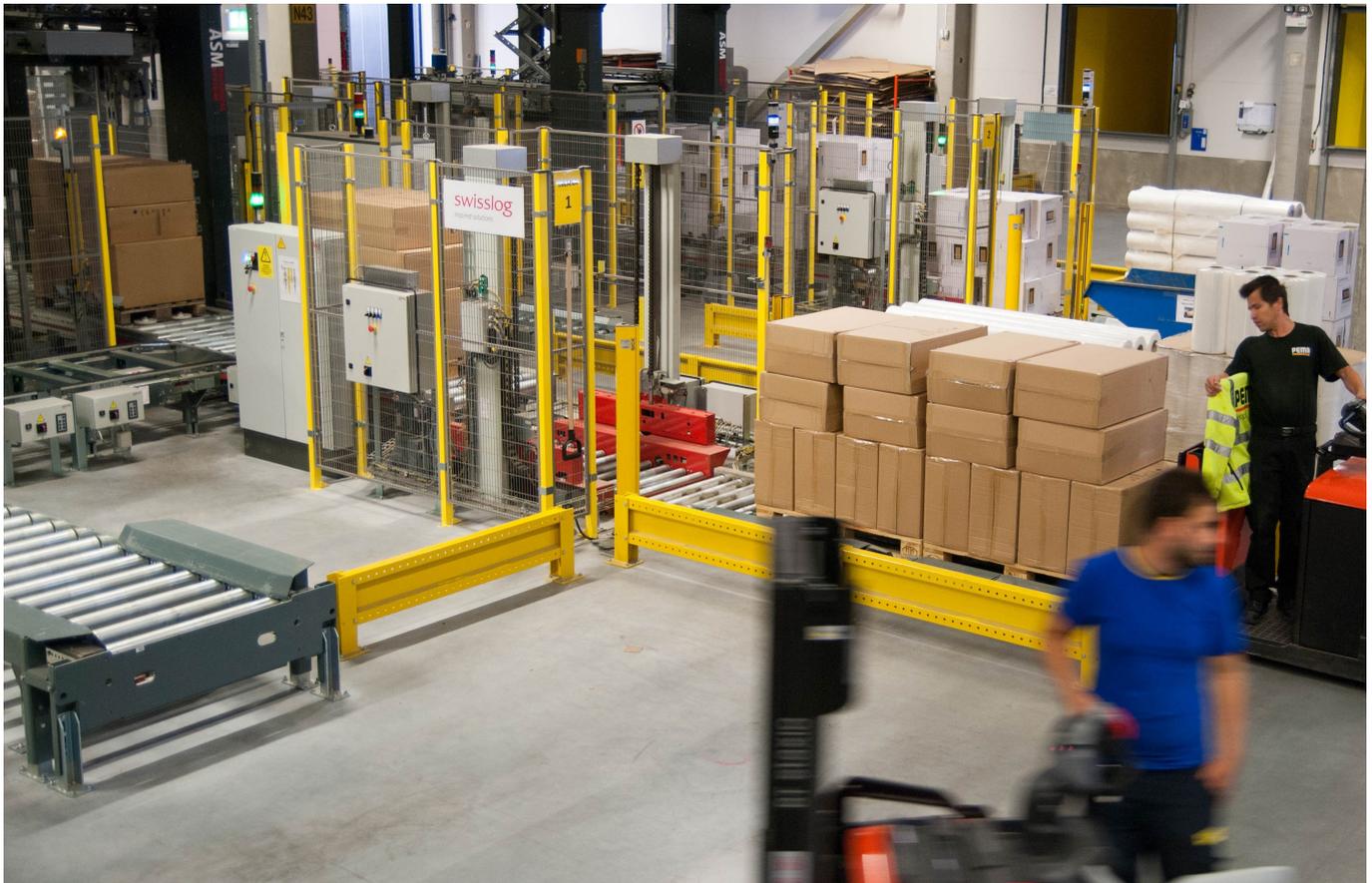
Now you can see an enormous black and yellow Rusta logo several kilometers away when approaching the impressive facility. The inside of the building is also designed and furnished in the Rusta colors. It all looks modern, almost exclusive, and looks more like an advertising agency than a warehouse facility.

CONTROLLING THE SUPPLY CHAIN

Having control over its supply chain is essential for Rusta, as for many successful retailers. Rusta works with central purchasing directly from manufacturers and with its own distribution centers. Over 60 percent of Rusta’s products are sourced from European suppliers and approximately less than 40 percent from suppliers in Asia. To ensure quality, costs, and favorable prices, four sourcing offices have been established in Asia. Purchasing in Europe is handled by Rusta’s Head Office in Sweden. Rusta’s employees at the sourcing offices work closely with the suppliers to ensure quality and all other issues in the concept, CSR, which includes the environment, work environment, and social issues. Rusta’s business model is based on simple procurement processes with as few intermediaries as possible. Rusta wants to have maximum control over its supply chain and as a result handles imports, wholesale, distribution and retail – all functions at the same time. Efficient logistics is critical in order to enable the company to offer a wide range at low prices and to handle large volumes and seasonal variations. The range is divided into seasonal products, furnishings, DIY-products (Do It Yourself), leisure goods and consumables.



Ergonomic pick stations with automated empty-pallet handling



Infeed station to high-bay warehouse

ENSURES EFFICIENT MATERIAL HANDLING

"The warehouse is ideally in close proximity to the Norrköping harbor, railway and main roads, which allows efficient access to the warehouse. We have gradually expanded our ground and site in order to ensure that we can continue to grow rapidly in the Nordic region. The location of the warehouse was selected by taking into account the relatively short transport distances to the stores in Sweden, Norway, Finland and Germany, says Magnus Hallin and emphasizes that the localization of the warehouse was made after a thorough analysis. The modern, high-tech facility now houses two fully-automated high-bay warehouses for pallets, and by the end of 2021 the warehouse complex will have a total area of 189,000 square meters. With the automation, Rusta will substantially improve its warehouse productivity, accuracy, and cost-efficiency. The new central warehouse is one of the largest in the Nordic region.

A SUPPLY CHAIN OPERATION CENTER

With the new facility, Rusta's supply chain is now centralized and operated from one single location. This provides Rusta with both time savings and significant cost savings. The central warehouse has about 350 employees, all of whom are employees of Rusta. Doing the majority of the work themselves and not outsourcing is a part

of Rusta's culture and is in line with the ambition to own its own value chain and to control the supply chain.

More than 3,000 pallets arrive each day to the central warehouse and are transferred via trucks from Swedish and European suppliers, while at the same time up to 35 containers are unloaded from Asia. On a typical day, around 1,600 goods pallets are picked at the warehouse. In addition, e-commerce is increasing quickly and approximately 400 orders are completed for home delivery to consumers.

SOLID PARTNERSHIP

Magnus Hallin is pleased with Swisslog's efforts and with the cooperation between the companies. In fact, he's very happy.

"Our warehouse projects have gone fantastically well. Swisslog has had very competent project management and our partnership has been extremely good. I only have good things to say! Now we have the warehouse capacity we need for the foreseeable period. This is a large investment for us, but we expect that the return-on-investment will come soon."

OVERALL INTEGRATOR

Swisslog's delivery to Rusta is a typical example of how an overall integrator takes full responsibility for the integration of the best hardware, software as well as service and support that ensures stable and continuous operation.



Swisslog Vectura Stackers Cranes



High-bay warehouse with 121,000 pallet locations

FACTS AND FIGURES

Storage & Material Handling

High-bay Warehouse	2
Pallet Locations	121,000
Vectura Stacker Cranes	17
Pickface with shuttle, pick stations and automated empty-pallet handling	20
ProMove Conveyor System (m)	900
Vertical Conveyor	3
Stretch Wrappers	3
Label Printers and Applicators	3

WMS & CONTROLS

WarehouseManager 6
Material Flow Control (MFCS)
Automation Control (ACS)

BENEFITS

- Enhanced competitiveness through increased efficiency, speed, accuracy and control
- Reduced need for investing in new warehouse space and land – a high-bay warehouse only takes up one-fifth of the surface area compared to a conventional warehouse
- Enhanced warehouse capacity for future expansion
- High-bay warehouse to create a highly dense storage in a cost-efficient way
- Securing high availability of articles to stores and consumers

SWISSLOG SERVICES

- Overall integration – design, engineering and realization
- Project Management
- Training
- Service and Support