Dematic Secures €50m+ Automation Contract for Reitan Distribution A/S, a Subsidiary of REMA 1000 A/S, Denmark

Investment in Warehouse Automation System Will Enable Reitan Distribution A/S to Meet Growing Demand and Scale Its Business Quickly and Efficiently

OXFORD, United Kingdom (PRWEB) August 18, 2020 -- Global intralogistics innovator Dematic has announced a flagship new contract with Reitan Distribution A/S in Horsens, Denmark. Reitan Distribution A/S supplies groceries to more than 900 stores throughout Denmark, including more than 340 of the chain's own REMA 1000 stores and convenience stores including 7-Eleven.

One of Denmark’s largest and fastest growing discount grocery chains, REMA 1000 has achieved remarkable growth in recent years, currently accounting for 15.5% of the Danish grocery market. Today, Reitan Distribution A/S serves 340 REMA 1000 stores in total in Denmark. Dematic was tasked with designing a high-performance automated solution to facilitate and enable increased delivery frequency and service levels to stores, while supporting Reitan’s growth strategy over the next few years.

Reitan’s current logistics centre at Marsall is approximately 57,000 square metres. In recent years, the business has grown to such a degree that it has become necessary to expand in the form of new and more modern storage facilities. The extended warehouse will add a further 30,000 square metres and will include high bay pallet storage. Measuring 26 metres at its highest point, it will be the largest commercial facility built in Horsens for many years.

Built adjacent to the existing warehouse with a bridge between them, the new facility — purpose-designed to house Dematic’s automation solution — will run for 21 hours a day, six days a week and serve over 400 dry goods orders a day. Approximately 130,000 cases will be picked, packed and distributed every day from the new system, with robotic systems handling a significant proportion of daily operations. The automation solution will increase the delivery frequency of the 600 most popular products to the REMA 1000 grocery store franchisees and reduce overall costs by improving operational efficiency.

Reitan cares deeply about the wellbeing of its employees. It is of vital importance for them to provide a warehouse environment with optimal ergonomics to retain and recruit staff. An example of this is the ergonomic palletising stations, designed collaboratively with a team of employees from Reitan and an independent consultant specialising in optimal work conditions.

Ole Thomsen, Logistics Director at REMA 1000, said: “This project is all about providing better service for merchants, an improved customer experience and creating optimal working conditions for employees to achieve higher efficiency.”

“From the beginning of the process Dematic showed a strong understanding of our business imperatives. This is a company which combines innovation with quality and reliability, backed by a long-standing global track record. As a result, we were convinced they were the right partner for REMA 1000.”

Commenting on the partnership Thorsten Beck Hansen, Director of Sales, Nordics, at Dematic, said: “REMA 1000 has gone from strength to strength in recent years. Like everyone in the grocery space, REMA 1000 needs to invest now to stay ahead. It is our aspiration that the state-of-the-art automated warehouse we are creating
will provide the scalability and flexibility the business needs to achieve even greater growth over the next decade.”

Once complete, the new facility will include automated pallet storage, automated case depalletising, buffering, a picking system, as well as semi-and fully automated palletising technology.

Dematic will deliver all of this under a new multisite warehouse management system (WMS), which not only executes complex fulfilment with all the new automated equipment but also orchestrates movement of inventory between the old and new facilities, as well as the delivery of all order pallets to a new dispatch area.

This is expected to more than double the productivity of Reitan’s warehouse, while simultaneously making significant improvements to working conditions for warehouse operatives.

Andy Blandford, Dematic’s Senior Vice President and Managing Director of Northern Europe concluded: “This collaboration marks the beginning of a long-lasting professional relationship. We look forward to working closely with the REMA 1000 team to help them realise their full potential in the constantly evolving grocery industry.”

The new warehouse facility is expected to commence operations by early 2023.

Further information about Dematic’s capabilities are available at dematic.com.

About Dematic
Dematic is an intralogistics innovator that designs, builds and supports intelligent, automated solutions for manufacturing, warehouse and distribution environments for customers that are powering the future of commerce. With engineering centres, manufacturing facilities and service centres located in more than 25 countries, the Dematic global network of 10,000 employees has helped achieve more than 6,000 worldwide customer installations for some of the world’s leading brands. Headquartered in Atlanta, Dematic is a member of KION Group, a global leader in industrial trucks, supply chain solutions and related services, and a leading provider of warehouse automation.
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