Savoye installation brings Hallmark Cards greater efficiency, flexibility and scalability to its UK warehouse. Hallmark UK was established in 1958 and is the country’s leading greetings card publisher. With 3,100 employees in the UK, Hallmark produces approximately two billion cards per year and offers the largest product range in the domestic market, with almost 20,000 designs available in any one year.

In Britain we spend approximately £1.47 billion per year on greetings cards, sending 2.2 billion cards, with over 1.5 billion of them being sent at Christmas alone. With such massive volumes involved, investment in modern warehouse management and automation systems is a major facet of Hallmark's forward-looking operations. It is for this reason that the company recently approached international warehouse systems integrator Savoye to install new infrastructure at its Bradford site, which incorporates both printing and distribution operations.
**THE CHALLENGE**

With 20,000 designs being available, Hallmark faces an unenviable challenge when it comes to getting the right designs in the right volume to the right location.

Not only does it have to assure that its order levels match those of its customers, it also has to make sure that its internal stock levels are maintained in order to fulfil these demands at short notice. Couple this with a massive surge in the run up to Christmas and other seasonal peaks and Hallmark very obviously required an incredibly robust and accurate order processing, picking, packaging and dispatch infrastructure. This was where Savoye stepped in.

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**THE SOLUTION**

Hallmark’s fulfillment operation is a multi-stage, semi-manual process, which also incorporates other customer-driven variables. At the beginning of the process, printed cards are either produced on site or come from a variety of third-party suppliers. On receipt at the Bradford plant they are stored in a warehouse facility, using a barcode system to keep track of volumes and locations. Once an order is received from a customer, one of two Savoye box-making machines – each capable of producing 25 boxes per minute – creates a despatch carton. This is subsequently labelled and placed into the order processing system. Once in the order preparation area, they are then married to specific orders and a pick ticket is manually added to the boxes before they are passed onto the picking area.

The picking area comprises three loops; with two being used for everyday ranges and one focussed on seasonal ranges such as Easter, Mothering Sunday and Christmas. Each loop contains a number of picking zones with approximately 10 people working within each. This number increases during periods of high demand, bringing vital flexibility to the picking process. When a box enters a picking zone, a picker scans the barcode, collects the order ticket and proceeds to pick the required cards.

Each picker is equipped with a RF unit (barcode scanner and portable base unit) that is used in conjunction with the Savoye LM7 warehouse management system. As each six-card ‘warehouse pack’ is scanned it informs the LM7 what has been selected and subsequently added to the order box. This information is also used by Hallmark to determine pre-order levels and for stock replenishment. Once the picker has fulfilled the order from the packs available in their zone, the box is rescanned and put back into the loop to either move onto another picking zone or move forward to the next stage of the distribution process. During normal operations, each picker averages around 220 picks per hour, increasing to between 300/400 per hour during periods of high demand.
At this point the fulfilment line splits, either to the dispatch area or to what Hallmark calls its Added-Value area. In this area boxes are moved to specific work stations, depending on the product or client, and the cards are individually priced for customers, which include many of the UK’s leading supermarkets.

The final stage before dispatch is packaging. Hallmark uses two Sayoye Jivaro machines to tailor the boxes by trimming them to correspond closely to their volume/fill levels. This technology cuts packaging waste significantly and also reduces delivery charges. Upon leaving the Jivaros, an Autoslip machine is used to fold the delivery note and place it into a polythene envelope prior to application to the outside of the box. Working in concert with the Autoslip machine, each Jivaro unit is capable of processing up to 14 boxes per minute, in what is believed to be a unique automation process in the UK.

The final destination for the boxes is the dispatch area where the barcode is once again scanned before conveyors route the orders into the correct lanes for shipment. As well as higher efficiency and enhanced order quality levels, Hallmark is seeing two major benefits that an advanced warehouse management system closely tied to a contemporary automation solution, can offer. The first is greater visibility. Not only can the company now track every individual order and its fulfilment status at any stage in the process, it can also track each and every warehouse pack and can determine its exact position on the line and if its stock level is commensurate with future orders.

The second benefit is scalability. In July 2010 Hallmark picked and shipped nearly three quarter of a million cards. Inevitably, these volumes will only increase at times such as Easter/Mothering Sunday and Christmas. With the Savoye system now well established at the Bradford site, the flexibility and scalability of the solution can cope with such increases in demand. According to Tracey Holden, head of warehousing and distribution at Hallmark: “We are really benefiting from the fruits of our investment in this installation. Not only do we now have much greater control over our order processing, we are also in a much stronger position to cater for the seasonal demands. The level of equipment and service we have had from Savoye coupled with the performance we are now seeing, has completely justified our capital expenditure, so much so that we are now investigating other avenues to enhance our operations even further.”

A key element of the Savoye solution is the warehouse management system (WMS), which was specially developed for Hallmark, to achieve maximum efficiency in the area of picking and packing. By employing complex algorithms, programmers from Savoye have designed a bespoke system that handles the complexity of orders, ensuring the automated processes within the facility work in perfect concert with each other.
Hallmark Cards is the UK’s best known greetings cards manufacturer, supplying products to both retailers and wholesalers. While seasonal variations place huge demands on the business during periods such as Mothering Sunday and Christmas, most months see approximately 9.5 million cards being dispatched from its distribution centre in Bradford.

As part of a total review of its warehousing operations, Hallmark was keen to identify ways of minimising empty running in an attempt to reduce transport costs and carbon emissions. Matthew Tillie, distribution operations manager at Hallmark, explained: “As a business with a strong environmental ethos, we were aware of the phenomenon of empty running, whereby a significant proportion of our trailers were carrying half-filled boxes. This was both environmentally and financially wasteful. Hence, our desire to explore technologies that could provide a more flexible solution to packaging.”

Hallmark now uses two Sayoye Jivaro machines to tailor the boxes by trimming them to correspond closely to their volume/fill levels. This technology cuts packaging waste significantly and also reduces transport costs. Upon leaving the Jivaros, an Autoslip machine is used to fold the delivery note and place it into a polythene envelope prior to application to the outside of the box. Each Jivaro unit is capable of processing up to 14 boxes per minute, in what is believed to be a unique automation process in the UK.

Matthew Tillie concludes: “While the Jivaro machines have reduced box sizes by just centimetres in most cases, this relatively small reduction really mounts up when you consider the average throughput of 4,000 boxes per day. We believe the adoption of this technology has improved our transport efficiency by at least 25 per cent, which has been achieved by the better use of trailer capacity.”