

Call 0161 776 4009 or email info@dakotais.co.uk

Chain Reaction Cycles

Smooth riding and smart stock levels



Chain Reaction Cycles (CRC) is the world's largest online bike store. Family-run business set up in Ballynure, Northern Ireland in 1984, CRC has grown through hard work, a strong family ethos and investment in stock and systems and offers a wide range of road, mountain, BMX, commuting and triathlon bikes as well as a range of specialist components, clothing, footwear, equipment and tools. Following 30 years in business and ongoing expansion plans, the company has become the largest employer in the local area, currently employing over 500 highly trained staff and serving customers from over 170 countries worldwide. Royal Mail's largest customer in Northern Ireland, CRC dispatch over 40,000 parcels a week, approximately 150,000 items.

Challenges

After years of serving and supporting local cyclists and outgrowing its shop and warehouse facilities a number of times, Chain Reaction's passionate and ambitious team recognised in the early days of mail ordering that a strong online presence would propel the business to a considerable sales growth.

Commenting on this exciting milestone, Chris Watson, Managing Director said "The website was a roaring success; we were able to show off our massive range of stock and great prices. The orders really started to roll in, and allowed the business to spread its wings further than Ireland. The next step was a massive one, with a brand new purpose built premises with 50,000 square feet of warehouses, a customer service centre, a state of the art workshop and a showroom where we could offer our local customers the service they deserved".

Between 2009 and 2012, the business opened 3 Distribution Centres to fulfil customer demand as it rapidly grew to become a leading, international online bike retailer. This led to increasing demands on the business' inventory management across its 3 sites.

In 2010, CRC introduced automated conveyor lines and packing machines, designed to increase the flow of orders from picking to packing and improve packing efficiency. Automated lines resulted in the business able to process 24 parcels a minute and resulted in a 30% reduction in the number of courier lorries needed for parcel collections. The introduction of a custom designed Warehouse Management System allowed the business to manage the movement of stock from the front door to customer receipt with the control of stock levels, demand and predicted sales. At this time, Dakota Integrated Solutions were recommended to Chain Reaction as a market leader in the specification and supply of barcode labels specific to their distribution centre layout and subsequent processes.

Solutions

Chain Reaction Cycles (CRC) first engaged with Dakota in April 2010. Dakota carried out a comprehensive label audit at each of the 3 distribution sites, and compiled a stock list of all barcode labels to be used for shelving labelling, box end labelling, pallet and roll cage identification, as well as carton address labels.

An analysis of the business' label usage analysis was drawn up, which allowed CRC's Operations Management to reach a decision on the volume of labels to be stored within its managed warehouse facility, to ensure immediate response and the ability to ship printer media on a "next day" basis to each of the 3 stores. With the assistance of Dakota, projections were made for the future supply of labelling products, allowing both CRC and Dakota flexibility and the ability to react to fluctuations in demand.

Benefits

Thanks to a single point of contact via a dedicated Account Manager at Dakota, monitoring the business stock levels for its labelling products, CRC have been able to achieve an easier management of its annual consumable budget and stock requirements. Delivery schedules are agreed for each site at regular intervals, via call off contracts. As a result of the labels supplied being clearly formatted and easily identifiable, CRC staff have been able to improve the flow of stock throughout their 3 warehouses, allowing them to quickly and easily trace and identified the whereabouts of their stock.

Commenting on the business relationship, Charles Thompson, CRC Operations Co-ordinator said:

Dakota have proven to be a flexible and reliable partner in the challenges CRC faces on a daily basis through our periods of sustained growth and customer demands. Dakota understand our requirements, and provide knowledgeable advice and solutions with a high level of quality service, ensuring a constant supply of products and the ability to react to changes in demand.

CRC and Dakota have formed a healthy relationship and I would have no hesitation to recommend their services to other retail focused organisations

Person who said it