

# XXL



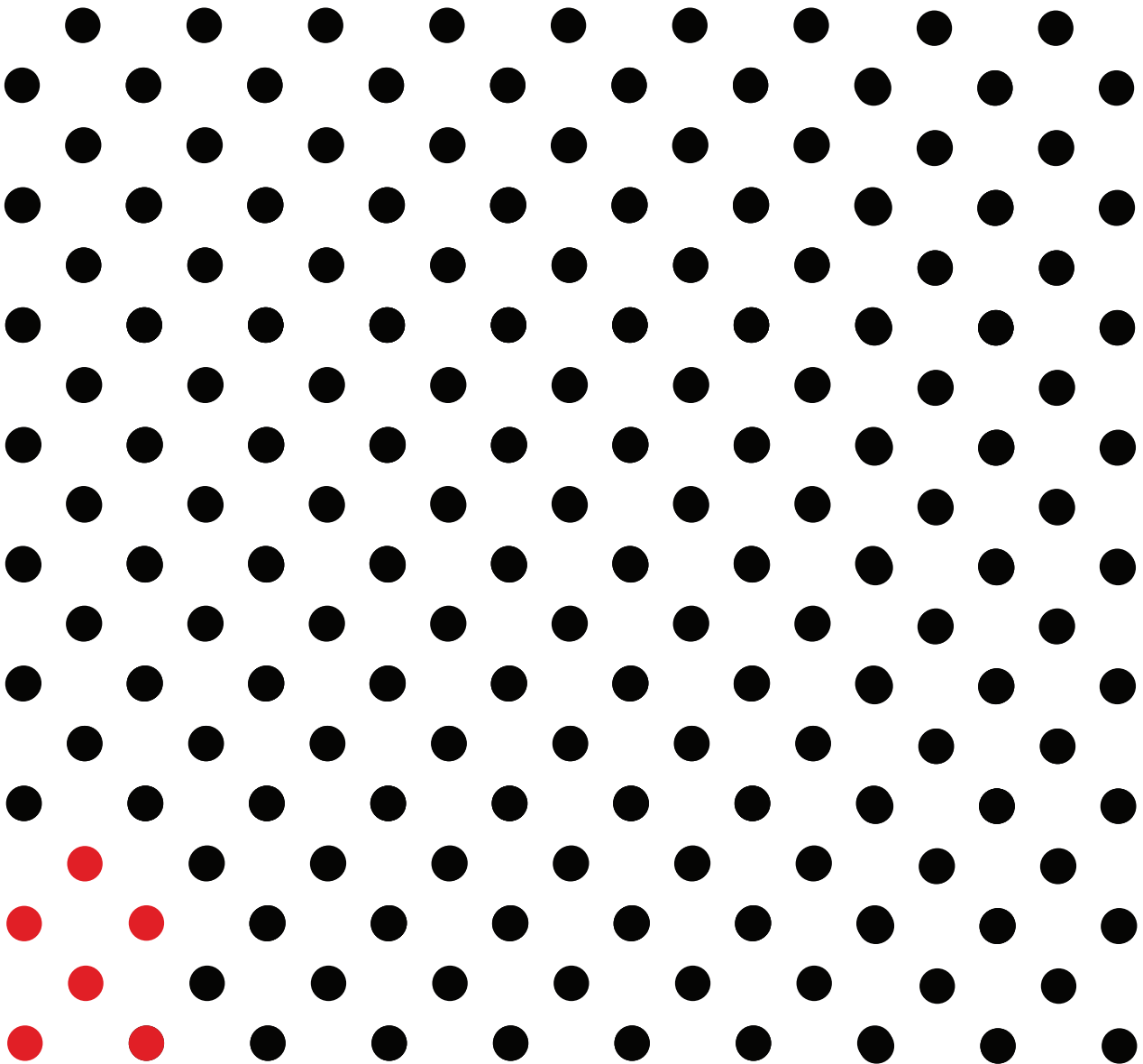
AutoStore

## Norway & Sweden

### Case Study

Revision: 2

2017.08.01



# XXL

**End-User:** XXL  
**Industry:** Retail/eCommerce Sports

**Partner:** Element Logic  
**Country:** Norway & Sweden (2 installations)  
**Year:** 2009

# AutoStore Helps Create XXL Logistics Competitive Advantage for Nordic Sports Retailer

XXL Sport & Villmark is the largest and fastest growing sports retail chain in the Nordic region, providing retail stores and e-commerce service in Norway, Sweden, Finland and Denmark. Since the launch of their first MegaStore back in 2000, XXL has offered shoppers the largest stores, lowest prices and the best selection of branded products. It delivers a one stop shopping experience for sports gear, hunting, bicycles, wilderness equipment and more. The chain prides itself on its ability to quickly meet the changing market requirements for sporting goods as the seasons and weather change - sometimes without much notice.

Industry-leading logistics capability has allowed XXL to offer famous brands at low prices. In the wake of rapid growth and increasing pressure on its warehousing and fulfilment capacity, however, XXL was looking for a new approach to keep pace and expand its competitive advantage in logistics. In 2009, the company teamed with Element Logic, a leading systems integrator, to install its first AutoStore automated storage system, along with Element WMS (warehouse management system).

# XXL Installs AutoStore in Norway, and Then Expands

The initial AutoStore system was installed at XXL's central warehouse in Norway. The company chose to focus on textiles, the category believed to have the most potential for cost savings in AutoStore. The results were impressive. With AutoStore's tightly packed bin system and supporting aluminium framework, the system offers the best storage density among all other automated systems, requiring as little as one-quarter of the storage capacity needed in a conventional warehouse. At only 1000 square meters, the XXL AutoStore project freed up 750 square meters of space for other applications, while the company enjoyed a 300% productivity boost over manual operations. The key to the labour savings with AutoStore is the robots which operate on top of the grid, retrieving the bins containing the items necessary to fulfill orders. Bins are brought to operator stations, thus eliminating the extensive travel undertaken by order pickers in manual warehouse operations.

"It was very important for us to quickly get started once we decided on AutoStore as a solution," recalled Geir Nielsen, Nordic Warehouse Manager for XXL. "The project was smooth and painless and we are especially satisfied with being able to use the system 100% from day one. The fact that cost reductions are even better than estimated makes it even better."

The second AutoStore expansion in 2011 came in conjunction with a move to a new DC for Norway. This time, the company's vision expanded beyond textiles to the proposition that "if the article fits in AutoStore - it goes into AutoStore." Shoes and other medium sized items that could be successfully placed in an AutoStore bin were included, allowing XXL to more widely benefit from the efficiency gains of dense storage and goods-to-person picking versus manual processes.

**”It was very important for us to quickly get started once we decided on AutoStore as a solution... “The project was smooth and painless and we are especially satisfied with being able to use the system 100% from day one. The fact that cost reductions are even better than estimated makes it even better.”**

**Geir Nielsen, Nordic Warehouse Manager for XXL.**

# World's Quickest Warehouse Installation

XXL's growth trajectory continued upward, and so did their relationship with AutoStore. In 2013, the sporting goods retailer completed a new distribution centre in Örebro, Sweden. The greenfield facility was built to support XXL's continued robust growth in the Swedish & Finnish market, as will serve upcoming new markets in Europe.

"Given the success we experienced with Element Logic and AutoStore in Norway, the choice was easy when we decided to establish a warehouse in Sweden," Nielsen observed. "An investment in AutoStore and EWMS from Element Logic is a guarantee for our efficient and low-cost supply chain!"

The decision to establish its Swedish DC was made in February 2013. Due to rapid growth and the upcoming peak season in the fourth quarter, it was paramount that the new facility would be operational as soon as possible. XXL was looking for an October 1 launch, only eight months after starting. The warehouse was ready on time.

"When we decided to establish the Swedish DC, it was important to get it up running as soon as possible," stated Nielsen. "According to our request, I think Element set a new world record in putting an Automated System into operation; they only spent 2 months from start to finish, enabling our DC to perform at its best from day 1."

# Continued Expansion to Support Sales Growth

Buoyed by the success of AutoStore in Norway and Sweden, the easily expandable AutoStore system has been increased every year in both countries since it was launched. Because the system is modular, bins and robots can be added to the system without the need to shut down existing operations. As of 2017, the Norwegian warehouse was utilising 113,500 bins, 88 robots, 23 ports and conveyor automation. The Swedish distribution centre is running with 151,000 bins, 104 robots, and 22 ports, as well as conveyor automation.

The success of AutoStore has delivered a considerable competitive advantage for XXL, which enjoys costs 5 to 15% cheaper than competitors, according to a report in Norwegian Sports Magazine. “We are highly dependent on efficient logistics to provide the customers famous brands to low prices,” explained Nielsen. “Our cooperation with Element Logic, including solutions as AutoStore and Element WMS, is one of the major success factors for obtaining a highly efficient and low-cost supply chain, and represents a superior competitive advantage for XXL.”

**“Our cooperation with Element Logic, including solutions as AutoStore and Element WMS, is one of the major success factors for obtaining a highly efficient and low-cost supply chain, and represents a superior competitive advantage for XXL.”**

**Geir Nielsen, Nordic Warehouse Manager for XXL.**





AutoStore

**AutoStore AS**

Stokkastrandvegen 85

5578 Nedre Vats, NO

Tel: +47 52 76 35 00

