



Business Case
FARMY - Switzerland



With help from Scallog robots, Swiss e-retailer Farmy is speeding up its logistics to deliver fresh, organic products to a growing customer base



"Fresh, local, organic products on your doorstep, a day after placing your order!" That's the promise that Swiss e-retailer Farmy is making to customers amidst a sharp increase in orders.

As Farmy Co-CEO & Co-Founder Roman Hartmann tells us,

“ The Covid pandemic has changed the way people think about e-food in Switzerland. During the quarantine, consumers began to realize that they could purchase fresh, local products directly from the Internet with safe and secure delivery.

Thanks to the quality and variety of our products, and the customer experience we offer, including eco-friendly delivery within 24 hours and sustainable packaging, we've been able to attract more and more customers – from 15,000 before the pandemic to more than 36,000 today – and earn their trust and loyalty. ”

+175% 

Faced with an unprecedented 175% growth in turnover in 2020, Farmy decided to beef up its logistics at its Zurich warehouse using Scallog's Flexypick robotics solution, with the goal of :

- Fitting more products into its warehouse space,
- Accelerating order picking for dry goods,
- Creating less arduous working conditions for operators.

Says Roman,

“ As a major player in online grocery retailing, our logistics, and especially its efficiency, plays a key role in customer satisfaction. We need to ensure it is consistently more efficient, productive and flexible to cope with the boom in customer orders.

Scallog's Goods-to-Person robotics solution – mobile shelving brought to operators by robots – is ideally suited for that need, generating a threefold increase in productivity in just a few months, so we can deliver to more and more customers and ensure their satisfaction. ”





Farmy is key to what today's Swiss consumers want: fresh, organic, responsible products for consistently greater enjoyment!

Farmy stands out in its market for its **product range** of more than **14,000 items**. Its **fresh produce and dry goods** – regional, responsible and organic – comes primarily from more than **1,200 local producers**. In fact, **fresh foods** make up **65%** of Farmy's product selection, **compared to 20% to 30% in a traditional grocery store**. Its customer promise – “local, organic products

14000 
PRODUCTS

on your doorstep, anywhere in Switzerland” – is ideally suited to meet the expectations of Swiss consumers:

- **Enjoy** a fresher, more authentic and more transparent diet
- **Have access** to all the information they need on product quality and sourcing
- **Learn** what eco-friendly steps producers are taking, especially for imported products such as coffee, cocoa and avocados.

From food products to health & beauty items, customers enjoy **next-day delivery of their weekly shopping**, in **sustainable or recyclable packaging**. On the strength of those assets, Farmy can point to an **average weekly shopping basket of 130 Swiss francs in summer and 190 euros in winter**.

Founded as a start-up in **2014**, Farmy already accounts for more than **5% of Switzerland's grocery market**. Its **operating methods** are rooted in **agile organization principles and practices**, thanks to **digital technology**.

Its **230 employees** are distributed across Europe: from Zurich, home to Farmy's headquarters as well as its largest logistics

230 
EMPLOYEES

platform, to Lausanne, the site of a logistics hub, as well as Berlin, where its design, web platform and customer service offices are located, and Barcelona, home to its IT personnel. That team in Barcelona is one of Farmy's **key assets**.

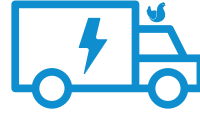
Its **IT autonomy** guarantees that Farmy's information system is truly configured to deliver on the company's pledge to customers: delivery within 24 hours or scheduled delivery in two to five days. During lockdown, for example, customers were specifically asking if they could place orders well in advance. With just a few days of work, Farmy was able **to give customers the option of scheduling orders five weeks ahead of delivery**. Without its own IT department, that would have been impossible! Farmy has **another strong competitive asset: the option to source products directly from producers, eliminating the middleman**. That means a shorter – and faster! – distribution chain.



“Relay race” logistics for delivery with in 24 hours!

Just like a relay race, Farmy's logistics require that order picking be impeccably coordinated: **cross docking for fresh products, order picking for dry goods**, to guarantee delivery the day after the order is placed.

Each morning, **fresh produce**, ordered from local producers in the “**right quantity**”, is **sorted and delivered to customers without being stored**. Meanwhile, **dry goods and shelf-stable products, beverages and frozen foods** are stored and picked by operators.



By morning's end, it's all been consolidated to fulfill each customer's weekly shopping list. Orders are then delivered to customers

within Zurich, Lausanne, Geneva and Winterthur via Farmy's fleet which includes e-vehicles and via a logistics supplier's refrigerated lorries to customers spanning every Swiss canton. At Farmy's three-storey logistics platform in Zurich, operators make the most of every square metre, and every minute counts!





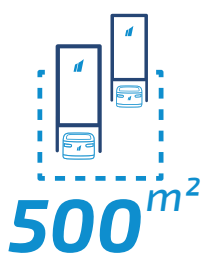
Automated intralogistics in an “atypical” space to speed up order picking for dry goods !

In the autumn of 2020, Farmy needed to rethink its logistics. Faced with a surging number of products and customers, the company had to **fit more products into its warehouse space, increase its productivity and create less arduous working conditions** for its operators.

Automating the order picking process for dry goods seemed to offer the best trade-off in terms of **speeding up production, reducing error rates and distributing the Monday and Friday peaks in activity more evenly across the week.**

The plan was designed to increase operators' productivity while enhancing their **versatility, well-being and safety.**

So Farmy was seeking an **automated “Goods-to-Person” solution that was flexible, ergonomic and scalable;** that could be **incorporated into an “atypical” warehouse space – less than 500 sq.m, with low ceilings, towers and differences in grade – and that was within its budget for CAPEX and OPEX spending.**



500^{m²}

By December 2020, Farmy concluded that the experts in logistics robotics at **Scallog stood out for their technological solutions, iterative management of the project, active involvement and responsiveness.**

Says Roman,

“ Apart from the flexibility and scalability of the Flexypick solution, which can be expanded, moved or even duplicated, we were won over by Scallog's interest and involvement in our project, from listening to our needs to preparing a detailed study, especially compared to the big names in intralogistics who snubbed us because we were just a start-up.”

A robotization project completed in less than two months, with no disruption in operations !

To make the most of the “atypical” space available for installing solutions, in March 2021 Scallog tackled the task of **rethinking the order picking procedures and flows for dry goods.** Scallog's experts in logistics robotics focused in particular on the **preparatory phase of the project,** to oversee and complete the deployment of Scallog's solutions in view of the available time frame and conditions.



Scallog's Flexypick solution was installed and tested, and the dry goods were moved to the automated areas **during the overnight hours,** to avoid **any impact on Farmy's operations.** Once the final tests were completed, the solution was activated. Farmy employees were delighted with how **the Scallog solution was intuitive and easy to use,** and they were able to master the system **in less than two days, thanks to a rapid training program tailored to their needs.**



The project was carried out **at full speed over an eight-week period**; the Scallog solution was operational a week ahead of schedule. Spanning a **495-sq.m space**, Scallog's Flexypick solution includes **three order picking stations equipped with two order buffer racks that can each fulfil 64 orders simultaneously**, **119 mobile shelving units** and **12 Bobby robots**.

3 Stations 

**119 Shelves
Mobiles** 

**12 Bobby
Robots** 

Says Roman,

“ Since the Scallog solution is exceptionally easy to learn and we were able to integrate it into our logistics processes, deploying the solution **didn't create any major upheaval**; it was a smooth, natural changeover. It's true that in an extremely fast-growing start-up like ours, the employees are young and quick to seize on new technology, and our team showed a great deal of **flexibility and independence**. Our employees are delighted to be working in the **Scallog robotics zone**, which represents a **fantastic change from manual picking**. ”



Immediate benefits for productivity!

With the Scallog robotics zone, which encompasses **more than 3,000 products**, all of the logistics procedures for Farmy's dry goods and shelf-stable products have been enhanced to yield ongoing improvements in productivity and reliability. And Farmy has seen immediate benefits: **the error rate has already been cut by two-thirds** (and now nearly **three-fourths**), **picking productivity has increased threefold**

x3 

and the **storage area holds 25% more products**. Within the near future, Farmy expects to see its stock space needs cut by about **35%**.

+25% 

By drastically reducing operator movement and providing support to operators at every stage of the order picking process, the Scallog solution ensures that Farmy can **speed up production while reducing errors and preventing operator fatigue**. Farmy's operators now concentrate solely on order picking, with each step leading smoothly to the next at the order picking workstation, without unnecessary motions and movement.

When operators display the product on the workstation screen, a **“Spot to light” light beam indicates where the order is to be found** on the mobile shelving.



Operators simply **scan the product** with their **Prooglov** hands-free glove and **deposit it on the buffer rack at the spot** indicated by a **"Put-To-Light"**, whereupon a quantity is displayed.

The same process is used for **replenishing inventory in the Scallog zone**; products are replenished once the customer orders have been prepared and consolidated during the morning. Thanks to a unique, modular logistics buffer rack system, the **Scallog order picking workstation** becomes a **product replenishment workstation at the start of the day**. Since Farmy has only limited inventory space, storing pallets is impossible, so once dry goods are delivered, they're integrated into the Scallog zone in order to **free up space**.

Eventually, Farmy hopes to carry even more products with a long shelf life, especially beverages and wines, which offer strong potential in terms of sales and margins,

so as to improve productivity and efficiency even further.

Says Roman Hartmann in conclusion,

“ On the heels of our positive collaboration with Scallog and the success of this project, we're looking to capitalise on the Flexypick solution and **duplicate it in order to speed up our logistics and expand throughout Switzerland**. In addition to acquiring a larger warehouse in Zurich, we're looking to reproduce our centralised logistics concept in **the major Swiss cities** and especially in French-speaking Switzerland, which already accounts for **35% of our business**. And we want to develop **dark stores in city centres** for same-day delivery of customer orders”





**THINK BIG, START SMALL,
SCALE FAST !**

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SCALABLE LOGISTICS

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