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## M&S OPENS NEW DISTRIBUTION CENTRE IN CASTLE DONINGTON

- 900,000 sq ft centre to handle online orders and store deliveries
- Fully automated site will hold 16 million products and process a million items a day
- 1,200 people employed during peak periods

Marks & Spencer (M&S) today opened its new 900,000 sq ft distribution centre in Castle Donington and updated on its supply chain transformation programme designed to support M&S' plan to become a leading international, multi-channel retailer.

The new site will handle all orders\* placed through [www.marksandspencer.com](http://www.marksandspencer.com) – be that through PC, mobile, tablet or online orders placed in store – and will be a national distribution centre for M&S stores. The first customer orders started moving through the new facility last week and during peak trading times it will process up to a million orders a day. It is fully automated and, at 900,000 sq ft and 25 metres high, it is one the biggest centres of its kind in the UK. An employability scheme for people with disabilities and health conditions - Marks & Start Logistics - is one of the recruitment channels being used at the new site, helping to create a great social working environment.

Castle Donington is a major part of a transformation programme that will create a fast, agile and flexible supply chain for M&S. The programme started in 2009 and will run through to 2015/16 and includes building a new multi-channel platform to host [www.marksandspencer.com](http://www.marksandspencer.com). When the new website launches next year, combined with the modern e-commerce distribution facility in Castle Donington, it will offer customers better availability online and the ability to order products late in the day for next day delivery.

The transformation programme also includes investment in better buying and management systems for clothing, home and gift products and a move to source more products direct from suppliers.

Marc Bolland, Chief Executive at M&S, said: "Castle Donington is one of the most modern, fully automated distribution centres in the UK. As we are recruiting a significant proportion of employees through our Marks & Start Logistics scheme for people with disabilities, this investment in the UK is a unique combination of state-of-the-art technology and a great social working environment."

Alan Stewart, Chief Finance Officer at M&S, said: "We are transforming our supply chain operations to make them fit for the future of M&S as a leading international, multi-channel retailer. Our new supply network, alongside new systems and a best-in-class web platform will create a more efficient M&S able to deliver our products to customers in the right place at the right time, whether they're at home or on the high street. We're extremely proud of Castle Donington, it's amongst the best of its kind in the world and our focus is now on delivering the rest of our modernisation programme."

#### Castle Donington facts

- 900,000 sq ft and 25m high – one of the biggest distribution centres in the UK;
- Equivalent of 11 Wembley size football pitches, it could hold 12 jumbo jets, 3,507 double decker buses or 2,392 billion Percy Pigs;
- Capable of processing one million products a day (300,000 through [www.marksandspencer.com](http://www.marksandspencer.com));
- The site is fully mechanised and features some of the latest technology in the warehousing industry including automated storage and retrieval systems and sophisticated warehouse management systems guaranteeing delivery accuracy;
- 150,000 different products stored, 16 million individual products in total;
- 24/7 operation, using 50 vehicles a day;
- 1,200 people employed at peak periods – mix of M&S employees and agency employees and a significant proportion recruited through Marks & Start Logistics;

- The site was built with M&S' Plan A in mind and features Europe's largest solar wall - a sun-facing wall that absorbs solar energy and releases it to help heat the building. It is carbon neutral and has been part built using concrete from a former power station. None of the waste from the site has gone to landfill.

### Supply chain and IT transformation programme

The supply chain transformation programme is made up of three key elements:

#### **1. New supply chain**

M&S is building a new fast, agile, flexible and reliable supply chain network that will create a more efficient M&S and improve availability and customer service. It is a process that began in 2009 and will continue until 2016. It involves:

- Moving from a network of 110 small warehouses for our clothing, home and gift products to a small number of large, modern distribution centres. The new network will significantly reduce the time it takes to move products from port to stores.
- Reducing our reliance on full service vendors (suppliers that manufacture product for M&S as well as distribute and store it) and migrating our suppliers to a direct sourcing model, bypassing the need for suppliers to handle the distribution and storage of product.

#### **2. New business management systems**

M&S is transforming its IT and business management systems from out-dated, complex systems to new, modern and simple systems that help M&S deliver the right product to the right place at the right time, improving availability and customer service. It involves:

- M&S has already overhauled its food IT systems, helping buyers better forecast demand and buy more accurately for stores with different needs. The changes have helped improve food availability by 3 per cent (since 2010);
- New systems in clothing, home and gifts that will reduce markdown costs and lead to better stock availability;
- New HR systems have been installed in stores and offices to automate HR processes and deliver accurate HR information.

### **3. New multi-channel platform and e-commerce distribution centre**

As part of its strategy to become a leading multi-channel retailer, M&S is building a new, bespoke multi-channel platform that will drive [www.marksandspencer.com](http://www.marksandspencer.com) and power all M&S' multi-channel technology. Supported by the new e-commerce distribution centre at Castle Donington, the new website and multi-channel offer will transform the M&S customer experience, improving availability and ensuring best-in-class delivery options, be that to an M&S store or a customer's home.

- Ends -

\* Except Food To Order, Flowers, BWS (Beers, Wines and Spirits) and Furniture.

#### **Further information**

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