

Work is well under way on a new automated logistics centre that German footwear brand Lloyd Shoes will open in Sulingen, near Bremen, in 2013, coinciding with the company's 125th anniversary.

Lloyd Shoes opts for automation

German footwear brand Lloyd Shoes is pressing ahead with plans to revitalise its logistics set-up. It has held a ceremony to celebrate the laying of the cornerstone of a new automated warehouse facility in Sulingen in Lower Saxony. The project is taking place at Lloyd's existing logistics centre there, its corporate headquarters. Affectionately nicknamed the Shoe Box, the new warehouse will have the capability to sort, store, load and dispatch cases of the company's shoes automatically. Joint managing director Maximilian Müller says the new facility will constitute "the core of our future logistical system".

It's part of a far-ranging project, Lloyd 2015+, which the company launched at the start of 2011 to give "a consistent response to the challenges of tomorrow". The new section of the building is 75 metres long, 25 metres wide, and 17 metres high. It will have storage capacity for approximately 500,000 pairs of shoes at a time and the technological capability to move 2,000 cases of shoes per hour.

Speed of response

According to Lloyd Shoes, introducing automation to its logistics process is a necessary step if it is to continue to meet "the constantly growing expectations" of the footwear retailers that stock its collections. For example, it says retailers these days are placing orders in keeping with "optimal space management" in their stores. No one wants to keep high levels of stock because inventory always costs money. The retailers have their models and management systems that tell them the best time to bring in more pairs of particular styles that are selling well, and when they place their orders, they want quick and accurate delivery.

This type of relationship between retailers and footwear suppliers is certain to become more and more common; speed of response is going to become an increasingly important part of suppliers' offering. Lloyd is intimately familiar with this dynamic because it has more than 60 own-brand stores around the world.

Part of the Lloyd Shoes collection for last winter. Its retail customers want deliveries that are in keeping with their efforts to optimise store space. An automated warehousing set up will help the company store and ship shoes quickly and accurately.

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Joint managing director Andreas Schaller (centre) prepares a time-capsule for insertion into the project's cornerstone.

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Local supplier

Lloyd Shoes has said the automated warehouse project is its second-largest investment ever of this kind, after the construction of its main manufacturing and administration facilities, which took place in Sulingen between 1995 and 2000. One of the points that the company has emphasised in talking about the new logistics set-up is that it cements its commitment to keeping an important proportion of its business in Lower Saxony.

Furthermore, it explains that it has made a conscious effort to award contracts for the planning, construction and kitting out of the new logistics centre to local partners wherever possible. At the ceremony to lay the cornerstone, Maximilian Müller said he was grateful for the level of commitment to the project that these local companies were able to offer, saying it would have been "inconceivable" for the project to get off the ground without this level of support. He also paid tribute to the backing for the idea that Lloyd Shoes has received from the local authorities.

History lesson

As part of the ceremony, the footwear firm enclosed a time capsule containing a gold coin from 1888 (when the firm was founded), a daily newspaper, and copies of the blueprints for the project. Lloyd has said it expects work on "possibly the biggest shoe box in the world" to be completed in 2013 to coincide with the company's 125th anniversary. Lloyd Shoes says that any company that lasts 125 years must be doing something right. In its case, it highlights its use only of the finest

materials, of its commitment to quality, fit and customer satisfaction, as well as to fashion trends. It describes itself as having one foot firmly grounded in tradition, and the other stepping towards the future.

Lloyd Shoes achieved record sales of €118 million in 2011, an increase of 11.5% on 2010, which was a record year itself. In terms of volume, the company sold almost 1.8 million pairs of shoes in 2011, an increase of 9.6% on the previous year. Sales in Germany account for 33% of the company's overall shipments at the moment. Its workforce grew by 7.4% last year to reach 1,198 people in total, 544 of them in Germany. Lloyd currently makes 6,800 pairs of shoes a day, 1,900 of which it makes in Germany. [f](#)



Lloyd Shoes joint managing directors at the ceremony to lay the cornerstone for the new logistics centre. Left to right: Maximilian Müller, Thomas Wahle and Andreas Schaller.

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