**Successful retrofit for music supplies retailer Thomann**

* **TGW accompanies the retailer's strong growth as long-time warehouse automation partner**
* **Order throughput time reduced to 20 minutes**
* **Expansion during live operation was a particular challenge**

**(Marchtrenk, 25 May 2022) Treppendorf is the Mecca of many musicians. Every year, thousands of people visit the small Upper Franconian village of 201 inhabitants. Their destination: Musikhaus Thomann. Around 90,000 items are kept permanently in stock in the shipping warehouse. When you decide on a particular instrument in the shop, it's ready to go home with you after just half an hour; however, the online store generates the lion's share of Thomann’s revenue.**

Online customers not only receive their ordered goods quickly but usually in one package, whether they ordered one item or ten. Though sustainable and cost-saving, this is a logistical challenge due to the need to merge items both large and small, fast- and slow-moving.

**Warehouse automation partner TGW**

TGW Logistics Group is Thomann's longstanding warehouse automation partner. Back in 2008, TGW started automating the Versand-Center-Süd (VCS - Shipping Center South) in Treppendorf as a general contractor. Norbert Groth, Technical Logistics Manager at Thomann, notes, “Thomann’s revenues have increased by a double-digit percentage in the last few years, meaning that the system commissioned in 2008 could never have kept up with the current order volume.” Markus Kammerhofer, Director Sales Retro agrees, explaining, “If the number of orders and the number of items are rising fast and at the same time, or if the requirements change, companies are better off thinking about expansion sooner rather than later to ensure that everything is available at the right time." For this reason, in addition to the Versand-Center-Süd, the newer Versand-Center-Nord (VCN - Shipping Center North) has been live since 2017.

In 2009, Thomann had a system that could process 20,000 parcels per day. It consisted of a four-aisle automated mini-load warehouse with 70,000 storage locations and a picking process for fast-moving items; TGW also installed eight "Mustang" storage and retrieval machines. In addition, Thomann was equipped with an automatic pallet warehouse comprising five aisles and 18,000 storage locations, which went live in 2010 after two expansion stages. The core of the installation was a Natrix sorter, and employees packed up the items at 32 packing stations. The end-to-end warehouse automation solution was controlled by TGW software.

**Successful expansion concept**

Hans Thomann was very proud of the system performance resulting from the initial thirteen-million-dollar investment: output had increased by 40 to 50 percent compared to the previous system, and throughput time had been reduced to 28 minutes. TGW's expansion concept had been successful. The picking process for the different sized commodity groups (from instrument cables to electronic pianos) had been optimized, allowing four million customers to choose from 65,000 items. However, both the number of customers and the number of items increased further. Therefore, Hans Thomann decided to build the Versand-Center-Nord (VCN), once again turning to TGW as the Partner of Choice.

The VCN went live in 2017, housing a high-bay warehouse with 21,000 storage locations for pallets and a shuttle system with six aisles and 110,000 storage locations for small parts. Thomann also invested in automatic carton erecting machines and sealing machines, as well as an efficient goods-to-person picking area. TGW also modernized the WMS. Thomann now uses TGW Warehouse Software for the Warehouse Management System (WMS), Warehouse Control System (WCS) and the Material Flow Controller (MFC).

**Throughput time reduced to 20 minutes**

Thanks to the successful expansions that TGW had implemented in the past, Thomann approved further projects in 2020. An expansion of the high-bay warehouse was planned to improve the replenishment process. Additionally, a new goods-out loop with automatic labelling machines for up to 2,000 parcels per hour went into operation at the beginning of 2022.

Because of the expansions, Thomann has reduced the throughput time from 28 minutes to 20 minutes, despite the increase of available items from 65,000 to 90,000. Instead of four million customers, more than twelve million customers all over Europe are now supplied with goods from Treppendorf. And with the increase in eCommerce over the past two years, due to the COVID-19 pandemic, Thomann is considering further expansion projects with TGW.

**Expansion during live operation**

"The most important rule is: do not interrupt live operation while expanding and modernizing the system," emphasizes Norbert Groth. Thomann’s strong eCommerce business makes it infeasible to shut down for several weeks to install the expansions, and on top of that, the warehouse normally operates six days a week. As a result, the TGW Retrofit team had to plan carefully, perform intensive testing, define clear functional specifications and processes, and time the perfect installation schedule. Their efforts were successful, and all the expansion work was performed between Friday evenings and Monday mornings.

[www.tgw-group.com](http://www.tgw-group.com)

**About TGW Logistics Group:**

TGW Logistics Group is a leading systems integrator of automated warehouse solutions. With over 50 years of experience the automation specialist designs, manufactures, implements, and maintains end-to-end fulfillment solutions for brands such as Urban Outfitters, the Gap, and TVH.

TGW Logistics Group has subsidiaries in the US, Europe, and China and employs more than 4,000 people worldwide. In the 2020/21 fiscal year, the foundation-owned company generated a revenue of $952 million US dollars.

**Pictures:**

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