

PRESS RELEASE

B2B and B2C supply chain for lifestyle audio products

Arvato Supply Chain Solutions handles fulfillment for HARMAN Lifestyle EMEA in Europe

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Gütersloh/Gennep – Arvato Supply Chain Solutions is HARMAN International’s new logistics partner and responsible for the company’s warehousing of lifestyle audio products throughout EMEA. Arvato not only supplies retailers directly with products from the group’s leading brands, such as Harman Kardon and JBL, but also handles the shipping to consumers in the e-commerce business.

“Over the last years, sales of HARMAN Lifestyle have grown more than sixfold. The enormous growth had a significant impact on our supply chains and required massive changes,” says Henri Colijn, Senior Director Operations for EMEA at HARMAN. “That is why we selected Arvato as a new logistics service provider to be able to implement the changes that were necessary to manage the growth and to support us in the transition to a process- and data-driven organization.” HARMAN was won over by Arvato’s profound automation and process know-how and its willingness to invest in automation technology that enables it to handle HARMAN’s increasing volumes. In addition, the fulfillment provider was able to build the required warehouse capacities in just four months.

All fulfillment services are provided for HARMAN at the Gennep site in the Netherlands. There, Arvato Supply Chain Solutions operates a state-of-the-art, approximately 165,000 square meter logistics campus for several clients from the high-tech, consumer goods and healthcare industries. In this facility, HARMAN International occupies a logistics area of 26,000 square meters, including a storage capacity of currently more than 20,000 pallets. “With our fulfillment solution for HARMAN, we are currently achieving a fulfillment rate of almost 100 percent, ensuring satisfied customers even at peak times,” says Martijn Nielen, Managing Director for the Netherlands at Arvato Supply Chain Solutions.

The processes required for HARMAN’s B2B and B2C business were analyzed in advance, and automation technology was installed to support the pick-and-pack process both for the high-volume small parcel B2B business for retailers in Europe and for the increasing B2C online orders from consumers. For example, Arvato applies automated box-erecting equipment for HARMAN online orders to automatically fold the boxes at the beginning of the process. At the end, a scanning technology is used to measure the height of the products in the carton. The box is then automatically cut to the smallest possible size, closed

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and labeled with the required address or dangerous goods labels (e.g. for batteries).

Cutting the boxes to the correct and smallest possible size also reduces shipping costs and leads to a positive experience for the consumer, who no longer has to dispose of filling material. It is also an important step toward better sustainability. Because the parcels are as small as possible, it also allows for better utilization of transportation capacities and reduces the average CO2 footprint per package delivered.

Due to its central location in Western Europe in the immediate vicinity of the Venlo-Venray logistics hotspot and its excellent infrastructure connection, Gennep is a powerful logistics hub and an important gateway to Europe. "Our logistics center also functions as a bonded warehouse, for which we have our own licenses and a direct interface to the Dutch customs authorities," says Martijn Nielen. "We employ a team of 25 people on-site to assist our clients in all customs matters." In addition, Gennep is certified according to TAPA A and is fully licensed as an Authorized Economic Operator (AEO).

Arvato is also equipped for further customer growth. "Together with HARMAN, we have designed a fulfillment solution to support the forecasted growth in the future," emphasizes Martijn Nielen.

About HARMAN

HARMAN International (harman.com), a wholly-owned subsidiary of Samsung Electronics Co., Ltd., designs and engineers connected products and solutions for automakers, consumers and enterprises worldwide, including connected car systems, audio and visual products, enterprise automation solutions, and services supporting the Internet of Things. With leading brands including AKG®, Harman Kardon®, Infinity®, JBL®, Lexicon®, Mark Levinson® and Revel®, HARMAN is admired by audiophiles, musicians and the entertainment venues where they perform around the world. More than 25 million automobiles on the road today are equipped with HARMAN audio and connected car systems. Our software services power billions of mobile devices and systems that are connected, integrated and secure across all platforms, from work and home to car and mobile. HARMAN has a workforce of approximately 30,000 people across the Americas, Europe and Asia. In 2017, HARMAN became a wholly-owned subsidiary of Samsung Electronics.

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About Arvato Supply Chain Solutions

Arvato Supply Chain Solutions is an innovative and international leading service provider in the fields of supply chain management and e-commerce. Partners come together with industry specialists in the fields of Telecommunication, Hightech, Entertainment, Corporate Information Management, Healthcare, Consumer Products and Publisher. About 15,000 employees work together to provide practical and relevant solutions and services worldwide. Using the latest digital technology, Arvato develops, operates and optimizes complex global supply chains and e-commerce platforms, as the strategic growth partner for its customers. Arvato combines the know-how of its employees with the right technology and appropriate business processes to measurably increase the productivity and performance of its partners.

For more information, please visit www.arvato-supply-chain.com.

About Arvato

Arvato is an internationally active services company and one of eight divisions of Bertelsmann SE & Co. KGaA. The division includes the solution groups Arvato Financial Solutions, Arvato Supply Chain Solutions and Arvato Systems as well as the Majorel group of companies, in which Bertelsmann owns 50 percent of shares.

More than 70,000 employees in almost 40 countries develop and implement innovative solutions for business customers all over the world. These include SCM and IT solutions as well as financial and customer communication services, which are continuously developed with a focus on innovations in automation and data/analytics.

Globally renowned companies from a wide variety of industries – from telecommunications providers and energy providers to banks and insurance companies, e-commerce, IT and internet providers – rely on Arvato's portfolio of solutions.