

**“Goods-to-Person robotization is key in meeting the new logistics challenges facing the cosmetic industry”
by Hugues Sterlin, Scallog’s Director of Operations**



The cosmetics industry in France is a major driver of the economy. Despite the drop-off in exports caused by the pandemic, the sector achieved total revenues of over €15.7 billion in 2020 and leads the world with a 24% share of the global cosmetics market. The exceptional circumstances over the past year have had another effect on the industry - they have amplified consumer trends and pre-existing purchasing practices such as personalization, transparency and the boom in online sales. The net effect has been the total disruption of the product mix occasioned by, for example, the surge in demand for natural, healthy products and a fall in the demand for lipstick.

Against this background, in addition to its usual challenges - time to market, the growing demand for personalization and the management of peaks in activity - the cosmetics industry is being **compelled to change and adapt its logistics model**. Warehouses are having to **automate storage and order picking** without losing sight of the particular nature of personal care products - high unit values, tight technical specifications, critical shelf life and low individual despatch unit volumes - in order to be fully

effective **strategic assets, delivering products increasingly quickly and meeting new consumer expectations.**

The benefits of Goods-to-Person robotization in meeting new logistics challenges

As new trends coalesce into a dynamic that demands a response, Goods-to-Person robotization - where robots transport shelf units containing goods to operators - is set to revolutionize logistics in the cosmetics industry.

- **Given the change in consumer behaviour and habits:** In response to new consumption trends, today's cosmetics industry is setting its sights on omnichannel sales and distribution together with digital technology. Consumers are demanding a simplified buying journey in every channel, from next-day delivery by e-commerce sites to click-and-collect, and a smooth item return process for online purchases. In warehouses, this rapid omnichannel delivery is translating into an exponential increase in retail order picking activity, which is both time- and resource-consuming.

Advantages of Goods-to-Person robotization: Besides reducing storage space by up to 30% using mobile shelf units where many products can be economically stored in small quantities, the Goods-to-Person robotics solution guarantees quicker picking of retail orders. It eliminates unnecessary movement and actions by operators to ensure the careful handling of fragile products. The gain in picking productivity can be as much as 40%.

- **In this age of hyper-personalization:** The other great challenge facing the cosmetics industry is the advent of hyper-personalized cosmetics where the ingredients and packaging are adapted to match consumers' individual requirements. To this is added a boom in kits that allow consumers to make their own beauty products. The impact of these developments on warehouses is an increase in the range of products to be stored and picked, the need for short or on-demand production runs complying with the regulations on cosmetics (which are particularly demanding in Europe) and the need for personalized packaging combined with adherence to tight delivery times.

Advantages of Goods-to-Person robotization: Goods-to-Person robotization enables small quantities to be picked rapidly and moved seamlessly to areas where orders are personalized in terms of labelling, preparation and/or packaging.

- **Ever-increasing trackability and transparency:** Another fundamental trend rapidly becoming established in the cosmetics industry is the demand for natural products and the consumers' need for transparency, reinforced by the Covid-19 crisis. Consumers now want sustainable products, in phase with their concerns, together with all the necessary information on their ingredients, origin and manufacturing process. Their desire to care both for themselves and the environment looks set to continue as "clean" beauty, eco-friendly packaging, short supply circuits and products made in France gain in popularity. Trackability of products in the warehouse is a key factor in meeting the consumer-driven demand for transparency.

Advantages of Goods-to-Person robotization: Scallog's Goods-to-Person robotics solution makes it possible to optimize locations according to batches, expiry dates etc. and to ensure flawless trackability throughout the picking process.

- **And therefore security:** This demand for trackability is linked to that of security. Cosmetics products are recognized for their high monetary value, which increases the risk of theft. Cosmetics manufacturers must mitigate the risk of products "flying away" from warehouses

that run a multitude of processes and are often staffed by a high proportion of temporary staff. Any solution that helps to combat theft and shrinkage improves the manufacturer's margin.

Advantages of Goods-to-Person robotization: The Goods-to-Person system is based on a fully enclosed and secure storage area in which robots operate, moving shelf units. In addition, when picking orders, operators are guided and monitored in everything they do.

- **Many triggers that cause peaks in shopping activity:** The cosmetics industry today offers consumers many incentives to shop in order to boost its sales. To the traditional festive season, always a time of high shopping activity, are now added promotional offers, Valentine's Day, Black Friday, Cyber Monday and similar "special" events that result in booming sales of perfumes and cosmetics over a few days. Warehouses must once again cope with a significant increase in order picking over a short period.

Advantages of Goods-to-Person robotization: Scallog's Goods-to-Person robotics solution absorbs peaks by smoothing order picking efficiently and cost-effectively. It handles increases in order picking requirements by extending its operating times, only needing limited additional human resources.



Hugues Sterlin, Scallog's Director of Operations

A competitive and dynamic sector, **the cosmetics industry is having to reinvent itself and its logistics model in response to today's unusual situation.** The main post-Covid-19 challenges, **wide-scale sustainability and "naturalness"** - natural ingredients with recyclable, zero-waste packaging - all these represent sources of growth for the industry. Goods-to-Person robotization can play an important role in maximizing this opportunity as its flexibility, adaptability, productivity and sustainability are guaranteed!

About Scallog:

Founded in 2013, Scallog is a French company that designs, manufactures and markets robotics solutions for the logistics sector to boost warehouse agility and productivity for 3PL, e-commerce, distribution and manufacturing companies. In light of changes in B2C and B2B consumer demand patterns, particularly in terms of product

availability and delivery, the Scallog solution helps companies accelerate order picking and absorb peaks in activity whilst reducing tough working conditions for employees and smoothing investment. Scallog's Goods-to-Person range includes the best 'smart' decision-making and execution software and mobile robotics, meeting the need of logistics operators to increase order picking flexibility and integrate automation more widely in their warehouses. With over 30 different clients to its name and substantial funds raised, Scallog - the pioneer of scalable, flexible logistics robotics - is now aiming to boost its growth across Europe and internationally. www.scallog.com

PRESS CONTACT:

Isabelle GARIEL
Communication & Affaires Générales
Mobile : +33(0)6 31 46 38 36
E-mail : igariel@scallog.com

Gwendoline LUNE
Relations Presse & Influenceurs
Mobile : +33(0)6 15 91 48 18
E-mail : gwendoline@glc.paris