



MANUFACTURING

SWEET SUCCESS

After years of steady growth, Perfetti Van Melle expands into a state-of-the-art distribution center. —AIESHA D. LITTLE

There's a reason why Perfetti Van Melle employees and executives refer to the company's 10-month-old warehouse and distribution center as "The Showcase." It's the former location of Erlanger Showcase Cinemas. Quite apropos for the makers of Airheads, Chupa Chups, Mentos, and other fine movie-appropriate candies.

Perfetti is one of the world's largest confectionery groups, manufacturing and distributing sugar confectionery and chewing gum products in more than 150 countries. With business booming, the company needed a facility to match its growth trajectory. The new 385,000-square-foot facility (with 46,000 pallet positions and 40 dock doors) replaced and consolidated four older warehouses into one centralized, state-of-the-art facility. The expansion created 96 full-time and temporary jobs, bringing the company's employee count in Northern Kentucky up to 400.

"After exploring several options, the Erlanger Commerce Center was chosen for its proximity to our North America office and

manufacturing site as well as its convenient location at the intersection of I-71/75 and I-275," says Sylvia Buxton, president and CEO of Perfetti Van Melle North America. "Since it was a greenfield site, we were able to work with [real estate developer] AI. Neyer and ensure the layout and facilities met the growing needs of our business."

Perfetti's U.S. business has consistently grown in market share every year in the candy, gum, and mints category. Not bad for the company's only facility in North America. "The new distribution center investment was prompted by the growth of our Perfetti Van Melle U.S. business and the commitment of our global owners to support continued future growth," Buxton notes.

The distribution center can now ship out 13 million cases of product to more than 1,100 locations. It's made possible with a more effective layout and enhanced technology, including:

- VNA (Very Narrow Aisle) racking and turrets to reduce overall building space, which reduces the facility's environmental footprint;
- InfoLink Technology for safer operation of the company's powered industrial vehicles;
- A semi-automatic order-picking module to reduce energy requirements and provide safer operation for employees; and
- Enhanced surveillance and monitoring capabilities as part of the company's food safety and food defense plans.

The end result is better customer service as well as enhanced order-picking and shipping operations. In addition, Perfetti Van Melle also invested in its existing Erlanger manufacturing facility as part of the distribution center project, improving the truck access road and expanding its shipping/receiving docks. (In 2017, the company spent \$11 million to increase production, adding 50 jobs at its manufacturing plant.)

"This new centralized distribution center allows us to improve our efficiency with lower inventories and lower cost to serve," Buxton says. "And better service and better margins are key to fuel our growth plans."

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