New distribution center & logistics park for Binzagir Company

Miebach Consulting
March 2019
Introduction

Located 120 kilometers north of Jeddah in Saudi Arabia the King Abdullah Economic City (KAEC) is growing, adjacent to a fully equipped and functioning modern Port (King Abdullah Port – “KAP”) facility and with a future link to the rail network across the Kingdom.

According to the Kingdom’s “Vision 2030”, the new city on the Red Sea is planned to develop into a metropolis of 2 million inhabitants for the time after the oil era and serve as an economic center and logistics hub. A total of 100 billion US dollars has been estimated for the mega-project announced in 2005 by the former King Abdullah Bin Abdulaziz Al-Saud.

In the King Abdullah Economic City, a new distribution/logistics park, is being built for the Binzagr Company, which will also benefit from the port, rail infrastructure and the new regulations for the special economic zones.

Project Manager:
Hakim Ramadan, Principal
ramadan@miebach.com

Miebach Consulting DMCC, Dubai
Supporting the Kingdom’s Vision 2030

Binzagr is one of the leading general importers and distributors based in Saudi Arabia, responsible for a wide range of consumer goods and brands.

“The new building project is fully aligned with the Kingdom’s Vision 2030 and will be an integral part of this initiative,” says Hakim Ramadan, a member of Miebach Consulting, a supply chain consultancy, who is accompanying Binzagr in the project. “The complexity and size of the project drove Binzagr Company to seek an experienced supply chain consulting and engineering partner. The planning and implementation expertise of Miebach Consulting and the company’s presence in the region were key elements in the selection process,” adds Ramadan, who serves customers in the Middle East from Miebach’s offices in Saudi Arabia and Dubai (United Arab Emirates).

The first step in the Binzagr project in 2015 was to define the overall concept for the distribution center and logistics park. A highly automated system proved to be the preferred solution. During 2016 and 2017 the detailed planning phase took place, including the preparation of technical specifications and documents for the tender of the trades, followed by the evaluation of the bids and the recommendation to Binzagr for the final selection. As general planner, Miebach Consulting was responsible, among other things, for selecting the architectural and civil engineering companies as well as all the specialist firms required for the project. In addition, Miebach carried out a simulation of the plant during the planning phase and after the tender phase in order to check the performance of the selected suppliers. The logistics consultants are currently supporting the implementation of the new distribution center as general planners. The test phase and commissioning will be carried out in June/July 2019.

Abdullah Binzagr, CEO and Chairman of the Binzagr Group:

“Through this project and with the support of Miebach Consulting, we expect to triple productivity with the same resources and reduce processing time for each product, by at least ten days. These benefits can be achieved through both the new distribution center and the efficiency of the King Abdullah Port”.

Highly automated system proved to be the preferred solution

The Distribution & Logistics Park project includes:

- The development of the approximately 200,000 square meter logistics center (including 2 high-bay warehouses with 22 storage retrieval machines, a pre-zone with an electric floor conveyor system, and more than 70 dock doors for offloading/loading & dispatching up to 5,000 pallets per day.

- Fully automatic preparation of layer stratified pallets by a layer picking robot and semi-automatic preparation of completely mixed pallets by automated sequencing and manual picking.

- As the first automated logistics project in Saudi Arabia (according to Miebach Consulting) both high-bay-warehouse will be equipped with an oxygen reduction system instead of sprinklers.

- Additional space for value-added services in a mezzanine as well as a comprehensive administration and management office area.

The German technology suppliers involved in the project include among others the intralogistics companies SSI Schäfer, RBS Förderanlagen GmbH and the Wagner Group.

“The attitude towards project management in Saudi Arabia differs from what we are used to in Europe,” says Miebach expert Ramadan. “This also applies to logistics processes and business solutions. With the aim of providing a tailor-made solution for material handling equipment and IT suited to the unique needs of the region, this meant on many occasions taking off European glasses and focusing more on out-of-the-box thinking”.

As Hakim Ramadan further reports, challenges in the project also arose from the fact that special design requirements had to be met in the King Abdullah Economic City while the project was still under construction. In addition to “Saudization”, according to which certain professions may only be exercised by Saudis, other local standards and requirements also play a role: “In general, the authorities have no specialists - as in Germany, for example, the Civil Engineering Office, which inspects construction sites and projects,” says Ramadan. “Rather, this work is outsourced to locally registered engineering offices. These are generally in competition with the engineering office that implements the project,” says the Miebach expert.

Randy Brown, Sr. Vice President of WareHouse & Logistics for Binzagr Company:

“Binzagr and the appointed general contractor are fully committed to the design developed by Miebach for this landmark project securing Binzagr’s leading position in the market for the future. Implementation is currently going full steam ahead.”
About Miebach Consulting

Miebach Consulting is one of the leading international consulting firms for supply chain management and intralogistics. Our services range from strategy development, planning and implementation of logistics centers and network structures to ramp-up management. With 350 employees in 24 offices on four continents, Miebach Consulting supports their global and local customers with best-in-class solutions to achieve supply chain excellence. The company was founded in 1973 by Dr. Joachim Miebach in Frankfurt am Main.

www.miebach.com

Contact:

Miebach Consulting DMCC
Swiss Tower, 10th Floor,
Cluster Y, JLT
PO Box 643718, Dubai
United Arab Emirates
+971 42789603
dubai@miebach.com

Saudi Miebach
ABT Building
31952 Dammam
Saudi Arabia
ksa@miebach.com