



Delivering Seamless Omnichannel Fulfillment for HARMAN

What's the most effective way to build and operate a scalable and flexible logistics solution for a global consumer electronics leader? How can warehouse automation support a high-volume business, that is increasingly shaped by unpredictable dynamics of e-commerce growth? And can a centralized logistics setup ensure high SLA standards for both B2B fulfillment and B2C fulfillment?

These were some of the key questions in 2019, when HARMAN — a global leader in audio technology with brands such as JBL and Harman Kardon — set out to elevate its European supply chain to the next level and **future-proof it for rapid growth** and the rise of omnichannel.

In 2019, HARMAN selected us to design, build and operate the European distribution center for its consumer audio products in Gennep, Netherlands, supporting B2B and B2C fulfillment.

After successfully implementing and running the European distribution center, HARMAN also chose us to establish its U.S. Distribution Center in Louisville (Kentucky), which went live in 2023.

"Arvato convinced us with its in-depth automation and process expertise. In addition, they were willing to invest in future-proof automation technology that supports our fast volume growth and increasing client demands. Scalability and flexibility of our fulfillment partner are critical to our success — and we found that with Arvato."

Henri Colijn
Senior Director Operations EMEA at HARMAN



The Initial Situation

Driven by a growing market share and several highly successful new product launches — including the popular JBL PartyBox range — HARMAN Consumer Audio's sales have **increased sixfold** in recent years, significantly impacting the company's global supply chain.

At the same time, booming online retail and rising customer expectations regarding product availability, on-time and in-full deliveries, transport options, and service quality introduced entirely new challenges on the supply chain of the audio technology company. Market trends such as the reduction of channel inventories added further pressure on warehouse operations.

HARMAN therefore sought a strong and trusted partner with deep industry expertise and proven operational excellence, capable of designing and operating a scalable, automated, and data-driven warehouse solution.



Our Solution for Success

We were able to fully meet these requirements through our proven track record in both B2B and B2C fulfillment, in-depth industry know-how and many years of experience implementing and operating automated, semi-automated, and highly data-driven solutions.

Additional differentiators included our willingness to invest in innovative technologies, our ability to manage peak periods efficiently and our smart recruitment strategy. Equally important, our corporate cultures are highly compatible, which is reflected in a close and ongoing exchange of knowledge and insights between HARMAN and Arvato. This trusted and collaborative partnership enables us to jointly optimize processes and proactively address evolving business needs.



With a detailed understanding of HARMAN's strategic objectives and thorough analysis of their logistics data, we identified key characteristics and patterns across the B2B and B2C channels. These insights enabled us to determine the right level of warehouse automation, including required capacity, staffing, productivity, space, and investments.

To validate our approach, we conducted extensive process simulations covering an entire year — including peak seasons, different shift models, and various automation scenarios — to jointly define the optimal business case. Based on these insights, we implemented the required storage capacities and logistics setup **within only four months**, without any disruption to HARMAN's ongoing operations.

At our Gennep site in the Netherlands, a modern logistics campus spanning around **230,000 sqm** and serving clients across tech, consumer products and healthcare industries, we dedicate around **40,000 sqm** to HARMAN. The operation includes more than **37,000 pallet locations** and a **tailored, automated outbound solution** featuring box erectors, paperless zone picking, box closers, label applicators, and a sorter.

The setup is designed to efficiently handle both high-volume B2B orders from retailers and distributors across Europe, as well as the rapidly growing B2C online business. All automated processes are powered by Arvato's global, cloud-based warehouse management system, which provides near real-time transparency through intuitive dashboards.



Advantages for HARMAN

With our dedicated fulfilment solution, HARMAN is ideally positioned for continued growth.

The automation implemented in Gennep contributes to a more sustainable and customer-friendly operation, while improving transportation efficiency, optimizing consumables, and reducing dependency on manual processes.

At the same time, the fully integrated IT landscape, which is connected to Arvato's global platform, streamlines onboarding and enables **fast, scalable expansion into new markets**. This is complemented by a continuous improvement program that drives greater efficiency, higher service quality, and stronger overall operational performance.

Thanks to the combination of automation and the flexible operational setup within the Arvato multi-client campus, seasonal peaks such as Black Friday can be managed reliably and efficiently while ensuring high service quality. To sustain this strong performance over time, HARMAN and Arvato jointly assess the warehouse setup, processes, and automation annually as part of an engineering review, identifying optimization opportunities and ensuring capacity remains aligned with HARMAN's business development.

Together, these measures create a fulfillment environment that excels today and continues to evolve in line with HARMAN's long-term strategy.

HARMAN and Arvato view their collaboration as a **long-term partnership** — one that has already delivered outstanding results and holds even greater potential for the future.

Services provided by Arvato for HARMAN in EMEA include:

- ✓ E-Commerce fulfillment
- ✓ Direct-to-retail fulfillment (including value-added services)
- ✓ Order consolidation
- ✓ Peak management
- ✓ (Semi-)Automated pick-pack-ship
- ✓ First article inspections
- ✓ Returns handling (including technical inspection)
- ✓ Testing and refurbishment/rework
- ✓ Consumer and environmentally friendly packaging





HARMAN at a Glance

HARMAN is a global leader in Lifestyle Audio and Automotive technology. They create intelligent experiences that enrich people's lives on the road, in their homes, on the stage, and everywhere in between. The iconic audio brands — including JBL®, Harman Kardon®, AKG®, Bowers & Wilkins®, Denon®, and Marantz® — bring premium sound to consumers and audio/visual professionals worldwide. More than 50 million vehicles globally rely on HARMAN's technologies to deliver safer, smarter, and more intuitive in-cabin experiences. HARMAN is a wholly owned subsidiary of Samsung Electronics Co., Ltd. and has approximately 30,000 employees around the world.



Arvato at a Glance

Arvato is an innovative and leading global 3PL service provider in the field of supply chain management and e-commerce. By combining deep industry expertise with the right technologies, Arvato develops innovative supply chain management and e-commerce solutions for its clients. Arvato focuses on Consumer Products, Tech, Healthcare, Automotive and Publisher industries and has aligned its organization to meet the needs of its global clients and their industries. More than 18,000 employees work at 100 locations with state-of-the-art cloud technologies. This enables Arvato to provide its clients with the best possible support for their growth objectives.

For more information, please visit www.arvato.com

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