

MADE SMARTER

Stratford pet business ready for next stage of growth

An innovative online pet shop which was the first to offer subscription pet food services back in 2010 aims to grow by 30 per cent in 2025 – its 15th anniversary year – following support from Made Smarter West Midlands.

PetShop.co.uk, which was founded in 2010 initially under the name of Petshop Bowl after Adam Taylor and his wife, Lexi, received a £5,000 loan from the King's Trust, focuses on home delivery and subscriptions of the nation's favourite pet foods direct to pet owners.

Adam's lightbulb moment for setting up the business came after watching his mum's struggle with arthritis which made it difficult to get to the shops to buy pet food for their two dogs and five cats.

That led to the launch of the business, now called PetShop.co.uk, which includes a subscription service called Bottomless Bowl, so that pet owners don't run out of pet food as well as providing over 10,000 brand products such as Orijen, Royal Canin, Hill and Pro Plan dog and cat foods.

Stocking so many products at its warehouse at Precision Business Park in Masons Road, Stratford-upon-Avon, does present challenges which meant there was sometimes a delay in putting together the boxes manually as well as picking and packing to post the thousands and thousands of daily orders they deal with.

Adam received a grant from Made Smarter West Midlands to automate this stage of the process.

He said: "Investing in automation has been a necessity to survive and thrive. We are becoming

more productive which is really important to be able to grow and survive in such a competitive environment and, with increasing cost in all directions, it has been vital to out-manoeuvre big competitors and maintain our "wow" customer service and prices, whilst focusing on our international expansion.

"We have just started our automated journey, but we are already seeing the benefits from the first stage and we will now be focusing on other areas. This is helping to improve the experience of our customers as well as our sales and marketing."

The Challenge

It has been one of the toughest trading environments the business has experienced, with the increasing cost of doing business and cost pressures on consumers.

PetShop.co.uk processes around 500,000 orders a year and the challenge has been managing increasing costs whilst growing the business. It has forced the business to focus on automation to pass on extra savings to its customers for their branded pet supplies.

Adam explained: "We needed to automate certain parts of the packing process in order to survive and pass the savings on to our customers and equally to be able to deal with increased orders while maintaining excellent customer experience.

We pride ourselves on keeping all customers' best-selling products always in stock so customers that run out can order to receive the next morning.

"We were so busy during Covid and have been since then that, at times, we had to stop our advertising and marketing initiatives because we didn't have the capacity to process all our orders.

"This was a key necessity to grow the business. Initially, we packed every order by hand between 15 staff over two shifts a day.

"We have customers all over the UK as well as orders from Japan and Taiwan and we are going to a trade show in Thailand for the first time next year, so it is vital that we are as efficient and reliable as possible."

Adam was put in touch with Made Smarter West Midlands via Coventry and Warwickshire Growth Hub. Digital Transformation Specialist, Paul Sullivan, visited their premises together with Tomas Novais, Senior Advisor - Digital Transformation, at the MTC, who are one of the strategic partners on the programme.

Yunus Khalifa, Digital Transformation Specialist, who replaced Paul Sullivan following his retirement in 2024, said: "It only took seven months from the initial meeting to approving the grant and it has been great to have played a part in PetShop's digital journey.

"We identified several opportunities for digital transformation and targeted the end-of-line packing process as an area which would drive the most growth with the quickest return on investment.

"This has freed staff to take on other tasks within the business and this is just a step in their digital transformation journey."

The Solution

PetShop.co.uk submitted an application for a £20,000 grant from Made Smarter West Midlands, with the business investing £30,000 to buy a Lantech automated Box Case Erector.

Adam said: "We have received a few grants over the years but dealing with Made Smarter has been one of the most seamless. We spent quite a lot of time talking to Made Smarter and the MTC about our business and how we wanted to improve productivity.

"Buying a Box Case Erector machine would complete one part of the process to make a box up, which is saving massive time on every order and improving the packing process as well by bringing a consistency and uniform look to each package so each order looks more professional. We hope this will lead to more retention rates."

Shai Tailor, Senior Advisor - Digital Transformation, at the MTC, said: "We reviewed the overall processes of PetShop.co.uk and identified areas where they were encountering challenges, such as manual operations taking up the majority of the work.

"There was a large portion of time being taken to put together a delivery box so we suggested introducing a machine which would create the folded box and place it on a conveyor belt, which has sped up the process.

"We prioritised the integration capabilities of the new digital tools with their existing warehouse management system."

The Benefits

Installing the automated Case Erector has led to many benefits. As well as saving labour time, there is also less waste and PetShop can respond more quickly to orders.

"Previously, the picking time for each order was six minutes but that has been reduced to 2.5 minutes because the machine

selects the box and makes it up. It has streamlined our processes and it is now much easier," Adam said.

"Staff no longer have to choose the size of the box and the whole system has increased our productivity and robustness to deal with high demand and more orders.

"Since we are more productive, staff have been allocated to more high-value jobs, such as optimisation of stock and focusing on quality control and health and safety."

The Future

2024 has been a tough trading year. Turnover is currently just under £30 million and Adam wants PetsShop.co.uk to grow by 30 per cent in 2025.

He said: "We are attending a trade show in South East Asia because we want to grow that side of the wholesale business and we will be taking our own branded products, Huntland, to Thailand. We hope this will be one of our big growth areas in 2025.

"We are launching a freeze-dried Scottish Loch Salmon product and we hope to have our hygiene certificate to manufacture that early in 2025.

"Having seen the success and positive impact the Made Smarter machinery has had on our total business, we're now looking at automating other areas including automated bin replenishers, counting stock, and picking, because it all helps with reducing the manual time spent in putting orders together and will increase the skills of our staff so they are no longer doing a repetitive job and we are becoming more flexible.

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From the left: Shai Tailor (The MTC), Adam Taylor (PetShop.co.uk) and Yunus Khalifa (Made Smarter West Midlands)

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CASE STUDY