

- **Focus on error reduction.** One of the best ways to save money is to improve the overall quality of your operations by reducing error rates. In some companies, managers have seen errors account for as much as 15 percent of DC costs.

Entering the wrong stock unit, picking the wrong product, not loading the truck properly — all of these things add up. Collect data on where your errors are occurring and set targets to reduce them.

Try posting errors by type, so workers know what types of problems are being made and with what frequency. But don't focus exclusively on the negative: Post the names of workers with the fewest number of errors, too.

When you highlight good performance as well as problems, and support workers as they begin focusing on quality, those error rates will start going down.

- **Make equipment do double-duty.** At OHL's Indiana DC, workers do a lot of cluster picking to save labor time. But the DC was able to further enhance cluster picking by finding new pick carts that incorporate pick totes, a ladder, and a push cart all in one.

Where workers once walked the DC floor pushing their carts, they now drive the carts and stand on them or use the attached ladder to pick orders. It eliminates the need for pallet riders, pick carts, and separate ladders.

"This one machine basically eliminates all that other equipment," Mike Honious says. "Not only did we see \$15,000 in labor savings, this one piece of equipment was much cheaper than other options and we saved \$8,000 by buying it."

- **Warm up with dock blankets.** Many warehouse docks are fitted with metal plates to withstand the daily wear and tear of loading and unloading freight. Murphy notes that, "While these docks are outfitted with insulating bristles to keep out the elements, the metal dock plates emanate cold air during winter months like ice cubes in a drink."

There's a simple solution to help keep the dock areas more comfortable and reduce heat energy consumption. Murphy recommends, "Custom-sewn, quilted blankets. These blankets cover the metal dock plates when they are not in use. While it does require additional steps for staff to keep the dock blankets in place, it's not an uncommon sight to see a forklift driver stop what he is doing as he passes the dock and make sure the blanket is in place. These blankets can make dock areas 10–15 degrees warmer, with no additional energy used.