



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse or DC

From the Golden Zone

DC managers, experts offer tips from 2011

The economy is still struggling to recover, and DC managers are being asked to do more with less.

So how do you cut costs without sacrificing service and accuracy? During 2011, we asked dozens of DC managers and consultants to tell us what worked for them. A sampling of their advice follows.

Replace standard grass with native varieties

Richard Murphy, president of Murphy Warehouse Co., went green well before the current craze. Back in the 1990s, he replaced the lawns at two of his Minnesota locations with native prairie grass, and he was shocked by how much the simple move saved.

He says that ripping out the lawns resulted in \$829,000 in savings in 14 years. Prairie grass has deeper roots than lawn grass and is far heartier, which means the native grasses need far less maintenance.

"They don't need cutting every week, they don't need sprinkler irrigation, they don't need fertilizer," Murphy says. "Why would you cut grass on acres and acres of land when it just doesn't make sense?"

The annual cost of maintaining six acres of prairie is \$4,240, compared to \$21,650 for taking care of 4.2 acres of lawn, Murphy says. The savings are so compelling that Murphy doesn't understand why more DCs haven't ripped out

their ornamental grass and replaced it with native vegetation.

Murphy doesn't let the native vegetation simply take over. His landscaping is still professionally maintained, but the low-maintenance nature of prairie grass means the costs plummet.

Prairie grass is cheap to plant, and he says the installation pays for itself in 1.3 years. Murphy offers only one caveat: Prairie grass needs about three years to fill in.

"You've gotta have some patience," he says.

Boost morale with cross-training and communication

Cross-training workers is a simple way to improve performance, says Bryan Edwards, an assistant professor of management at Oklahoma State University and one of the scholars leading the "workercentric warehouse" effort.

Job rotation improves workers' job satisfaction, and it creates a more flexible workforce.

"If you can rotate them across positions, that does several things," Edwards says. "It mixes it up, so they're challenged more. It also lets them see how what they're doing on one day fits with the entire organization."

What's more, Edwards says, job rotations expand workers' skills. So if you suddenly face a shortage of workers in one area, you can more easily move cross-trained workers to perform the tasks you need.

Communication between managers and workers

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also pays big dividends. Even small gestures like chatting with employees during breaks can create a more cooperative mood in the DC.

Edwards points to the example of a DC manager who holds a monthly birthday party for all the employees whose birthdays fall in that month.

“It seems simple, but the employees really enjoyed that,” Edwards says.

Take care to prevent workplace violence

Workplace violence is every manager’s nightmare. In some of the most gruesome examples, DC workers have shot and killed coworkers. Security expert Barry Brandman of Danbee Investigations offers these tips for staying safe:

- **Look for warning signs.** Watch for red flags such as erratic behavior, paranoia, making threats, or expressing an obsession with weapons.

- **Treat threats seriously.** Document any type of threat, whether it’s verbal, emailed, sent by text message, or written on a bulletin board. Never let one manager make the call to ignore a threat.

- **Train supervisors to recognize warning signs.** Your supervisors are the front line of defense against workplace violence. Teach them to recognize red flags and to respond to early warning signals.

- **Don’t buy cut-rate background checks.** While some online firms tout background checks

for as little as \$15, you’ll likely get a less-than-thorough investigation. Brandman often finds that workers whose background checks showed up clean had arrests that didn’t appear in a cheap check.

- **Set up a third-party hotline for tips.**

Forget in-house hotlines. Workers won’t report sensitive information if they don’t believe it’s confidential. Danbee recommends a tip line run by a third party.

- **Be careful with terminated workers.** In a couple of deadly incidents, warehouse workers started shooting only after they were fired. If you must fire an employee whom you fear will be volatile, take extra security precautions. Any time a worker is terminated, immediately disable the worker’s electronic access card. Shut down the worker’s email access, and tell security guards and receptionists that he’s no longer with the company.

- **Be careful with temps.** The shooter in one incident was a temporary worker hired for the holiday rush. Temp workers add a layer of risk, Brandman says, especially if you use a temp agency that isn’t as careful with its background checks as you are in hiring permanent workers. *Contacts: Richard Murphy, Murphy Warehouse, 612-623-1200, www.murphywarehouse.com; Bryan Edwards, Oklahoma State University, 405-744-5064; Barry Brandman, Danbee Investigations, 201-652-5500.* **DCM**

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