



Distribution Center MANAGEMENT

January 2014

Managing people, materials and costs in the warehouse and DC

■ From the Golden Zone

DC experts offer management tips for 2014

With the economic recovery gaining steam, DC managers can expect better times in 2014. But with relentless competition and profit pressures facing the industry, there's no sign of a let-up in the distribution industry's never-ending focus on efficiency.

How can you maintain quality while hacking away at waste? During 2013, we asked dozens of DC managers and consultants to tell us what worked for them. A sampling of their advice follows.

Take a cue from Undercover Boss

Thomas L. Tanel of CATTAN Services Group Inc. is a big fan of *Undercover Boss*, the television show that features a senior executive of a company working undercover in his own firm to investigate how the company really works.

But you shouldn't wait for a TV crew to learn what's going on in your facility, Tanel says. Don't make the mistake of getting so busy making decisions, analyzing problems, and seeking answers that you pay little or no attention to simply observing.

And don't let your expectations interfere with your observations. The challenge is to observe objectively:

- Use all of your senses (sight, hearing, touch, and smell) to make qualitative observations.
- Review your observations to be sure they are accurate and objective.

- Whenever possible, count or use measurement devices to make quantitative observations. Be sure to include units of measure with them.

- Check your observations to be sure that they are statements about information gained through your senses, not explanations of what you observed.

Geoff Sisko of Operations Resources Unlimited loves the idea of learning about your operation by simply observing. By becoming a fly on the wall, you might learn a lot about safety and efficiency in your DC, he says.

Sisko suggests you choose a promising part of your operation to observe, preferably an area with a beehive of activity.

Whether you choose receiving, put-away, picking, shipping, or value-added services, position yourself in a location where you do not impede the operation, but you have a good view of what's going on.

Try to make yourself invisible. If someone asks if you need help, say, "I'm just waiting." You don't want to change workers' behavior with your presence.

Aim to become part of the wallpaper. If you're a high-profile manager, you'll have to work extra hard to achieve this feat.

Stand and watch for a while, and ask questions if something strikes you as unusual. Look for inef-

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This article was reprinted from the January 2014 issue of *Distribution Center Management*.

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iciencies such as searching for tools (clipboard or pencil) or equipment (lift truck or cart).

When something like this happens, ask questions. “Does this happen often?” “Why did you do it that way?” “What kind of information were you getting?” “How can you avoid this?”

The big challenge: Seeming casual and curious but not judgmental and accusatory in your queries. If workers think you’re there to punish them, they’ll scatter as soon as they see you coming. The secret is to get workers accustomed to seeing you. If you’re a manager, observe operations every month or six weeks. If you’re a supervisor, do so weekly.

Scrutinize technology investments

As the economy bounces back, many DC managers are getting the green light for technology investments. But don’t make the mistake of viewing technology as a panacea to inefficiencies and poor performance in the warehouse.

Technology is just a tool, says Marc Wulfraat of MWPVL International — and rarely does it make sense to throw expensive tools at simple problems. Successful companies do not invest large sums of money to deal with problems that can be solved with simple methods.

However, there are telltale signs that technology can be beneficial. For instance, if the only way you manage is by putting out fires, then you know you have a problem. Another sure sign of trouble: Finding inventory is a never-ending adventure.

Build a solid business case for technology investments. And ensure that the benefit being proposed is in fact related to the technology investment rather than to a change in operating processes, warehouse layout, or other non-technology-related attributes.

Pay attention to the human side of technology upgrades

If, after casting a skeptical eye on your technology needs, you decide your company needs an upgrade, don’t forget the human element of technology upgrades, says Catherine L. Cooper of World Connections.

Too many upgrades struggle and fail, not because of the system’s weak technical performance, but because of the tendency to underestimate the human side of the project.

Cooper points to one typical mistake: You let your team evolve over time by assigning responsibilities to people, rather than assigning people to specific project responsibilities. This can result in a dysfunctional team shaped by relationships and personalities — not required skill sets.

- Take the time to assemble a group with clearly defined roles and responsibilities. No matter how large or capable your crew is in the beginning, it needs to be properly sized so that momentum and energy can be sustained to the finish line. It is difficult to do this with a large group of loosely knit people, so designate both a core and support team based on functional responsibilities.

- Schedule full-team meetings. These meetings should focus on status updates, work-stream dependencies and discussions of interest to all the participants. Core team members, however, should be in constant communication, getting together several times a week to manage issues that might not pertain to the entire group.

Get supervisors involved early. They will act as change leaders — and provide your best chance for early system adoption. Have the supervisors participate as early as functional testing. **DCM**

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Distribution Center Management is published monthly by Alexander Communications Group, Inc., which provides news, data and information on key distribution and warehousing topics through its newsletters, books, and website.



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