



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse or DC

From the Golden Zone

Looking for unbiased feedback about your DC? Consider WERC's Warehouse Certification Program

By Michael J. Mikitka

In 2010, the Warehousing Education and Research Council (WERC) introduced its Warehouse Certification Program to help fulfill the council's stated mission "to advance the art and science of warehousing management."

To date, 32 facilities have been certified and all have expressed satisfaction with the process and the lessons learned. We've begun to categorize what the leaders in these facilities tell us as we continue to monitor the value of the certification program.

The designation certifies a warehouse facility's capabilities and its ability to competently perform core warehousing functions. To conduct the audit, an independent third-party auditor inspects the DCs and conducts a process assessment, while benchmarking and grading the warehouse operations against recognized industry best practice standards. These standards are contained in WERC's *Warehousing & Fulfillment Process & Best Practices Guide* that outlines the five levels of warehouse process competencies (ranging from "poor" to "best practice") for 114 processes in eight core areas (receiving and inspection, material handling and putaway, slot-

ting, storage and inventory control, warehouse management systems, shipping documentation, picking and packing, and load consolidation and shipping).

Validate current processes

Because the auditor is looking at eight key areas in a DC and considering current operations against 114 individual processes, each audited facility receives a detailed report focused on their facility. Invariably, all the things that are being done right are recounted and set a positive tone. Pete Westermann, president and chief operations officer for Kane Is Able, told us that "the WERC certification audit confirmed that having a commitment to a quality systems program, which we have, is absolutely critical."

Such positive feedback provides a sense of pride and accomplishment for everyone who works in the facility. As Kenco's representative put it, "It's a validation of what we have always felt about the way we run our facility and do our jobs — that we do it all well."

The WERC perspective echoes this sentiment. WERC is proud because we know how hard our members work and this program gives us a chance to pat them on the back and announce their successes to the whole industry.

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Benchmark processes

Tom McNamara, manager of America's distribution for Kennametal's North American DC, told us, "We were looking for a method to benchmark our DC against the best-in-class. The auditor had many good insights and shared with us a broader view of best practices than we had previously considered."

An unbiased auditor provides written comments and grades a DC on a five-point scale. The certification paints a clear picture for management and associates — all of whom can have a role in the process. The buy-in required for the audit itself extends from top to bottom of the organization and increases the feeling of ownership — that each person does make a difference.

Additionally, many of the company representatives mentioned how the audit challenged them to consider things a little differently. Westermann of Kane Is Able said, "We are looking for opportunities where we can get an external frame of reference, like the WERC Certification process, to challenge the norm, or simply help us think through an issue."

We all know that sometimes all it takes for big break-throughs is to look at things just a little differently. Interaction with the auditor and team members can create just that type of paradigm shift.

Identify future opportunities

Continuous improvement is an established goal for many in the warehousing industry, and the WERC Certification Program can provide solid insights for future opportunities.

"We're a continuous improvement organization and what we have today is going to do nothing but get better tomorrow," said Dave Zuern, vice president of North America logistics for Invacare Corp. "Every day we're looking at all of these processes and asking, 'What must we do to make them even better?'"

A key to identifying opportunities for improvement is the gap analysis that naturally occurs when you consider the facility score and the best practice score and description. Maybe the gap needs to be addressed right now or maybe it identifies how to plan for the future. Either way, the information helps set priorities as well as long-term plans. Gregory J. Javor, senior vice president of supply chain operations and global logistics for Starbucks Coffee Co., summed it up when he said, "The WERC Certification audits afford us a great diagnostic tool to wring out efficiency gains and further leverage our growth."

All of the facilities that have achieved WERC certification have talked about how they have taken the lessons learned and shared them with some or all of their stakeholders — from associates on the floor to other facilities to their customers. Terminology gets defined, best practices outlined, current state is agreed-upon, and future desired state expectations are set. The entire team is on a level-playing field and everyone can be involved. This level of collaboration internally and externally goes a long way to achieving the ideal supply chain.

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