



# Distribution Center MANAGEMENT

May 2014

Managing people, materials and costs in the warehouse and DC

## ■ From the Golden Zone

### Think your operation is unique? Try running a DC at the South Pole

By Fred Kimball, *Distribution Design*

Every manager thinks that his or her distribution center is unique. But after seeing hundreds of operations, it becomes clear that DCs are generally more similar than they are different. For a truly unique operation, you must travel to 90°S. Yes, the South Pole, Antarctica, where you'll find the warehouse supporting the U.S. Antarctic Program.

The South Pole warehouse operation illustrates one of the most basic tenets of management: the leadership approach must fit the situation. At the South Pole (SP), the harsh environment limits what a manager may accomplish. A wise manager will adapt to the situation anywhere; this is a critical "must" when situational elements cannot be improved by humans.

#### Adjusting to conditions

First, there is the obvious geographic uniqueness. SP is not "down under," it is way below that. The flight by cargo plane takes 11 hours of air time from New Zealand, plus there is a refueling stop and an overnight stay on the Antarctic coast. At SP, there are no penguins, no wildlife or plant life, no trees, no birds. Just snow and ice. It is the highest, driest, coldest, windiest place on earth with the average daily temperature of -56 degrees Fahrenheit. Yes, that's minus 56 degrees.

Your commute is without traffic because you walk — after your restful night in your dorm room, a maximum shower time of two minutes — but only twice a week — and a hearty cafeteria breakfast. You live and sleep where you work, but you don't have to worry about being home for dinner because your family is 15,000 miles away. You prefer a dorm room without a window because for six months of the year, there is 100 percent daylight. If your stint is for 12 months, there will be one sunrise and one sunset.

"A wise manager will adapt to the situation anywhere."

At SP, the warehouse is down 92 steps in an unheated but, thankfully, enclosed cylinder passageway called "the beer can." At the bottom of the stairs is your under-the-snow-and-ice warehouse. You wear extreme-cold-weather gear because the warehouse is a constant -55 degrees. This warehouse stores items that can be frozen but not at temperatures lower than -55 degrees.

Within the -55 warehouse, there is a section of heated space. The heated space is for items that cannot be frozen at all. When a cargo plane arrives, the logistics team must unload in a hurry to get "Do Not Freeze" items into heated space. Your office is in the heated space — if you have an office.

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## Taking advantage of all available space

There is also space that is not temperature controlled, except by nature. The outdoor storage space exceeds 150,000 square feet, and there are many items that are stored outside because they can withstand temperatures as cold as -100 with wind chills to -150. The outside products are on pallets placed on snow berms with signs stuck in the snow to identify “warehouse” sections. The air is so dry that corrugated cartons can withstand the snow without getting wet.

An associate picking orders from the outside storage area uses a snowmobile and a sled to haul items. After a storm, the picker must dig snow from between pallets. Luckily, the snow blows off the top of pallets because of the wind. During the eight months of the “winter shift” with virtually total darkness, pickers wear headlamps to see products. The blowing snow is unlike anything you have ever experienced. A manager telling workers to improve their productivity should choose his words carefully.

You manage 30,000 SKUs with one of the widest ranges in sizes and value of products that exists in warehousing anywhere. The warehouse has everything a small town might need — food, building materials such as plywood and drywall, and hardware, ladders, tools, plumbing and electrical items, machine and heavy equipment parts, medical items, including controlled narcotics, IT

equipment and scientific instruments, 55-gallon drums with hydraulic oil and hazardous chemicals, and office supplies.

Heavy gloves make using a handheld RF terminal a technological challenge. You use a pencil because ball point pens freeze after five minutes. Your work week is six days. Shift overlap is when the new crew arrives to replace you. As a manager, you have a few days to make sure the new people experience the very basics of stock location and the inventory system. There are no planes in or out during the winter shift.

There is Internet access by satellite. The service is good when the satellites are in the right orbit, and the video monitors show how much longer the network will be up and when it is available again.

Logistics people everywhere thrive on the day-to-day challenges, the variability, and the satisfaction that comes from serving customers. That is especially apparent at South Pole. It’s not just a job, but a chosen place on a career path that very few people ever experience. The uniqueness of this experience is ubiquitous: inside or outside, at work or rest, and, at the end of the day, up 92 stairs to dinner. You sleep well. *Fred Kimball, principal of Distribution Design Inc., was at the South Pole last year. The 3PL that runs the South Pole warehouse for the U.S. Antarctic Program selected Distribution Design for analysis and design of operational improvements. Kimball can be reached at 800-679-3233 or 207-588-6722.* **DCM**

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