



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse and DC

From the Golden Zone

To improve efficiencies in your DC, try this unlikely advice: Just stand there

By Geoff Sisko

During a recent assignment in a distribution center, I noticed a picker putting a piece of paper over part of the barcode every time he scanned a book.

When I asked him why, he said it was because the warehouse's scanning system would get confused by the dual numbers — one a UPC code, the other an ISBN — on the label. The worker didn't realize that this glitch had been fixed two years ago, but no one ever bothered to tell him. So he continued to employ this productivity-draining practice.

In another instance, I observed a worker climb onto an order picker to be lifted to a high shelf. From a safety perspective, this operator had done all the hard stuff. His safety harness was on, and he needed only to clip the belt onto his harness. Instead, the worker stuck the clip in his back pocket.

How did I spot these two simple but potentially costly missteps? I became a fly on the wall in the DC.

It's an approach I'd recommend to any manager or supervisor who wants to learn more about operations in his warehouse.

This tactic, torn from the playbook of Management by Walking Around, includes two phases

— Stand and Follow. These processes quickly provide a diagnostic view of what's going on in your DC.

Part One: Stand

Pick 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. When I'm brought in as a consultant and someone asks if I need help, I say, "I'm just waiting."

I don't want to change workers' behavior with my presence. Because I'm there to see what really happens, the last thing I want is for them to "do the right thing" for my benefit.

My goal is 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 inefficiencies such as searching for tools (clipboard or pencil) or equipment (lift truck or cart).

One trick to being a fly on the wall:
Seem curious but not judgmental.

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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 key 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.

As you stand in the DC, observe the movement of people. Is it random, do people criss-cross their own path, are they puzzled by the task at hand? Or is the movement purposeful and directed, the task clear to the person?

Using your observations, evaluate the process to see what can be done to make the process purposeful and clear. Is training required? Is there a need to modify instructions, or change the way in which the assignment is given? Does the system, paper based or otherwise, organize the work in a logical fashion?

Based on your findings, discuss the observations with front-line supervisors and the operators to see if they have suggestions to correct the shortcomings.

Put together an action plan to resolve them. Involve other departments, if required. Frequently there are IT issues, or unclear or ineffective instructions from customer service. Sometimes, the problem is as simple (or complicated) as “We’ve always done it this way.”

Part Two: Follow

Select an operation, such as picking, and follow some operators. Again, stress that you’re

there not to evaluate them but the process. One instructive exercise: Follow the fastest, follow the slowest, and follow the average.

Based on either quantitative information or the recommendation of a supervisor, select one person from each group to shadow. Frequently a star performer breaks some rules or has set up a unique process to allow them to work efficiently. Sometimes the star becomes efficient at the cost of creating inefficiencies for others, such as not removing empty pallets, leaving trash behind, or other detrimental activities.

The marginal performer may be that way because they follow all the rules, do not ask questions when they should, or they have not been properly trained. The average performer may have a mix of these traits.

In any case, use the observations you make to modify rules where appropriate, adapt processes to use the star’s tricks, or improve the training process.

Be certain not to use the observations as a performance review. Keep the stand-and-follow exercise neutral unless there are safety or behavioral issues that need to be addressed immediately, and do those in private with the responsible supervisor present. If the issues are due to supervisory shortcomings, keep it between you and the supervisor, and don’t involve the operators.

The bottom line: You cannot manage from an office. You must set aside time to see what’s really going on in your department.

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