



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse or DC

From the Golden Zone

Simple changes bring big productivity improvements

By Norman Saenz

Productivity enhancements can be achieved in your distribution center without spending a dime. For example, when you implement new warehouse management systems (WMS), pick-to-light technology, and conveyor systems, you will most likely enhance productivity. But these solutions can be costly.

Why not invest more time to study and identify those harder-to-find opportunities that require little or no financial investment but also provide productivity gains?

The main areas that can yield productivity increases and labor savings with no investment include improvements in the areas of layout and material flow, procedures, training, product slotting, and staff management.

Layout and material flow

The material flow and layout of your facility should result in minimal travel time. Take, for example, the picking area. The typical walk time is 38 percent of the pick time during a shift. If you're experiencing a larger percentage of time walking within the picking area, you can modify the layout of storage equipment. In a large storage area, tunnels and cross-aisles reduce travel time and minimize backtracking. Using the layout configuration that best supports your business can enhance the overall material flow. A U-shaped layout is the most common, and is used by most retailers. A straight-through layout is best for

manufacturing or freight forwarding operations. While modifying layouts can occasionally require capital investment, the cost is minimal when compared to new equipment investments.

Methods

A review of your day-to-day procedures can uncover many productivity enhancements. The best approach for reviewing procedures is to map the current process to visually review the material flow. By mapping the process, you can identify inefficient backtracking, delays, and repetitive tasks. Once identified, you can develop new procedures that reduce backtracking and eliminate or reduce delays and repetitive tasks. For example, if you are performing the quality assurance (QA) process at packing and you find there are extensive delays from correcting picking errors, you might move the QA process into the picking area. Another example is packing during picking (pick 'n' pack) versus using pack stations downstream. While this is not necessarily a no-cost change, it might increase the speed of order fulfillment if smaller orders use a pick 'n' pack process.

Training

It is critical that your employees have a clear understanding of the tasks they must perform. Through the process of mapping, you might discover that operators are uncertain about procedures. Much time can be wasted during the day re-doing functions because they weren't done right

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the first time. For example, if replenishment is not timely and done correctly, pickers may run out of stock during order fulfillment, causing reduced productivity. If everyday activities are not a problem, then handling exceptions may be causing confusion and reduced productivity. The mapping of exceptions should also be done to ensure there is a procedure for handling them efficiently.

Product slotting

Product slotting often presents the biggest opportunity for enhancing labor productivity. The issue of slotting impacts the two largest warehouse labor pools: picking and replenishment. While you might associate slotting with the purchase of a WMS or slotting program, you can implement general slotting practices without an investment in new technology. However, it is true that on-going slotting is more efficiently performed with a slotting program. The return on this investment is typically less than one year.

Simply by observing the picking process for one shift, you can identify labor congestion and ergonomic issues. Ergonomic issues refer to operators continuously bending and stretching to locations to pick products for orders. Typically, 80 percent of the picking activity is represented by only 20 percent of the total active products. These top moving products should be located in the most ergonomic locations and on right-sized equipment to reduce pick stock-outs and minimize replenishment labor. These products should then be balanced across picking zones to reduce congestion and further increase the productivity of the pickers.

Staffing

The methods for motivating operators are unique for each individual, but there is a mix of motivational tactics that can work in your operation. Monetary rewards are one of the most

frequent methods for motivating people, but in the spirit of no-cost solutions, there are other tactics that can work. Recognizing good performance in team meetings is a great way to motivate both the person being recognized and others. In addition, establishing an employee of the month parking space near the entrance of the warehouse is a nice perk for exceptional performance. This is not a monetary reward, but one that is sure to please if the parking situation is poor at your facility.

Placing employees into teams is another method of motivating individuals in a group to perform at higher levels. This staff rearrangement can also backfire, if relationships are not solid within the team. However, identifying and correcting these strained relationships can enhance the productivity of the entire facility. Back to monetary rewards, productivity incentive plans should be evaluated to see the bottom-line impact on costs and savings. The results of such an analysis might be surprising.

Why not invest more time to identify those harder-to-find opportunities that require little or no investment?

Get started today

Will these enhancements really improve productivity in your operation? By doing a bit of analysis, you should be able to find out. Start by estimating the labor rates it will take you to complete each of the tasks listed above. You can determine labor rates by using traditional time studies or with predetermined time standards. You may also have to do some warehouse space planning to simulate various changes to layouts. *Norman Saenz is an associate principal and Dallas office manager with KEOGH Consulting. Contact him at 972-829-5749, normsaenz@keogh1.com, or www.keogh-consulting.com.* **DCM**

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