



# The Distribution Factor

Helpful Information and Ideas for the Distribution Professional

Ready to Deploy Change?

Avoid the "Big Bang" -  
"Baby Step" Instead.



Sam Flanders, President WMC

We look at a critical elements for success in any effort change effort - intelligent selection of your first project, great communication, and above all else, patience. We also look at how to measure performance and establish goals for your people.

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**Volume I, Number 4**  
**May 12, 2006**

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Feature Story: Baby Step your Way to Success



**So, you are planning to deploy some dramatic improvements in your facility. Your goal: to significantly reduce labor costs, decrease error rates, decrease stockouts, and improve the quality of your delivered orders.**

**Sounds good doesn't it? I'll bet you can't wait to get going.**

**Editor's Note:** Special thanks to Joe Stannard of Coopervision for providing the experience and motivation for this article.

**Take a Moment and SLOW DOWN!** - While your goals are your desire for rapid change is understandable, it is important that you keep a clear perspective on the change process, and how it will impact your distribution staff and your managers. Too much change, too fast can cause fatigue, frustration, fear, and in the worst situations, open resistance and resignations. Here are some tips to follow that will help you to deploy change rationally, and build momentum in the change process, rather than dysfunction.

- **Resist the natural desire to create a "Big Bang" Solution** - A client of mine once said, "I'd love to have a "Big Bang" implementation to get it



Click the icon above to be transported to our White Paper page. This page has 4 different white papers of general interest to those who manage order picking operations. There are two white papers on general order selection: strategies and equipment, and there are also papers on carousels and voice directed picking.

over with, but I know that the "Big Bang" will upset my staff create a period of prolonged agony". It is natural to want to achieve results quickly. Our culture and many corporate philosophies encourage this kind of thinking. The problem is that change deployed too quickly causes upsets, and can create long-term dysfunction. The result can be just the opposite of the original goal. It takes a lot more to undo frustration and anger than can be gained with quick systems deployments, and if you aren't careful, you may be the only one left on the ship.

- **Start with one or two easy wins** - Identify one or two ideas that will yield obvious beneficial results, but that are neither high risk or difficult to implement. When you deploy these changes, take some time to establish a sound process, even though you know the changes will be easy. Get your team members involved, create a communication plan. Explain what your goals are. Get feedback and concerns back from your people. Make sure that your staff understands that you want their feedback. When the change is deployed – successfully, of course - make sure you thank everyone involved and publicize the beneficial results to your staff as well as your management. This can be a tremendous morale booster and momentum builder, which will lay the groundwork for more difficult undertakings.
- **Focus on Fixing Processes before you Deploy new Technology** - Resist the natural tendency to reach for the "magic pill" whether it be a WMS, a pick to light system, or voice technology. Focus on making process changes first, and see what changes you can put into place BEFORE you purchase the technology. Most, if not all, systems that dramatically improve operational performance do so because they mandate process changes. For example, many order picking systems that significantly improve pick rates, do so by batching multiple orders together. You don't have to drop \$200k on a high-tech picking system in order to accomplish this goal. All you need is a little ingenuity from within your operations and IT staff. By deploying process changes independently, you receive two major benefits 1) you build on the baby step/low risk/build--momentum philosophy and 2) you reduce capital expenditures and risk, enabling you to better evaluate if a capital investment is truly worth it.
- **Continue "Baby Steps" and Build Momentum.** To the greatest extent possible, continue baby steps, keeping your operational focus on deploying one or two changes at a time. Let everyone know what you are doing, and also how you are doing as you go. Make sure you give publicity to the achievement of new milestones and successes. You will build a positive environment for change, and create and enthusiastic and energized team.



Click on the icon above to be transported to our material handling resource locator guide. This guide is interactive, easy to use, and driven with an icon-based interface. Using it, you can quickly locate information on systems, software, and equipment. Each area provides links to vendors as well as a brief description of each technology. Try it out and bookmark it for future reference!

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**Video of the Month: Horizontal Carousels**

Horizontal carousels are one of the most versatile and economical of all Automated Storage and Retrieval Systems (AS/RS's). They were invented when a distribution manager from GE made a visit to pick up his laundry. He saw how the clerk was able to rapidly retrieve his garments using a rotating track with hangers and thought, "I'll bet I could put my specialty light bulbs on hanging baskets attached to this system". So, the industrial carousel was born.

Horizontal carousels move at only about 1/2 the speed of a man walking. So, you say, how can they be efficient? The magic is in the software. Software enables the requirements from multiple orders to be sorted and picked in a single revolution of the machine. In addition, two or more machines can be synchronized together by the software control system, so that while the picker is pulling stock from one carousel, the other carousel(s) are positioning the next pick right in front of the picker. Think of a group of carousels as "virtual bin shelving" where every time you finish with one bin, another bin magically is positioned itself in its place.

Carousels can be stacked one atop the other, creating tremendous density. In addition, since all product presentation is done at the front of the machine, aisles can be eliminated, effectively creating a sea of storage bins that have only a few inches between them. Finally, carousels have shelves that can

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We understand all types of order selection systems, including voice directed picking, pick to light, carousels, AS/RS systems, sorters, A-Frames, and RF scanner based systems. We can help you figure out which solutions are best for your operation.

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## A Look Ahead to Next Month

### Feature Story:

Running Out of Space? – Strategies for Extending the Life of your Facility

### Video of the Month:

Other Voice Applications

### Operations Spotlight:

Best Practices in Receiving Operation

### Technology of the Month:

Manifesting Software

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adjust on 1 or 2" centers easily, and compartmentalized totes can be added to create even more density on the individual shelves. Add it all up, and horizontal carousel systems routinely save 50% and sometimes as much as 80% of your floor space, over a conventional bin shelving system.



**Video Courtesy:**  
**White Systems**

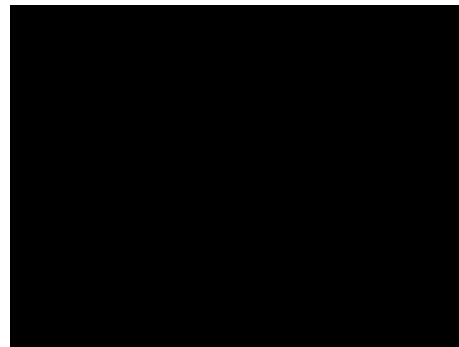
**Requires Flash**

Clicking the graphic to the left will open a new window and play your video.

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## Operations Spotlight: Taking the Pulse of your Operation

We are accustomed to seeing measurement devices in the hospital or on our car dashboard. These devices give us critical real-time feedback about a patient's health or about our vehicle's speed. Often, however, we don't have the same ability to "see" what is going on in our distribution facility. It is not always easy to obtain real-time feedback, especially if you are still operating with a paper-based system. More often than not, even those facilities with computer-based systems aren't getting access to information that can help the operation. This story will discuss ideas you can use to begin to create an area or facility "dashboard" for you and your people to use.



Hold the the mouse cursor over the image above, click the right mouse button, and select the "PLAY" option to restart the video.

Here are some suggestions:

- **You Don't Have to Have a Computer Based System!** - If you are on a manual or paper based system, you can still keep track of progress. For example, a paper dispatcher can put in a "separator flag" every 100 orders. To do this it might be helpful to print a sequential order ID on each pick list. In fact, you can print a running total of lines and units in a corner of the pick list as well. The trick is to summarize some number that has meaning to your operation. With a computer-based system, you may already have the information you need in the system's database. The trick is to be able to get access to the data so that the current status can be displayed. A packer may do something as simple as creating "hash marks" on a sheet of paper to indicate how many orders were packed. Even better, your manifest printer software might be able to count and make available the number of labels printed at a particular station.



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- **Let People See how they Are Doing** - Once you have information on completed orders, lines or units or the day, you can display this information for your staff too see. Obviously, the amount of computer ready information will impact what you choose to display, but at a minimum, you may want to display total orders or total lines processed against the total backlog. If you are lucky enough to have an accessible computer database, it may be possible to create a real-time display of results on a facility scoreboard. You can display facility, area, team, or individual stats, and you are only limited to data that you have access to. Some companies that provide the scoreboard displays also provide the software expertise to extract the real-time data from your existing WMS or business system.
- **If you have them, use your computer systems** - Many computer systems have the ability to track productivity. For example, pick to light, voice, and WMS systems often can track the performance of individual order selectors. In addition, systems exist that can extract information from existing computer databases or even capture and track new productivity information. "Labor Management Systems" can help track performance on a daily basis as well as accumulate historical information on your operation and on individual employees.
- **Encourage Change by Paying Attention to Results** - When you start displaying performance information, an amazing thing will happen – people will start paying attention. Just displaying simple information like orders processed (updated each hour) will give your staff information that can challenge them, and result in improved performance. Tie the display of performance information to a team goal, and you can create a positively motivated work environment, and create a goal that your staff can achieve to achieve a reward.

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## Technology of the Month: WMS Systems



Computer software can be a godsend to your operation, dramatically improving performance over paper-based or manual systems. In this story, I will discuss WMS Systems (short for Warehouse Management Systems). They normally manage everything within the 4 walls of your warehouse – that is – all material transactions, inbound, outbound, and stock put aways, replenishment, and transfers.

There are plenty of software vendors who will gleefully tell you about the amazing benefits you will receive by purchasing their product. WMS systems are one of the more sophisticated warehouse systems that, when properly deployed, can dramatically improve accuracy, performance, and your in-stock positions in the distribution center. With that said, it is important to understand that WMS systems are not a "magic bullet" which can solve any facility's problems. If you have operational problems, you need to fix those problems whether or not you purchase a WMS system. In addition, if you have highly unusual or customized processes, it is important that you carefully consider if standard WMS functionality will work for you, or if vendor customization is needed

### Photo Credits:

#### SAE Systems

The majority of WMS systems are not trivial systems – they interact with your business system (ERP, ecommerce, or legacy system) managing receiving, your physical inventory, your orders, and your people. Because of this wide scope of WMS systems, they can take some time to map to your existing business processes, and it is not uncommon that you will have to change some of your processes, or have the system changed to meet your special requirements. Make sure that you don't just take a salesman's promises for granted that the system "will work great". Put your functional requirements in writing, and get the vendor to demo all functionality that they say will work right out of the

box. You may find that their perception of "what works" is different from the way you do business.

Be sure to check several references, including at least 2 references from customers that have similar business processes that were installed in the past 2 years. Ask specific questions about flexibility, how long the implementation took, what issues came up and how the vendor responded to them. Find out who the project manager was if the customer liked them, and make a request for that person. Above all else, be prepared to be flexible, and don't expect everything will work the same after the WMS implementation as it does today. You may have to give up a few things to get the larger benefits that the system can provide. Be prepared to dedicate a reasonable amount of time from your IT and operations staff to work through the implementation details. Get outside help if you feel you need it.

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