



The Distribution Factor

Helpful Information and Ideas for the Distribution Professional

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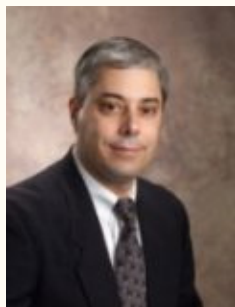
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Feature Story: How to Handle a Space Crunch



Sam Flanders, President WMC

This month we look at methods that can extend the life of your facility, even when space is becoming scarce.

We also look at voice technology and manifesting software.

Finally, we take a look at your receiving operation.

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The Distribution Center Operations Forum

A unique two-day forum on optimizing layout, process and



Space Issues can make it difficult to work, increase the time to perform tasks, and create work hazards. Periodically take a look at your operation to identify signs of crowding.

- **Stop Storing Air!** The first and most obvious opportunity is to identify areas in your facility where you are wasting space by storing product inefficiently, or by not storing anything at all. Walk your facility and look at the cubic utilization in all major areas. Are there areas where you see a lot of space around the product with no reasonable explanation - for example a pallet that has only two cases on it or a shelving location that has a large tote filled with only 5 small units? Take a look at your stock movement, reorder quantities, and compare them to the space you've allocated for storage. Consider moving items that are in a storage medium that is too big to a more compact medium. Move items from pallets to

Are you running out of space in your facility? While business growth may prompt the boss to add inventory and product lines, the effect of growth on the distribution center can be negative. Growth can decrease your performance and increase your errors. Space problems can occur so gradually that you may not even be aware of them. They can be the result of business growth, changes in your business, or both. The easiest answer to a space crunch is to get more, but this may not always be the wisest decision. There is often a trade off between space and labor and adding space can actually increase your labor costs.

Fortunately, there are some strategies can improve both space and labor! This feature will discuss a few low cost solutions as well as some higher tech equipment and system based options.

technology for streamlined distribution center operations.



Presenter:

Sam Flanders, 2wmc

Now is your chance to advance your career or business by getting two days of focused distribution education!

Come join me for an interactive two-day learning experience that you won't be able to find anywhere else!

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[Free Material Handling Resources!](#)



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

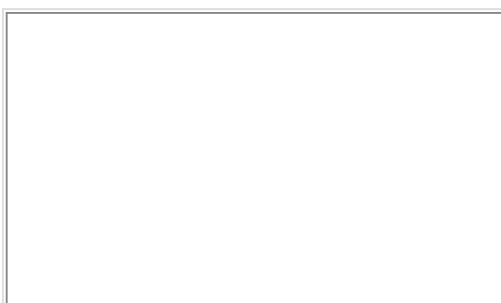
pallet shelves, pallet shelves, to bin shelving, or bin shelving to a compartmentalized tote. Totes with compartments can store tiny parts very efficiently. If you need even smaller storage, consider drawers with compartments. Look at the spacing between shelves. If you use totes with a notched finger grab in the front, you don't need more than an inch or two of clearance to the next shelf or beam level.

- **Use your Entire Vertical Space!** Do you have bin shelving on the floor and a 20' or 30' high ceiling? Consider replacing your bin shelving with a mezzanine or purchase shelving units with which you can support additional levels or catwalks. Do your rack uprights allow you to store product high up or do they end leaving open space above? Are you using your walls for rack storage? What about the space over dock doors? Do you have rack over your truck aisles? You can create a "tunnel" that runs underneath high rack storage bays. Can you move an operation like packing, box making, or labeling to an upper mezzanine level? What about a supervisor's office? Placing the office at a higher level can save space and also make it easier to see what is going on on the floor.
- **Do you have obsolete or seasonal products?** Obsolete product will cost you money year after year, and the best thing to do with it is to get rid of it. The one-time write off will allow you to focus on distributing items that you can actually make money on. If you have a lot of seasonal product that doesn't move off-season, consider moving it to a bulk storage area or even to off site storage in the quiet season.
- **Do you have very fast movers that can be cross-docked?** Consider bringing your fast movers in to your facility just-in-time, and cross-docking them to outbound trucks. This can work in situations where you have the ability to coordinate lead-time. You can store the cross-dock items in a bulk warehouse or schedule trucks to arrive as you need them. Obviously the reliability of your inbound stock is critical - if the truck doesn't arrive, you can't ship your orders.
- **Compress Pallet Storage:** Consider changing your pallet aisles from 12' to 9' - or make them 5-6' if you are picking from shelves, and not using pallets. VNA systems can actually move and store pallets in aisles as narrow as 5'.
- **Consider AS/RS Systems:** AS/RS systems such as horizontal carousels, vertical carousels, or vertical storage towers can save 50% or more of your floor space. If you have nowhere to expand in your present facility, and moving is not an option, you want to consider AS/RS equipment. AS/RS systems can dramatically improve your space utilization, and save labor as well.

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[Video of the Month: Other Voice Applications](#)

Voice technology was originally used to help workers on automobile assembly lines. It is also used to control Abrams tanks in combat. The technology has matured. So, it is little wonder that voice technology is growing in acceptance in the distribution center. With a few exceptions, anything that can be done with RF based scanners can also be done with voice, and usually it can be done faster and with less training. Even in situations where scanning is needed voice units can do the job, simply by attaching a scanner to the voice hardware. Although the scanning will slow down the operator, there is still an advantage in that voice is hands free / eyes free, and the conversational ability of voice systems makes these systems easier to learn than other technologies.



papers on general order selection: strategies and equipment, and there are also papers on carousels and voice directed picking.



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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A Look Ahead to Next Month

Feature Story:

Brace Yourself - Coping with Seasonal Crunch Time

Video of the Month:

Pick to Light

Operations Spotlight:

Creating a "DC Dashboard" to Monitor your Performance

Technology of the Month:

Conveyor Based Zone Picking

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Video Courtesy:
Voxware

Requires Flash

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

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Operations Spotlight: Best Practices in Receiving

Receiving is an often overlooked process in the distribution center. It is common for DC managers to focus on the picking and packing functions instead. Still, if receiving isn't done efficiently and accurately, it can have a direct and dramatic impact on your order selection efficiency. Product that is sitting on the dock or on a pallet in a remote corner of the warehouse is not available for picking, and may cause shortages or at the very least, excess labor to fill the requirement.



Here are some suggestions:

- **Minimize Product Moves and Touches** - A key goal of the receiving operation should be to touch the inbound product as few times as possible, and get the inbound product into its primary and reserve locations as rapidly as possible. For common carrier receipts (non-palletized) an in-line process using a receiving conveyor can speed the check in process. Checking and inspection of full pallet loads can be limited to random audits except for vendors that have known quality issues. Try to get the product from the truck to the final storage location as quickly as possible. Don't set it, move it, and move it again before you put it away.
- **Work with Vendors as Partners and Keep a Scorecard** - Consider asking your major suppliers to add pallet tags that can be scanned to identify a pallet, carton, or product to your receiving system. In some cases, this can be linked to either an electronic data transmission (EDI) or an identifying number in your purchasing/receiving system. Although you may not get every vendor to comply, some may be set up to do this already. Think about scheduling your deliveries at times when your order



Enjoy Your Summer!

picking operation is quiet, rather than at peak periods. You can do this with parcel carriers as well as with full truckload carriers. Keep a scorecard on your vendors to give them feedback and to identify vendors that regularly fail to measure up. Work with vendors to solve problems, and consider changing vendors if you find resistance or a failure to improve.

- **The Importance of Location Schemes and Put Away Logic** - A key aspect of receiving is figuring out where to put the product just received. In the most basic systems, the entire storage system relies on fixed locations, and often the experience of the put away operator. This may work completely adequately for smaller operations, but sometimes there will be problems with stock rotation and stock that doesn't fit in the fixed location. If your operation has grown to the point where put away problems have become significant, consider moving to a random locator system. This type of system will direct put aways into a specific location based on the size of the receipt. Most WMS systems are quite adept at managing random location storage and can even group product by frequency of usage or by family. Good random locator systems will enforce FIFO (First in First Out) consumption of items, and sequence work to minimize travel.
- **Truck to Rack** - Above, all else, think of ways to facilitate the fastest journey from truck to rack. Every stop, every move, and every item dropped in a temporary staging area takes space, takes time, increases the chances for damage, makes stock hard to find, increases errors, and costs you labor. Think all the way through the supply chain to figure out ways to minimize the time from the truck floor to your storage rack.

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Technology of the Month: Manifesting Software



Manual Manifesting Operation

Speed and Batching Advantage - Manifesting software is becoming more sophisticated with each passing year. Shipper provided systems are becoming faster and more flexible. Still, today, there is a clear advantage in both speed and functionality between shipper-provided systems and systems provided by 3rd party manifest companies. Invariably the systems provided by 3rd party providers are faster, with labels being produced in 3 seconds or less on their higher end systems. 3rd party systems can also pre-batch labels and print them as a batch or by sending the data to an automated print and apply system.

Keeping Tabs on your Carrier - Perhaps the biggest benefit of 3rd party systems is that they can help you track the performance of your individual shippers as well as their freight surcharges. These systems can tell you if a residential surcharge is appropriate, and can also tell you what shippers do best in a particular area of the country or a particular zip code. Using this information you can negotiate more effectively with your shipper, and selectively use a different shipper when you know that they have better on-time performance. 3rd Party systems can also provide proactive information to your customer service staff, letting them know when an order left the warehouse late, or when an order was delayed by a shipment exception. These systems can also give real-time updates to your customers.

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