



# The Distribution Factor

Helpful Information and Ideas for the Distribution Professional

Volume I, Number 8  
December 1, 2006

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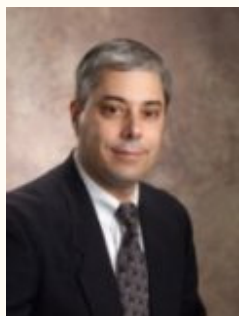
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Feature Story: Using Benchmarking for World Class Results



Sam Flanders, President WMC

This month we look at how to use benchmarking in order to make positive changes to your operation.

This month's video covers a unique human powered vehicle called the "Mouse Cart"

Next, we look at techniques you can use to objectively identify challenges and opportunities in your operation.

Finally, we look at 3 different put to light applications.

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Benchmarking your Operation

This month's feature article will give you some thoughts on how to benchmark your facility in order to make "best practice" improvements.

Did you ever wonder how your operation is doing compared to other similar operations? You don't have to just wonder - this feature story will tell you how to answer your curiosity using a Benchmarking strategy. But just comparing your raw facility's numbers to others may make you feel good (or bad), but it probably won't give you much concrete information on how you can improve. To really get value from benchmarking, you need to be able to identify those "best practices" that other facilities are using that enable them to outperform yours in a particular area.

### • The Raw Numbers - Published Benchmarking Surveys -

There is no shortage of published benchmarking surveys out there today. You can find them at WERC (The Warehouse Education and Research Council), CSCMP (the Council of Supply Chain and Logistics Management Professionals, NCOF (the National Conference on Operations and Fulfillment), and Georgia Tech. All of these organizations have benchmarking data and may be able to give you ideas as to what you should measure.

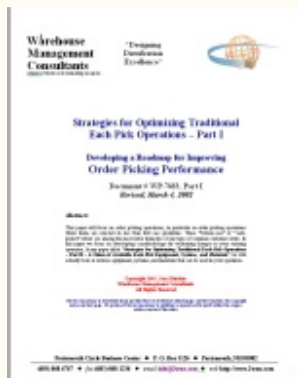


**A unique three-day conference covering customer service, logistics, and streamlined distribution center operations.**

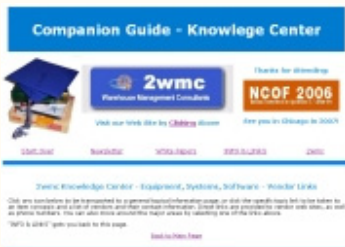
**Chicago - April 30-May 2, 2007**

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**Free Material Handling Resources!**



Click the icon above to be taken 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.



Click on the icon above to be taken 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

The main problem with published surveys is that you don't always know what the numbers mean, and you don't know if you are getting an "apples to apples" comparison. As a better alternative, I recommend that you consider finding one or more Benchmarking Partners, rather than just depending upon a survey.

• **A Better Alternative - Learning about and Deploying Best Practices -**

The ultimate benefit from benchmarking is derived from what you learn by comparing operations. When one operation outperforms another, it is often because they have one or more practices in place that have given them a competitive advantage. These are called "Best Practices", and the goal of benchmarking is to identify those Best practices that will be of the most value to your organization. You can't objectively compare operations unless you measure the same things. By selecting a benchmarking partner that you are compatible with, and that you can work with directly, you can insure that you are comparing "apples to apples".

• **Finding a Benchmarking Partner -**

A Benchmarking Partner must be selected with care. The best partner will be a business with a management team that is anxious to share their "best practices" with you and also anxious to learn where your operation outperforms theirs. Ideally, they should have a similar sized operation, with a similar number of SKUs, similar SKU sizes and weights, and a similar order profile (sizes of orders). The better the match, the more confidence you will have that you are truly comparing apples to apples. Note that a good partner doesn't have to be in the same or even a similar line of business. The key is that you should have similar operational requirements and a similar business and customer service philosophy. Beyond just finding out what each operation does well, your benchmarking partner may also be a source for networking ideas. You can ask about employment strategies, seasonal crunch strategies, supplier strategies, or other critical business issues. Finally, there is no reason that you have to limit yourself to a single benchmarking partner. You may decide to work with multiple partners and network within this group.

• **Benchmarking Ideas -**

If you'd like more information on benchmarking, visit the sites below for ideas and additional information:

- [http://www.mhia.org/articles/benchmark\\_article.cfm](http://www.mhia.org/articles/benchmark_article.cfm)
- [http://www.scl.gatech.edu/downloads/TLI-WERC%20Survey\\_a4.pdf](http://www.scl.gatech.edu/downloads/TLI-WERC%20Survey_a4.pdf)
- [http://management.about.com/od/benchmarking/index\\_r.htm](http://management.about.com/od/benchmarking/index_r.htm)
- <http://en.wikipedia.org/wiki/Benchmarking>

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**Video of the Month: The Mouse Cart**

This month, our video of the month explores a little known vehicle called the Mouse Cart. This unique vehicle is, in reality, a human powered scooter, and it is 100% propelled by the person operating it. Unlike most manual powered vehicles, the mouse cat can travel as fast or faster than a fork truck or pallet jack. This makes it an ideal vehicle for scooting to far parts of your distribution center very quickly. If you are picking single orders or having to "go for" hot picks to complete orders picked incorrectly or walk in orders, this vehicle may be just the thing for speeding up that effort. The cart comes with steering handles and a platform that materials can be placed on. In addition, RF scanner or voice device can be attached to the mouse cat. One caution with this vehicle is that your operators will have to use care and discipline in the center. The only brake on the vehicle is a heel brake on the back, so care must be taken with speed and intersections. A bicycle bell can be used to warn pedestrians of oncoming traffic.



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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At WMC, we are experts in helping our clients save money. We do this by helping clients select solutions that meet their specific requirements. Unlike many systems and equipment providers, including some who call themselves consultants, WMC has nothing to sell you other than our experience. We work exclusively for you and represent no other system or equipment provider.

We evaluate low or no cost solutions first, and then show you what you can do before you invest in capital solutions. We then show you the true value of those capital solutions by evaluating only the additional savings that they may provide - a step often skipped over by salespeople.

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. Give us a call today (603) 868-6767.

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**Above: The MouseCart with RF Device Mounted on Front**

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[Operations Spotlight: Identifying Challenges and Opportunities](#)

If you are like most distribution center managers, you know that your existing operation has a number of challenges and problems that your people grapple with on a daily, weekly, and seasonal basis. As with many things in life, you may have grown to accept some of these problems as being "the way thing are". This story will suggest a way to break out of the "That's Just the Way It Is" mode of thinking. I will cover strategies you can use to collect, document, and prioritize challenges that you know about as well as some that you may not, and then try to change "business as usual".



- **There is no Substitute for Focused Observation** - The key to identifying challenges is to systematically observe what is going on in your facility by stopping and objectively observing your operation. For example, to identify challenges in the pack area, observe the area for 1 or 2 hours during a busy time of the day. What activities take place that could be improved? Do bottlenecks occur? Does unnecessary movement occur or do operators have to replenish supplies to frequently? Is equipment placed to make the packing task easy, or could it be rearranged to make things easier? Could stands, arms, or other fixtures be added to make supplies more accessible on the table? How easy to reach are the things that are touched frequently. How easy or hard is it to get packages sorted to a carrier bin? How much work is it to get the packages to the truck?
- **WATCH OUT! - You Need to Take the Blinders Off** - The paragraph above is just an example of what you should do in every functional area of your facility. There is absolutely no substitute for careful and



## A Look Ahead to Next Month

### Feature Story:

How to Make a Difference in 2007!

### Video of the Month:

Automatic Carton Erectors

### Operations Spotlight:

Finding and Retaining the Best Associates

### Technology of the Month:

Portable Terminals and Scanners

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objective observation. Just stop what you are doing, and take some time to watch an area or work activity. You will learn a lot from this. One danger that is present when you do the observing is that you may be "locked in" to a particular way of thinking, and may simply not realize that another alternative is possible. To avoid this "Thought Blinders", You might consider using a newly hired employee or perhaps even an outside resource to perform this same activity for you. A new resource will not have "blinders" on and not be as willing to accept things as normal, especially if you encourage him to find areas for improvement.

- **Gather the Experiences of your Own People** - In addition to observation, you should take some time to interview both supervisors and individual associates in each of the functional areas. This is often better done by an outside resource. You people often will know things that may not be visible from observation and can add to the list of challenges that are present in the areas.
- **Organize and Prioritize your Findings** - Once you collect all of this data, the final step is to organize and prioritize it into an action plan. Pick something that will have a high payback, but yet will be relatively easy to deploy first. Knocking off an easy win first will help you to build some momentum for more difficult projects. Then you can prioritize and work on the rest of your list as time permits.

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Technologies of the Month: Put to Light Systems

"Put to Light" is a way to direct activities such as single item distribution and order consolidation via light directed devices. Put to Light uses the same hardware as a Pick to Light system, but it reverses the process.

### Distributing Large Receipts of a SKU to many Orders

One common application for put to light is to distribute large quantities of a single SKU to many different stores. Last month we saw a sorter that did the same thing. Put to light systems are often mounted on shelving or flow rack, and then individual store order boxes are placed into position over the lights. With put to light, the operator scans the inbound vendor carton containing exactly one SKU. As soon as he scans the box, lights on the "Put to Light" area light up and tell how many items to put into each store container. If the SKU tends to get distributed to most of the stores, this method of distribution results in a very high put density (lots of put opportunities with very little walking), and a very efficient transfer of materials.

**Photos Left: Courtesy ATOP**  
<http://www.atop.com.tw/>



**SKUs on Conveyor put to Orders in Flow Rack by Lights**



**Fast Moving Items Placed to Pallets by Lights**

### Put to Light Cart

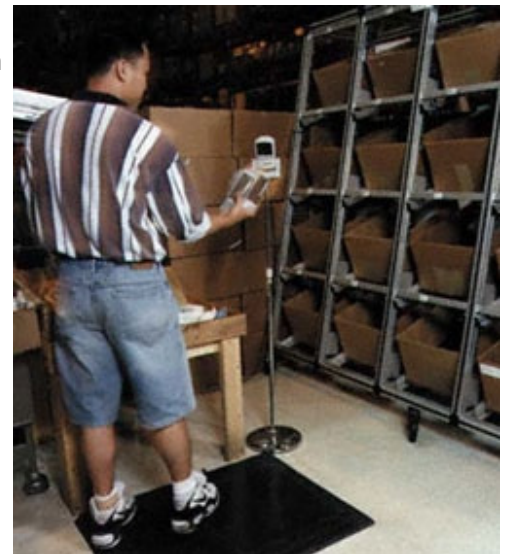
Another type of put to light system is a put to light cart. When the things you are selecting are not common to many



orders, a put to light cart is a better alternative to a rack mounted put system. Such a system can be used even when no single SKU is common to more than one order. A put to light cart is loaded with multiple customer orders. A light display is placed under each unique customer order. The picks for all the orders are then identified and sorted in walk sequence within the area where product is stored. An RF display or centrally mounted light display on the cart directs the picker to the pick location in sequence, one location at a time. The operator makes the pick, and then turns to the cart to see what customer order(s) should receive the item. The light lights up directly under the order to show the proper placement. If an item is common to two or more orders, one pick from a storage location can be distributed to two or more orders on the cart, via a quantity display under each order

### Put to Light for Order Consolidation

One final application for put to light is to consolidate order components, which may come from several different zones in the distribution center, into a single order carton or container prior to shipping. An example where this might happen is where a conveyor system is used to transport partial order components in totes from 2 or more different areas of the facility to a central consolidation area. The operator at the consolidation area scans the tote and a light will light up showing him where to place the order components. He may dump the materials into a master order carton, or he may queue up several totes into a particular storage location (rack, shelving, or flow rack lane). When all of the order components have been received, the system will direct the operator to pull and consolidate the materials for shipping. The lights direct the placement of the first consolidation requirement, and any subsequent requirements. Lights also tell the operator when to close out the order and ship it.



**Photos Right:**  
**Courtesy Daifuku America**  
<http://www.daifukuamerica.com/>

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