

PROVIDING INNOVATIVE SOLUTIONS WHICH OPTIMIZE SPACE &
ORDER FULFILLMENT WITHIN THE SUPPLY CHAIN

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The Key to True Fleet Optimization

Identify the “what” but focus on the “why”

More than ever before, companies are exploring solutions such as Fleet Management Programs to drive down costs associated with their lift truck fleets as well as other material handling equipment. Unfortunately, many of these organizations are focusing solely on the traditional maintenance cost component that identifies the “what” aspect of their cost drivers but not the “why” and therefore missing key opportunities to realize much larger returns.

To illustrate this point I am reminded of a story that is commonly used in discussing the “5 Whys” concept which is a technique used to explore the cause-and-effect relationships underlying a particular problem. The primary goal of the technique is to determine the root cause of a defect or problem by repeating the question “Why.”

The “what” or otherwise known as the problem: *One of the monuments in Washington D.C. is deteriorating.*

1. **Why is the monument deteriorating?** Because harsh chemicals are frequently used to clean the monument.
2. **Why are harsh chemicals needed?** To clean off the large number of bird droppings on the monument.
3. **Why are there a large number of bird droppings on the monument?** Because the large population of spiders in and around the monument are a food source to the local birds.
4. **Why is there a large population of spiders in and around the monument?** Because vast swarms of insects, on which the spiders feed, are drawn to the monument at dusk.
5. **Why are swarms of insects drawn to the monument at dusk?** Because the lighting of the monument in the evening attracts the local insects.

Solution: *Change how the monument is illuminated in the evening to prevent attraction of swarming insects.*

Although this example is not directly related to material handling equipment, the “5 why” concept is. If the people responsible for maintaining the monument never looked past the first “why” they may have spent millions of dollars on replacing the deteriorating monuments only for the problem to come back again. This is a scene that frequently plays out in a similar way when looking at traditional Fleet Management Reports.

One of the functions of a traditional Fleet Management Program is to report on the maintenance cost and frequency data that has been compiled over a given time period. This information is then typically used to help identify the top cost drivers related to the fleet, which not only includes things like which sites have the highest costs, but in some cases can also drill down further to itemize what specifically are the main contributors driving these costs. Ultimately, a very specific determination can be made as to “what” exactly are the main drivers.

Although the “what” is important information to have, it is more important to understand the “why”. This is an absolutely critical step if the ultimate goal is to reduce costs and it is the differentiating factor between a traditional Fleet Management Program and a Strategic Fleet Management Program. Below is a real-life example of how the “5 Whys” concept can be applied to a distribution environment while analyzing fleet maintenance costs.



Fleet Optimization

(Continued)

The “what” or otherwise known as the Problem: the primary cost driver related to their fleet was associated with excessive battery maintenance.

1. **Why are our battery maintenance costs so high?** Because our batteries are old.

2. **Why are our batteries so old?** Because our lift trucks are old.

3. **Why are our lift trucks old?** Because they still run at optimal capacity so an upgrade is not warranted.

4. **Why are we placing service calls for batteries if our trucks are running in optimal condition?** Because the forklift operators don't know how to appropriately charge the batteries and are making unwarranted service calls.

5. **Why are our forklift operators not trained to appropriately care for the batteries?** Because we never trained them or gave them the tools to troubleshoot before making a service call.

Solution: *Train operators on standard battery care and implement a Pre-Call Checklist.*

This is an electronic checklist used PRIOR to calling in a local service provider. As a result they were able to reduce the frequency of calls by performing some simple steps on their end prior to having a service tech drive to their site.

In short, this customer was placing service calls that were unwarranted. Which was the root cause to their “battery issues” and was identified during a deep analysis of root cause analysis to determine the “why” side of this issue.

After determining root cause, they were able to implement a real-world solution to the ongoing battery issues at this site. The best thing about the solution was the cost to implement was exactly zero dollars but saved them thousands of dollars.

Overall, determining root cause for why costs are what they are is truly the idea behind using analytics for your lift truck fleet. Only determining the “what” is just part of the puzzle and not the overall picture.



Many people find it challenging to keep abreast of current OSHA standards. They are designed to be comprehensive, and the legally wording can be tedious to wade through at times. However, the important thing to remember is that they are in place for your safety and protection.

OSHA recently announced a change to the LABOR 2910 CFR Part 1910 Walking-Working Surfaces and Personal Protection Equipment requirement. This change applies to high lift trucks designed to lift personnel such as the Orderpicker or Swing Reach trucks. These models now require a Fall Protection System consisting of either a restraining means such as guard rail system or means for securing personnel with a harness and either an energy absorber or self-retracting lanyard. No longer will a body belt be considered appropriate as part of a fall protection system. This new standard went into effect on January 17, 2017.

Fall Protection is an area that is particularly important. If your operation requires employees to work on elevated equipment, such as aerial work platforms or order pickers, you need to know that the appropriate fall protection will keep you from serious injury or death. A proper check of your fall protection can mean the difference between a minor incident or a heartbreaking incident.

So, how do you know if your fall protection is right for your operation and ready to use? Let's take a look at the basic components of a fall protection system. OSHA recommends using the “ABC” system when inspecting fall protection:

A - Anchorages: This is the anchor point you attach to. Aerial work platforms are required to have engineered, approved anchor points. Order pickers typically have an overhead anchor. OSHA requires an anchor point to be capable of holding 5,000 lbs per worker, or twice the expected impact load of a worker falling 6 feet. When inspecting your anchor prior to use, look for damage such as bends, wear on the attachments, and rust or cracks at welds.

B - Body Harness: This must have proof of certification attached. It must be made of synthetic material and in good condition. Inspect

Recent change in OSHA Standards for Fall Protection

What You Need to Know About OSHA and Your Fall Protection

it thoroughly for cuts, abrasions, pulled stitching, or signs of chemical damage or decay. Remember that you should never use paint, markers, or any other chemicals on the harness. If identification is needed, use a name tag attached in a way that does not compromise the integrity of the webbing.

C - Components: This includes lanyards or deceleration devices, snap hooks, etc. Check lanyards in the same way as a body harness. Any sign of deterioration at all means it is not useable. A lanyard that has been subjected to a shock load or fall must be taken out of service immediately. They must be capable of stopping a fall completely within 6 feet. Self-retracting lanyards must be capable of holding 3,000 lbs, and allowing a fall of no more than 2 feet. Any lanyards allowing falls of more than 2 feet must sustain a load of 5,000 lbs. During inspection, pay special attention to the stitching on lanyards, as they are designed to decelerate a fall by allowing a controlled tearing of the stitching.

The most important part of inspection is making sure that it is installed and used correctly. A perfect lanyard is useless if it's attached to a faulty anchor, and a solid anchor will not save you if the harness is not buckled securely. Here are some points to consider:

- **Get trained:** Proper training is not just a legal requirement, it's a lifesaver.
- **Form follows function:** The “cool” operator that “doesn't need Fall Protection” is asking for a fine, expulsion from many worksites, and possibly a death sentence in case of an incident.
- **Wear it right:** This means the harness is the right size for your frame, fits snugly (no slack), and has all straps routed properly and securely. When in doubt, check the operator manual that comes with the harness.

One last thing to consider is those around you. If you see others working in an unsafe manner, talk to them or their supervisor. Remind them that their families and employers need them to go home safe. Your reminder may just save a life, and helps build a culture of safety.

If you have any questions or need to explore material handling options and training for your worksite, contact your account representative today.



Upcoming Events

Event: ProMat 2017

About: ProMat 2017 is the largest expo for manufacturing and supply chain professionals in North America. This event provides attendees access to the latest material handling and logistics equipment and technologies.

Location: Chicago, IL

When: April 3-6, 2017

Register: www.promatshow.com

Event: NLDC 2017

About: The National Leadership Development Conference for Supply Chain Executives (NLDC) is an invitational conference for senior level supply chain executives and their selected team members. The agenda for the conference runs from Monday through Wednesday and includes a golf outing, strategic planning workshop, facility tour, networking events, keynote and session speakers, and private team building opportunities.

Location: Atlanta, GA

When: April 17-19, 2017

Register: www.nldcinfo.com

Event: Loyola's Supply Chain Leadership Conference

About: This one-of-a-kind, full day, live event will bring together supply chain experts and professionals from a wide variety of backgrounds and industries to discuss today's hot supply chain topics. With a broad array of educational sessions, solution applications and peer-to-peer networking opportunities this is a can't miss event for every supply chain leader.

Location: Addison, IL

When: June 8, 2017

Register: www.associated-solutions.com

Need More Space?

Examine The Steps To Take When Determining When It Is Time To Modify Your Existing Operation

You have been so focused on working to grow your business that one day you wake up and realize that you've outgrown your facility. So what do you do? Do you have the capital or time to knock it down and start from scratch? What are your options and what is the best way to attack this problem?

After determining that your plant in its current state can't sustain your growing business you are left with three choices:

1. Relocate your operation to a larger facility. This is your most expensive option.
2. Do nothing and modify your operations to fit what you have and deal with it until you no longer can. This can be the most cost-effective alternative to satisfy a short term need, but it may cost you more in the long run.

3. Evaluate your operations and determine the feasibility to expand and/or modify your current layout and processes. This option is, in most cases, your best alternative, from both a capital and operational perspective.

No one answer fits all, but given the right engineering resources you can typically solve your problems in a way that won't strain you financially. For the purpose of this article let's examine item #3 a little further.

In many cases, by modifying your current storage and order fulfillment processes you will be able to maximize the use of your current space and create a more efficient operation. This process must first start with a review of the limitations of the existing plant layout and the inefficiencies of current storage and order fulfillment methods.

The first step to tackle this problem is to meet with your internal team and discuss the issues with the current facility and how they impact your operation and your bottom line. Be detailed, very thorough and prepare a com-

prehensive list. The next step is to rank those in an order from most problematic down to minor inconveniences.

After you complete this initial step, you need to seek the expertise, either internally or outside your organization, to perform an operational efficiency analysis. This will help to determine areas of opportunity, remedy the prior issues and determine what the budget would be for each.

The core of this approach focuses on thoroughly evaluating a company's order activity and should result in actionable recommendations to optimize labor, storage resources, material handling equipment and business systems.

These recommendations should be pragmatic and cost-effective solutions to your problems and stay within your budget. If done correctly, generally companies can realize payback periods of twelve to eighteen months by implementing the recommendations resulting from a well-developed operational efficiency analysis.

Customer Service vs. Customer Experience

Being in business today means that you have no choice but to understand that customers expect an experience tailored to their needs, solving their problems or responding to their wants as they occur. Customer Service of old was reactive, the Customer Experience of today is proactive, demanding that we understand and anticipate the wants and needs.

So, how do we transform our organizations to understand that being reactive is no longer acceptable and that creating experiences is the new and only game in town? First, realizing that every member of your team, from the people who produce, put-away, pick, pack and load your product to the team member who sells and responds to your customers are ALL equally important and vital to creating the experience. Empowering each group in ways that provides engagement and ownership in their piece of the customer experience is the first step to ensuring your customers' satisfaction.

Far too often we focus our training efforts solely on those in our Supply Chain who interact directly with the customer, instilling the importance of what

and how they do their jobs. Yet, we fail to educate our Warehouse/Manufacturing Teams on just how important and integral they are to the process. Sure, we have KPI's measuring all sorts of important data related to the warehouse or manufacturing process, but beyond the numbers, do those same people understand the important role they play in making sure your customers are satisfied? Have you taken the time to instill the same level of importance for their role as you did with your Office Team?

We've all at one time or another received a package with a note stating "packed with pride by." Simply adding our name changes the game, and adds a sense of responsibility to doing the job right the first time. Perhaps take this note one step further and provide true ownership of the deliverable, "packed with pride by John Smith, if for any reason my work does not meet with your satisfaction please call and let us know." At the end of the day, a few simple steps may make a huge difference for the team by understanding their role, allowing them to be visible taking pride in and owning their work while striving to provide every customer with a positive experience.

In the Press

Associated and Peach State Receive MHEDA's MVP Status

Associated and its subsidiary, Peach State, have been awarded the prestigious MVP (Most Valuable Partner) Status for 2017 in a program from the industry's trade association, MHEDA. To be among the less than 5% of the association's membership earning the award, they successfully demonstrated a commitment to business excellence, professionalism and good stewardship.

This is the sixth consecutive year that Associated has been awarded MVP status.

To view the entire press release please visit our website at: www.associated-solutions.com/about-us/news



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Associated University Events

No Current Events Scheduled at this time

Please visit our past event videos on topics such as:

- Optimizing your distribution network
- Warehouse Safety: It's No Accident
- How Much Is Your Lift Truck Fleet Really Costing You?

These can be viewed at:
www.associated-solutions.com/associated-university/videos

About Associated

Celebrating over 50 years of providing customers with innovative solutions that optimize space and order fulfillment operations within their supply chain, Associated understands that handling materials in the supply chain should be more than material handling. By utilizing their unparalleled experience and industry best practices they are able to evaluate current methods and processes for storage, order fulfillment, labor and equipment utilization and recommend practical strategies to enhance their effectiveness and reduce overall cost.

In 2014 Associated acquired Peach State Integrated Technologies Inc., a professional services firm that provides strategic supply chain consulting and automated material handling solutions for their global clients.

The merger has made the combined organization one of the largest supply chain solution providers in North America in both size and breadth of solution offerings. Featuring leading-edge engineering, fleet optimization and labor management solutions to complement industry-leading sales, service, rentals and parts, Associated has been the recipient of multiple awards in recognition of being a premier organization in the supply chain industry.

Our Locations:

- Georgia: Norcross
- Illinois: Addison, Bloomington
- Indiana: Indianapolis, Fort Wayne, South Bend
- Iowa: Ankeny
- Minnesota: Eagan

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