

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

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7 Things to Consider Before Selecting a Supply Chain Consulting Firm

There are hundreds of consulting firms out there, and each will claim that engaging them will significantly improve one or more aspects of your Supply Chain. Like any other product or service, consulting firms come in all shapes and sizes, with a wide variance in ability, cost and quality. If you've decided that it makes sense to invest in outside expertise analyze your Supply Chain, how do you select the right partner? You can begin by considering the following items:

Do they work across the entire Supply Chain?

Lots of consulting firms will claim to be Supply Chain experts, but far fewer work throughout the entire Supply Chain. This can be a crucial consideration because those firms that only work in or understand part of your Supply Chain are going to focus all of their solutions on their area of expertise leaving other crucial areas of your supply chain unaddressed.

How do they make their money?

Many consulting firms will price services very aggressively, because they have an ulterior motive – they are a reseller of equipment/software, or they have some sort of “exclusive relationship” with specific vendors that provide them a finder's fee or other compensation for bringing business to their partners.

Clearly, firms that have these types of relationships will have a conflict of interest that can result in their recommended solutions including the products that benefit them, even when they may not be the best solution for you. For example, if a firm has an “exclusive partnership” with a conveyor vendor and they are designing your facility at a stunningly low price, you can bet that their design is going to include lots of conveyor. Similarly, a firm that is evaluating three software packages and is a reseller of one of them is going to steer their clients to the software that directly benefits them more often than not.

References and Experience

Has your prospective partner “been there and done that”? Have they worked in your industry? Have they done projects on the same scope as yours? Have they worked with the processes, equipment and technology involved in your project? Do they have the knowledge, experience and resource depth to meet your needs?

Ask your prospective partner to provide you with several examples of past engagements that are similar in size and scope to yours, then select the ones you would like to speak to or visit from that list.

Long-term customers with multiple projects

This is a great indicator of what kind of work a company does and what kind of relationships they have with their clients. A company that does excellent work and delivers value on every engagement will be called back for multiple projects at the same client.

Ask your prospective partner for examples of clients where they have been involved in multiple projects. When you speak to those clients during reference checks, ask what it was about the consulting firm that prompted the client to bring them back for multiple engagements.

If a consulting firm can't provide you with a number of clients that they've been engaged with more than once, that should be a major “red flag”.



Selecting a Supply Chain Consulting Firm (Continued)

Project or staffing-based

Does your prospective partner function as more of a “staff-augmentation” firm, or do they focus on managing projects that have a defined scope and an ending point? How does that line up with your requirements?

Typically, a firm with a focus on staff augmentation will have a lower hourly rate, but their resources are often dependent on the client to provide management and direction. A project-based firm will usually be more comfortable driving or leading a project, but will usually command a premium rate.

Employee consultants or subcontractors

Many consulting firms will speak vaguely and generically about their “resources”, without being very clear about what types of resources they have. It’s critical for you to understand whether those resources are full-time employees or independent contractors.

Firms who have employee consultants are typically going to be more stable with resources, meaning that your project is more likely to finish with the same team members that you started with. Firms that staff their projects with independents can sometimes be more competitive on rates, but often have difficulty maintaining staffing, as independents tend to be less loyal than full-time employees.

Culture

Is your company culture a match for your partners, or is there a possibility of a clash? What sizes of clients do they typically work with? How formal or informal are they? Will you have access to their Senior Leadership if/when you need?

Overall with all the options on the market today selecting the right Supply Chain Consulting Partner for your operation can be an arduous task. However, make sure to do your research and ultimately pick the partner you feel you can trust.



More than ever before, companies are looking for ways to drive down costs associated with their material handling equipment and systems. Unfortunately, many of these organizations are focusing solely on traditional cost drivers such as maintenance costs and therefore are missing key opportunities to realize much larger returns.

The first step in determining how to effectively manage your material handling equipment and system’s true costs are to first understand how you are measuring them. Below are four of the most common answers to this question:

1. We are not tracking or measuring these costs: Although it may seem surprising this is actually the most common answer, as industry surveys confirm that 94% of companies do not consistently monitor costs associated with their equipment. The good news is that even though this circumstance may seem like the most daunting task, it is actually one of the easiest issues to overcome because you don’t already have a preconceived notion of key metrics. However, it is impossible to manage what you don’t measure. If you do not have any cost history on each piece of equipment, how can you determine if your costs are trending up or down or how do you make equipment replacement decisions? How are you able to understand the productivity of your equipment operators or the equipment that they run? On the bright side there are a number of tools on the market today that can help you gather and consolidate this information. Additionally, there are also a few companies that offer Consulting services to help you get on the right path.

2. Our Service provider is doing this for us: But are they really? A few questions to consider: How regularly are you meeting with your service provider to seek value in the information that they are collecting? Does your service provider only collect this information for the equipment that they are providing service for? Is the information that they provide assisting you with your strategic planning or assisting you with reduction of costs? Have you saved money because of the information that they are collecting? To better understand true cost drivers it is imperative that you are look-

Measuring Material Handling Equipment and Systems Productivity and Equipment Costs

How is your company currently tracking and measuring these metrics? What you don’t know could be costing you money.

ing at all of the equipment and systems in your fleet to best determine where the cost saving opportunities are.

3. Our ERP or Computerized Maintenance Management System (CMMS) is collecting this information: This is a step in the right direction but does your ERP/CMMS collect the proper data to drive improvement in business? If not, can it reasonably be made to do so? Have you devoted an internal champion to pull data into usable reports? Have you devoted time to turning those reports into actions that will reduce costs? Are you only looking at service costs in these models, or are you considering productivity? Many times companies have the correct systems in place to collect this data but lack the internal resources to interpret it and make cost saving decisions based on it.

4. We have a formalized Fleet Management Program: Great! This puts you on the path to truly reducing your costs and getting the most out of your equipment and systems. However, here are few questions to ask yourself: Does your program consider all of your equipment and systems within your operation or it is focused on lift trucks? Is your fleet management program yielding measurable results? Are you reducing spending or improving productivity as a result of investment in this program? Are you only looking at service costs in these models, or are you considering productivity? Have you devoted an internal champion to turn your fleet management program into business improvements?

All in all, the importance of tracking, measuring and implementing strategies to reduce the cost and improve the productivity of your fleet has never been more important. Fleet management has grown far beyond basic maintenance reporting. Fleet utilization, enhanced safety practices, performance metrics, energy consumption and replacement schedules are true opportunities which allow companies to maximize financial and operating results. However, you have to first start with measuring these things before you can realize their true benefit.

Loading Dock Safety

Loading docks can be one of the busiest and most hazardous areas of your warehouse.

Every year, many workers are killed or seriously injured when the forklift they are operating falls off the loading dock. Forklift operators must be aware of hazards such as congested staging areas, pedestrian traffic, restricted views, wet and slippery floors, overhead obstructions, trailer drop and trailer creep, and many other hazards found in or around a loading dock. One or more of these hazards can be present at any time so it is important that all of your workers are trained on the types of hazards they may encounter when working at your loading dock.

In order to determine what hazards may be present at your loading dock a detailed hazard assessment should be conducted and the proper safety and operational procedures must be established and enforced.

The following is a list of recommendations that will help improve safety in your dock area:

1. Always ensure the proper lighting is used. The proper use of lights is imperative to the safety of these environments not only to ensure optimal visibility but also to communicate with the freight drivers and warehouse staff. Dock traffic light systems can help to signal to drivers, via a red or green indicator, when it is safe to dock or pull away from the loading dock. Additionally, internal dock lights can help to brighten hard to reach load-

ing and unloading areas.

2. Always use wheel chocks or truck restraint devices while loading or unloading trailers. Trailer creep occurs when a lift truck enters and exits the trailer causing it to separate from the loading dock. Using wheel chocks, or other restraint devices, will help prevent trailer creep from occurring. Today, there are a number of truck restraint devices that engage mechanically instead using the traditional rubber chocks which are not as safe.

3. Use the proper equipment to load and unload. Forklifts used in your warehouse will often have different mast heights, which could mean that not all of your lift trucks will be able to drive into a trailer. Always check the mast height on your lift truck to ensure that you are able to enter and exit the trailer safely. Additionally, different forklifts also have various degrees of maneuverability, make sure your equipment has the proper turning radius for the trailer and load.

4. Keep dock areas clean, organized and well maintained. It is very important to have designated areas for staging used and empty pallets. Painting or taping these areas will help your employees recognize these designations. It is also very important to have routine maintenance performed on your docks to ensure debris is cleaned out, springs and shocks are working correctly and are properly lubricated.



5. Use Dock Seals and Bumpers to protect the dock area. Dock seals will help to keep your employees safe from harsh environmental conditions. Dock bumpers will protect your building from damage. Many operations install these with their dock doors, however these are wearable parts and it is imperative they are inspected and replaced periodically.

6. Use physical barriers and restraints near open doors. Many times, dock doors are left open creating additional fall hazards for lift truck drivers and other dock workers. Using physical barriers around open doors will help prevent lift truck operators from driving their lift truck off the dock.

These are just a few recommendations for improving dock safety. Remember, the majority of dock accidents can be prevented through proper training, using the proper equipment, and enforcing company safety rules and operating procedures. If rules and procedures are not enforced, employees will not follow them!

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

In the Press

2016 Loyola's Supply and Value Chain Center Leadership Award

The Supply and Value Chain Center at Loyola University Chicago's Quinlan School of Business announced the winners of its annual Supply and Value Chain Center Awards. The awards recognize outstanding performance of individuals and teams in categories including Leadership, Supply Chain Excellence, Innovation, and Sustainability.

Michael Romano, President and CEO of Associated, a provider of integrated supply chain solutions, was recognized with the 2016 Leadership Award. This award recognizes an individual who has demonstrated the values-based leadership espoused by Loyola's founder, St. Ignatius of Loyola: responsible leadership with a consistent focus on personal integrity, ethical behavior, and a balance between justice and fairness.

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

Very Satisfied vs. Somewhat Satisfied Customers

Is there a difference between a "Very Satisfied" and "Somewhat Satisfied" Customer? The answer is: Absolutely!

Very Satisfied Customers are typically loyal to you and your organization. Through time, they've come to rely on your consistent attention to detail, concern for what matters most to them and your honesty, even in difficult situations. They did not become loyal or very satisfied in a single transaction.

For all customers price remains a factor, however, for the very satisfied it is less of a concern simply because of the value, benefits and the high level of dependable service they receive. The experience of the very satisfied customer tells them that your concern and service does not stop after the sale is complete. This experience allows them to feel a part of your team and makes referring you to their colleagues that much easier.

A very satisfied customer need not shop around, in their minds they've found their solution.

Conversely, a Somewhat Satisfied Customer feels that their needs have been met, but you have not "wowed" them with your products or services. They see you and your company as simply providing sufficient results. When they recall their latest interaction with you, you're simply average.

The somewhat satisfied customer has not been given a reason to remain loyal, they rate the interaction on the negotiated price, realizing they've been given little else to measure you against your competitors, who offer similar products and services. They did not feel they built a relationship with you, but rather completed a transaction. They did not feel valued in a way that made it meaningful to them.

A somewhat satisfied customer will not be a good source of referral. They will shop around searching for someone who will change their experience allowing them to feel valued and ultimately, very satisfied.



Associated University Events

No Current Events Scheduled at this time

Please visit our past event videos on topics such as:

- **Optimizing The 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

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