

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

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The Tortoise and The Hare... Two Consulting Approaches

Once upon a time there was a hare who, boasting how he could run faster than anyone else, was forever teasing the tortoise for its slowness. Then one day, the irate tortoise answered back: "Who do you think you are? There's no denying you're swift, but even you can be beaten!" The hare squealed with laughter. "Beaten in a race? By whom? Not you, surely! I bet there's nobody in the world that can win against me, I'm so speedy. Now, why don't you try?"

Most of us know the end of this fable by Aesop. The Tortoise goes deliberately on his way while the Hare procrastinates, waiting until the last minute to begin his run. The Tortoise pulls it out in the end in a photo finish.

This is a story we can apply when looking at different consulting approaches. "Slowly does it every time" is preferred, but the real world day-to-day conditions of the supply chain industry often requires we sprint. The question is — how to get positive results regardless of pace?

Listening

The Tortoise would listen best by feeling vibrations in the ground and takes time to process the information. The Hare on the other hand has big ears, and would process information more quickly. Either way, the key is to listen. A good consultant will listen first and then ask relevant questions.

What is the pain you are experiencing and why? What is the source/root cause of that pain? What outside factors are influencing root causes and why? These questions drive a deeper dialogue and demonstrate competency. Collecting data points in an assessment goes a long way towards earning trust — which is paramount in a client/service provider relationship.

Gathering information to validate or eliminate perceived issues should be a standard part of any consultant's methodology. This however takes time. If the Tortoise is preferred

over the Hare, a data driven approach with deep detailed analytics and multiple solution scenarios will provide the best result. If

time is of the essence, the Hare approach using significant experience in a variety of operations, successful solution development and project implementations may be preferred. Typically fast-paced solutions are necessitated by budgeting/fiscal cycles, and/or operational necessity.

Regardless of Tortoise or Hare assessment methodology, it always comes back to financial justifications for proposed solutions.

Defining Objectives and Activities

The next step should be defining your objectives, typically including the following components:

- Operations: performance based metrics
- Financial: ROI/NPV
- Customer Service: Improved or new service capabilities

Activities which provide deliverables drive the duration of any engagement. Our friend the Tortoise would require time to develop multiple scenarios, solutions, and present variable solutions for corresponding objectives. The Hare on the other hand, noting time is the issue would narrow the objectives, requiring fewer activities, in a condensed period of time.

Reaching the objective must be done with minimal risk to your operation and be invisible to your customers. This is a greater factor for the Hare as speed increases risk. With a properly defined road map, both the Tortoise and the Hare can ensure risk is mitigated, while objectives are achieved.

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The Tortoise and The Hare... (Continued)

Providing a Road Map

The Road Map is the "vision" for tactical execution of a solution, showing a timeline with significant milestones. This tool is critical if whether it is a fast track engagement or a long term initiative. Executive level sponsorship of the road map and resulting project plans is imperative for success. Hitting milestone activities in the timeline proposed ensures objectives are attainable.

Communication

During project execution the key deliverable is communication. Both the Tortoise and the Hare would agree frequency is the key. Formal communication in the form of scheduled meetings, and spontaneous touch points driven by day to day activity, must occur on a frequent and regularly scheduled basis.

The tortoise was scarcely a yard from the finish. At that very point, the hare woke with a jolt. He could see the tortoise a speck in the distance and away he dashed. He leapt and bounded at a great rate. Just a little more and he'd be first at the finish. But the hare's last leap was just too late, for the tortoise had beaten him to the winning post. Tired and in disgrace, he slumped down beside the tortoise who was silently smiling at him. "Slowly does it every time!" he said.

Well maybe not every time. You can achieve your objectives by choosing a partner that listens, clearly defines objectives, provides a road map to set expectations, and effectively communicates progress. The Tortoise and The Hare really are not that different. They both covered the same amount of ground and crossed the finish line. The only difference was pace and effort. Ultimately it is important to choose a consultant partner that can adapt either approach to fit your business needs.



Automated Picking Can Increase Productivity and Space

A cost effective solution for your order fulfillment operation.

Distribution centers are driven to high rates of throughput and accuracy, be it through "lean" improvement initiatives, automation or a combination of both.

One-Day Delivery is a promise that many manufacturers make, and then struggle to keep at a profit; while most manufacturing organizations need it in order to keep their stretch supply chains functioning.

Whenever there is a physical product to handle, a few critical activities must be performed efficiently and quickly:

1. The product needs be labeled and recognized easily.
2. The picker, be it a human or a robot, receives a list with many SKUs to pick and place in variable quantities and in different locations at high rate of speed.
3. The space that is required to store thousands of SKUs, in volumes that vary depending on the consumption pattern, is in itself expensive and a cause for loss of productivity and accuracy as pickers need to move about.

Today, speed, payloads and frequency of picking operations have reached performance levels that are hardly sustained by an average person.

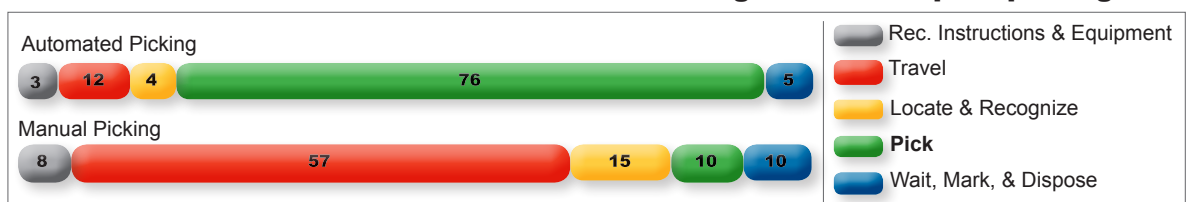
In a recent study it was determined that, on average, \$400K was wasted per year due to misspick rates of about 1%.

When looking at this research, it is easy to see the advantages employing an Automated Picking System such as a Vertical Lift Module (VLM), a Vertical Carousel (VC), or a Horizontal Carousel (HC) can bring to the table. For example:

- **Productivity** is increased x2.5 when compared to a manual operation because the travel time is greatly reduced. See Illustration #1.
- **Ergonomics** is also greatly improved as picking only happens at the correct height and appropriate visual aids ensure the operator is accurate and safe. Better working conditions, better safety and more accurate picking in turn will boost even further productivity.
- **Maximizing Space** is a primary driver to choose an automated picking system. On average these systems can recover 85% of floor space. The VLM is ideal for heights above 10-12ft, while the VC and HC are best suited for 8-10ft high machines. The HC has the added capability of expanding horizontally, and is thus a good choice for pharmacies, libraries and other low ceiling applications.

Overall, if you are looking at improving speed, accuracy, customer service and the general performance of your material handling and warehouse operations, an automated picking system can help you achieve your goals in these areas.

Illustration #1: Manual vs. Automated Picking: % of time spent picking





Telematics Can Optimize Labor and Order Fulfillment Processes

Today, Operations Managers represent a significant “link” in managing their organization’s supply chain. Responsibilities often include the management of activities and resources that affect the design, planning, control and monitoring of the supply chain to fulfill the objective of creating optimal value in their operation.

Telematics is a way of monitoring the movements, status and behavior of a vehicle and its operator. This information gives management complete, real-time knowledge of their fleet activities in one centralized interface, to increase productivity, reduce labor costs, improve customer service, increase safety and reduce operating expenses. Many Operation Managers have looked to this technology to provide them with more data to gain insights on their operations, in the form of devices that are mounted on each Fork Lift truck in their fleet. These truck mounted devices record key data events and transmit them to a database where reports can be retrieved.

Events that can be monitored by most telematic systems include:

1. Operator Verification which limits operation of the truck to only those trained and approved operators identified by their Employee code or badge.
2. Truck checklists must be performed and approved by Operators on the truck before the truck can be put into operation.
3. Impacts of the truck with rack, product or the building can be recorded and reported on. Reports can including the date, time, Operator name and force level.
4. Truck and Operator Utilization based on onboard hour meters including Key switch, Dead man, Travel and Lift.

Data from these events can be arranged in reports to provide significant insights of the warehouse operation 24/7 to help make process improvements, increase productivity, reduce risk and damage in the workplace, instill driver accountability and realize labor savings.

If you are an Operations Manager in an organization without one of these systems, you must ask yourself if you are able to answer these six representative questions.

Experience the full 35-minute webinar at www.associated-solutions.com/our-difference/associated-university.php

1. How many trucks do I truly need in my operation?
2. How many Operators does it take to pick my orders in a shift, day, week, month and year?
3. Who are my top operators?
4. Is utilization balanced across my fleet or am I overusing a truck while others sit?
5. Am I getting the value out of my Maintenance program or am I wasting money?
6. Who is causing the damage to my Products and Racks in the warehouse?

The answers to these six simple questions could significantly improve the efficiency of any warehouse and are attainable if the Manager had access to the data available from their truck fleet.

Warehouse and Labor Management systems have been available to managers for some time. Telematics offers a unique solution that can either offer visibility to the dark corners of those earlier solutions or provide an enlightened first step in getting your warehouse efficiency where it needs to be in order to succeed in this competitive marketplace.

Upcoming Events

Event: Loyola’s Supply Chain Summit

Location: Sofitel Chicago Water Tower

When: Thursday, October 30, 2014

Time: 8:00 am - 7:00 pm

Register: <http://www.luc.edu/quinlan/scm/events/>

In the Press Associated Acquires Peach State

Associated and Peach State Integrated Technologies, both leaders in providing integrated supply chain solutions, announced that they have completed the transaction for Associated to acquire Peach State. The acquisition creates a highly diversified supply chain market leader. The combined company will be strongly positioned to capitalize on the growing opportunities created by the rapid changes in customer demand.

Under the agreement, Peach State will operate as a subsidiary of Associated and will continue to operate under their current brand identity.

This combined organization is now one of the largest supply chain solution providers in North America in both size and breadth of solution offerings.

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

Prevent a Workplace Fire

October is Fire Prevention Month. The history of National Fire Prevention Week has its roots in the Great Chicago Fire, which occurred on October 9, 1871.

Each year people die or are seriously injured as a result of fires at work. Besides loss of life, fire costs US business millions of dollars, from damage to property, loss of business, fines, compensation claims and insurance premiums. Many fires can be avoided by taking fire precautions. If a fire does break out, the effects can be minimized by having effective controls and procedures in place.

Preventing fires is everyone’s job. We all need to be alert to anything that could cause a fire, and take responsibility to report any problem areas so they can be corrected. Here are some reminders about fire prevention:

1. Practice good housekeeping. Clutter contributes to fires by providing fuel and by preventing access to exits and emergency equipment.
2. Place oily rags in a covered metal container. This waste must be properly disposed of regularly.
3. Maintain machinery to prevent overheating and friction sparks
4. Maintain free access to all electrical control panels. Material or equipment stored in front of the panels would slow down the shutting down of power in an emergency situation.
5. Use and store chemicals safely. Read the label and the Material Safety Data Sheet to determine flammability and other fire hazards. Provide adequate ventilation when using and storing these substances.

A workplace fire is an experience you don’t want to have. In addition to injury and loss of life, the outbreak of a fire can lead to job losses. Rebuilding a workplace after a fire is very expensive and many companies can’t afford to do it. Don’t let a fire threaten you, your coworkers and your job. Work safely to prevent fires, and know what to do if one occurs.

1. Practice good housekeeping. Clutter contributes



Check Our Website
For Upcoming
Associated University
Events

Associated University was designed to provide supply chain management professionals with access to information on practical solutions concerning the industry's current hot topics.

www.associated-solutions.com

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.

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:

Illinois: Addison, Bloomington

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