

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

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Long Term Strategies Focus On Saving Dollars Not Cents

The lowest cost is not always the best value

We all like to get a good deal, whether it is on a car, our clothes, cell phone, you name it. But is the lowest price always the best? There is a difference between price and value. If you get the lowest price on something, you are paying the lowest amount, which is where the adage of "You get what you pay for" was born.

The lower price could be due to the manufacturer using lower quality products, such as the steel used in the parts of their product. Maybe they cut cost in other ways by using older technology, or by not using the proper testing when the patent is issued, since a patented part or process costs more money to develop, construct, test and eventually implement. We have all been there, where we bought the lowest price product and then had regrets when it fell apart or did not meet our expectations.

A certain portion of value is subjective or based on opinion. Many times, we will pay more for the ease of doing business with a company or a brand name. Sometimes the value is based on features that provide benefits to the user, like a car with all the options. Showing the features of a product that do not benefit the buyer will not generate value or a higher price, but showing a feature that solves a problem could certainly generate a higher value and thus price.

When it comes to good value, the overall price might not be the lowest, but you can rest assured knowing that all the pieces and production methods would be quality. A good example would be Mercedes. They are a brand that you trust to be on the cutting edge of technology and use high-quality parts. Whatever the brand that you go back to over and over, you trust that they are using high-quality parts and labor. Ultimately, you are willing to trade a bit more money for more quality because it will hold up longer over time.

Especially in a situation where you are putting heavy goods away, you want to trust that all of the equipment is going to work as promised and the racking is going to hold the material. You would not want to worry about anything breaking while you are on the job, or that the engineer may have missed something. An example that has played out in warehouses time and time again is the use of cheap parts to fix equipment, like tires and wheel for example. There are plenty of cheap tires on the market today but just because the purchase price was low that doesn't mean you save money in the long run. Many times cheap tires will wear faster, causing you to replace them more frequently whereas using a more expensive tire that is appropriate for your environment will actually cost less over time. While this might not matter to the purchasing person trying to cut all costs, it would really matter to the operator that has to use the equipment on a daily basis.

Next time someone is looking for the lowest cost think of the recently departed John Glenn who said: "As I hurtled through space, one thought kept crossing my mind - every part of this rocket was supplied by the lowest bidder." We don't want to be in a facility with all of the lowest cost items, we want to add value and build trust.



5 Ways to 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 on a regular basis.
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.



The one thing that can always be counted on in the business world is the need for change, and the supply chain industry is no exception. In fact, in our increasingly technological world, keeping up with increasing customer expectations and remaining competitive requires companies to be more open to change than ever. New technologies must be embraced to remain competitive. Processes need to become more efficient to offset rising business costs. The organization expands to take advantage of new opportunities, or becomes leaner as the company seeks to refine its goals and mission.

All of this may be great for the business, but as the planning and implementation of the new way of life begins to gain steam, you may find that your workforce is less than enthusiastic. None of this sounds like very much fun to them. "What's wrong with the way things are?" some of them may wonder. Others may understand the necessity for change and welcome it in the abstract, but have concerns about how they will be affected day-to-day.

Much of resistance to change is due to anxiety and feeling a lack of control. Managing the anxiety will result in increased employee buy-in and the changes will fall into place much more smoothly. Here are 5 things you can do help your employees feel more comfortable with change.

1. Communication: Getting the right message out in a timely manner is critical for making sure everyone understands what is actually going on. When details about planned changes are not forthcoming, rumors begin to go around and tensions become heightened as people start imagining the worst. People will want to know what the planned changes are, why the changes are needed, and how they are going to be implemented. A strong, clear message at the right time will minimize rumors and quell anxieties. Communicating frequent updates as the plan progresses ensures that the message remains accurate and that everyone feels like they are being kept in the loop.

5 Strategies to Help Your Employees Thrive in a Changing Workplace

2. See it from their perspective: What are their fears and concerns? While your employees undoubtedly care about the welfare of the company, when changes are announced they are very naturally concerned about how it will affect them personally. They may fear that the company is in trouble, or that job cuts may be forthcoming. Or they may be concerned about how changes to their job will affect them as they go about their workday. Having their concerns listened to and addressed reassures your employees that you care about their well-being and will do whatever you can to help them. In addition, keep a positive attitude and shed some focus on the benefits the change will bring, not just for the organization but at the employee level as well.

3. Training and preparation: Wherever possible, train and prepare your employees ahead of time for the changes they will experience on the job. Knowing what to expect and being well trained for any new tasks or technology will instill them with confidence and help alleviate the discomfort of feeling "new" to the job, after what may have been a lengthy period of time of feeling comfortable and competent with the old way of doing things.

4. Give them some ownership: Solicit their ideas for incorporating the changes. The person working the current process has expertise on how it has been working on the practical level, and may provide valuable information on existing problems as well as suggestions for solving them. Incorporate their ideas when possible. Challenge your employees to come up with innovative ideas and solutions to problems they may encounter as the changes progress.

5. Once the changes have been implemented, gather employee feedback: How are things working, from their perspective? What problems have they encountered? Are they noticing the promised benefits as the new process or technology comes up to speed? Take note of what you hear and wherever possible, make adjustments to the new process accordingly.

Changes is never easy, but taking the time to communicate with your employees, listen to their concerns and involve them in the process helps to alleviate their anxiety, giving them the confidence to be a facilitator rather than a resistor of change.



Weathering the Storm Preparing Operations for Natural Disasters

In recent weeks, the bulk of the headlines in the US have revolved around the devastation in Texas, Florida and Puerto Rico caused by Hurricanes Harvey, Irma and Maria. As well as the devastating earthquake in Mexico. With billions of dollars in damage, the rebuilding efforts will be extensive and require support from a wide range of industries. Whether it's food and water or building supplies, companies being called into action will need to figure out how to meet the unexpected spike in demand while possibly dealing with damage and disruption of their own. Understanding how your operation could be affected in these situations and being prepared before it happens is critical to helping those affected in a timely manner.

One of the first things that any facility manager can do is look to past experiences to see if there are any lessons learned that they can utilize. One of the best ways to determine how prepared one is for a natural disaster is to see where they fell short in a similar

situation. Did a power failure completely paralyze the operation or were sufficient backup sources in place? How easily did the workforce handle the additional order volume? Identifying and solving past shortcomings should always be the first order of business. In the event there aren't any past experiences to learn from, a new plan of action needs to be developed.

One of the more extreme circumstances for any DC or warehouse is the situation I mentioned above where sites are experiencing not only spikes in volume, but also internal disruptions as well. It's one thing to handle higher volumes, but it's another to do so without lights or workable dock doors. A present day example might be a DC in Miami, FL for a company making windows and doors. Outside of complete destruction of the facility, they will likely experience unexpected demand from the rebuilding efforts as well as power, network and/or structural damage. Having the facility operating requirements covered in a business continuity plan (BCP) is essential to meeting this unexpected demand. While most large corporations will have

some sort of a BCP in place, it doesn't always cover every need of every facility in their network. It's important to understand exactly what this plan (or lack thereof) can account for and where you might be vulnerable.

Another potential and often overlooked challenge is the effect disasters have on the workforce. Whether it's your associates and their families being displaced or the sudden influx of those displaced from other areas, the availability of a quality workforce is usually affected in one way or another. For short term needs, temporary workers may be an option. To avoid bringing in temps for highly skilled positions, an "all hands on deck" approach (think managers packing orders) or extended working hours may be the most viable option. Regardless of the approach, it's important to know what will work best for your operation. Also, having a contingency plan for replacing lost associates or even utilizing additional quality workers will help to minimize any workforce disruptions that may occur, especially during those times when your operation already has more than enough to deal with.

Upcoming Events

Event: Loyola Supply Chain & Sustainability Summit

About: Join supply-chain professionals and leaders for a robust agenda of critical topics, industry-leading speakers, and the opportunity to network with supply chain management experts and peers.

When: 10/16/17

Where: Chicago, IL

Register: <http://www.luc.edu/quintlan/scm/summit/>

Event: Modex

About: MODEX is the expo where manufacturing and supply chain professionals go to find solutions to futureproof their business success. With solutions from over 850 of the world's leading providers, MODEX 2018 is where you'll meet the industry's best and brightest, see their equipment and systems in action and determine which solutions fit your future supply chain needs

When: 4/9/18-4/12/18

Where: Atlanta, GA

Register: www.modexshow.com

In the Press

Associated has been recognized on Inc. Magazine's list of America's Fastest Growing Private Companies

For the third time, Inc. Magazine recognized Associated on its Inc. 5000 list. The Inc. 5000 list is an exclusive ranking of the nation's fastest-growing private companies and represents the most comprehensive look at the most important segment of the economy, America's independent entrepreneurs.

In the last three years Associated has achieved a growth rate of 47%. This success is due largely to the increasingly strategic role that the Material Handling and Logistics Industry has assumed in today's ever-changing supply chain as companies are continually driving demand for solutions that will enable them to improve order to space, labor and order fulfillment processes to satisfy changing consumer buying behaviors.

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

Wheels and Tires: What is the Best Option for your Environment?

There are a variety of different warehousing environments that require specific material handling equipment. This equipment helps to move products and complete daily tasks in the most efficient and effective manner possible. This same thought process also applies to the wheels that are on this equipment.

There are a number of polyurethane (Poly) wheel manufacturers that offer multiple compounds or Durometers for use on forklifts. This article will provide you with an overview on these compounds to give you a better understanding of what each one means and what purpose they can serve you.

Durometer is the measurement (Shore "A" Hardness scale) of a wheel or tires hardness; the higher the number, the harder the wheel. Additionally, the Color of a wheel actually has no bearing on the durometer of the wheel being utilized. For instance, one manufacturer will make a black colored poly wheel in a 90A durometer and another makes it a 95A.

Here are some common durometers along with their generalized rules of thumb for their proper application.

83-85A: Industry's most versatile durometers. Typically the Standard offering by most OEMs, classified as Medium Duty.

- Very good cut, chunk and flat spot resistance
- Softer ride and Improved traction
- Freezer and Cold storage applications
- Good price to performance alternative
- Lowest cost

90-92A: Preferred Tires that are considered Heavy Duty.

- Everyday use on clean smooth floors
- Heavy duty enough to survive moderate dock plate use
- Moderate Resistance to cuts, chunking or flat spotting
- Good Heat resistance

93-95A: High performance/Extreme Duty, premium wheels

- Highest resistance to Flat Spotting and chunking
- Highest load capacities
- Extended wheel life
- Designed for long runs due to heat resistance
- Typically a more expensive alternative, but with commensurate results

Please note, as with any new technology, there are now Zero runout tires available. These tires are machined on a lathe to ensure smoothest operation and increased stability at heights. These are typically offered by all leading manufacturers in a premium compound in a variety of durometer offerings.



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Associated University

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

This resource creates an interactive community that enables professionals to gain access to information covering today's most relevant supply chain management challenges and technologies. In addition to these sessions, Associated University offers tools, articles and discussions aimed at providing you with a vast library of resources to utilize.

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
Iowa: Ankeny
Minnesota: Eagan

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