

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

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Avoiding Labor Management's Missteps

5 Things That Can Sink Your Incentive Program

So maybe you didn't aspire to be the world's most inspiring and motivating boss. You certainly don't want to be part of a corporate program everyone hates. The atmosphere around labor-intense business operations—distribution, manufacturing, customer care, field service and the like—is changing as labor market shifts, millennial attitudes about engagement and updated capabilities of labor management systems (LMS) offer enticing benefits for your workforce challenges. Given this no wonder that 63% of firms using incentives reported gains of 10% - 30% in productivity. In either case, the intrinsic factors underlying human motivation remain timeless. Operating executives cannot rely on systems, automation, or diligence of a few outstanding employees to deliver all the results their companies need to remain competitive, profitable, and an appealing place to work.

Below are five missteps you need to avoid so you do not unleash a program your team will love to hate.

- 1. Bureaucracy and Policies:** You work hard to attract and retain talented and dedicated staff. Your company brand, operating conditions, wages and benefits, coworkers, interpersonal relationships with supervisors, and the nature of the work itself all contribute to an overall perceived value for associates. As they dedicate their hard work to the task, over time they build more and more internal commitment. For many, work life is central to their identity and sense of self. Unfortunately, most incentive programs are only partially aligned with that identity and end up undermining their commitment. Too many times we see incentive programs haphazardly thrown together with policies, rules and concepts that can frustrate employees and conflict with their social identity to their work group.
- 2. Conflicts with Personal Motivators:** There is real-time computing happening every day in your operations - and it is not what you think. No, it is not your business systems trying to optimize inventory. Rather, your associates are evaluating their sense of investment and effort with their reward; and then comparing it with that of their coworkers. J. Stacey Adams tested this concept and found this perception of fairness to be pervasive and a powerful influence on your associates. While the payouts were lucrative (some groups overachieved and banked incentive pay far into the future), the overall perception was dismal. In fact, a company survey found that due to several structural issues and poor supervisor accountability, the team incentive was the least liked feature of employment.
- 3. Leading from the office:** This may surprise you - unless you have tried it. LMS vendors often tout the features of their systems to automatically sense and respond to real-time conditions in your workforce. Why not take advantage of the discrete tracking and real-time RF communications available in a distribution center call center or on the road? Say for example, a lift truck driver is taking longer than the LMS predicts it should take her to complete a transaction. When this happens, an alert is sent, usually to the supervisor alerting him of the infraction. Neat. Now you will not miss appointments or volume projections for the day right? While in theory that is the intent, in reality, there are two problems: First, real time reporting gives managers the false sense of empowerment to run operations remotely. Second, real time reporting consumes system processing capacity - a precious resource in high transaction environments.



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Recruiting In a Tight Labor Market

If anyone says that they have not noticed that the economy has improved over last year or so they are either living in a vacuum or in denial. Drive through any metropolitan or commercial center and you see help wanted signs everywhere.

If your job function includes filling corporate openings then you know the challenges we are all facing in this beginning economy. It's not only those high -tech IT, medical, or engineering professionals but fork lift drivers, dock workers, and maintenance positions that are also going unfilled. So how do you find qualified applicants?

Everybody is looking for that silver bullet that will generate the candidate flow that they need to fill their warehouse positions. The reality is that there is no such thing. Recruiting is not just about compensation, training, corporate benefits,

employer of choice branding, creative ad writing, social networking or job postings. It is all of these things and more. It is a team effort that must include all aspects of your organization from senior managers, to your line managers, human resources, marketing, safety, and the like.

It starts with your corporate culture. What do your current employees say about you? About their managers and/or work environment. Do they enjoy their work? Is there cooperation between work centers or does your organization have a silo mentality? You cannot build a great employer of choice brand without being, at the very least, a good employer.

What about your benefits? Being competitive in this environment is a must but wages, by themselves, are not the primary motivator when it comes to recruiting millennials. Rewards, recognition, flexible schedules, advancement, and training are some of the things

that motivate this new generation of applicants entering today's labor pool.

Ok, you have a great organization with competitive wages and benefits. What's next? Are you tracking your recruiting efforts? Analytics is the big buzzword in staffing these days. Growing businesses are looking at BIG DATA and your recruiting function should be no different. What is your current turnover rate and where is it occurring? What was the rate last year and the year before? Is it trending up or down? This is only one of many recruiting functions that you should be following. It does not matter if you are using a fancy applicant tracking application or an Excel spread sheet. Collecting and analyzing the data is important.

I have only scratched the surface of how to recruit in this tight labor market but don't be afraid to think outside the box and look for ways to make your recruiting efforts and your organization stand out.

Upcoming Events

Event: Associated University Webinar - Labor Management

About: Labor accounts for 50% to 65% of total Distribution Center operating expenses. Therefore, implementing a Labor Management Program is often seen primarily as an opportunity to reduce costs, especially since savings of 10% to 30% is commonly seen.

From the real-world perspective of an experienced industry expert you will gain insight into essential elements of Labor Management and the many benefits associated with the implementation of an effective program.

When: Wednesday, July 19, 2017 | 12PM - 1PM

Register: <https://www.associated-solutions.com/about-us/news/upcoming-events>

In the Press

Associated Recognized as Ferrara Candy Company's Supply Chain Segment Leader

Ferrara Candy Company has named Associated the 2016 Supply Chain Segment Leader at their Supplier Innovation Summit.

"We place a high degree of value on our relationship with Ferrara and are humbled to be recognized as the 2016 Supply Chain Segment Leader for Ferrara's North American Operations. Thank you to Ferrara for trusting Associated to provide integrated supply chain solutions that helped optimize your space for growth." Brandon Hodge, General Manager for Associated's Chicagoland Operations.

Tim Combs Announced as CEO & President of Associated To Support Continued Growth

Tim Combs has been appointed as President and CEO of Associated, a leader in providing integrated supply chain solutions. This appointment is a welcome return for Combs, as he served as the Company's General Manager from 2009 to 2010. Combs brings 35 years of leadership and sales experience to Associated, having most recently served as President of Sales and Marketing at The Raymond Corporation.

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

Industrial Facility Pedestrian Safety Tips

An accident with a forklift can lead to a very serious injury, or even death. A loaded forklift truck can weigh up to 15,000 lbs. and being struck by a forklift is like getting hit by 2-3 full-sized pickup trucks at the same time.

Recent OSHA data shows there are nearly 100,000 forklift-related accident injuries each year, with 35,000 of these resulting in serious injury and almost 100 worker deaths! Because of these dangers, pedestrians must always be on alert when walking near powered industrial trucks. Below are a few tips to ensure pedestrian safety:

- Always give the right-of-way to powered industrial trucks, even if the facility policy states otherwise.
- Pay close attention to posted caution signs and floor markings and stay within the designated pedestrian aisle ways at all times.
- If you enter a pathway intersection or have to cross an aisle, it is your responsibility to look for oncoming vehicle traffic and allow them to pass first.
- Never assume that an operator is consenting for you to proceed in front of their vehicle without them first

stopping, looking you in the eyes, and then waving or head-nodding you through.

- Watch for lights and listen for horns, vehicles approach quickly following these warnings.
- Stay out of restricted areas to avoid surprising vehicle operators and wear bright-colored safety vests when possible, especially in areas pedestrians are not typically present.
- Expect the unexpected. Vehicles may approach you from any angle and can enter intersections quickly. Sometimes vehicle operators are distracted and veer into your path.
- Never walk under the path of a raised load of a powered industrial truck. The operator may not notice your presence and inadvertently lower the load or forks onto you.
- Do not use cellular phones while walking in an industrial facility where vehicles may be present and limit group conversations to brief pertinent communications. Distractions can limit your ability to properly focus on the fast-moving powered industrial truck vehicle traffic.



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

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