

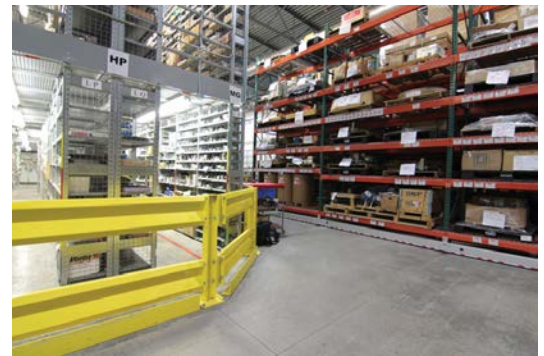
ASSOCIATED *advantage*

PROVIDING INNOVATIVE SOLUTIONS WHICH OPTIMIZE SPACE, LABOR AND ORDER FULFILLMENT WITHIN THE SUPPLY CHAIN

Mitigate the Negative Effects of Slow-Moving Inventory

To explain his country's distribution of wealth, Italian engineer-turned-economist Vilfredo Pareto coined the 80-20 rule to illustrate how a few (20%) account for the many (80%). Companies commonly use it to delineate those 20% of bestselling SKUs that account for 80% of their businesses' revenues.

While it makes sense financially and operationally to focus on the top 20 of the fastest selling items in your manufacturing or warehousing operation, it's ill-advised to turn your back on those once-popular bottom 80. Every day that these items are not used or sold, they occupy space, utilize labor and resources, run the risk of obsolescence, and in many cases actually get in the way of your top 20 performers.



This becomes a particularly serious concern in small to mid-sized facilities where space is at a premium. Left unchecked in a small warehouse, just a few pallets of slow-moving SKUs can accumulate in prime inventory positions, inadvertently extending travel paths and stealing already-limited slotting capacity from fastest movers. Properly managing and storing these slow-movers not only delivers much needed space, but also frees up critical slots close to docks for fast movers, maximizing overall throughput and productivity.

Below is an outline of the steps to help mitigate the negative effects of slow-moving inventory in conventional, mid-sized manufacturing and warehousing facilities by using tried-and-true inventory management tactics.

- 1. Keep a lid on slow-moving inventory.** The dynamic nature of demand creates a challenge in balancing inventory. Too much inventory increases the risk of obsolescence and getting burdened with inventory that doesn't sell. Too little inventory increases the risks of stock outs, and possibly the loss of customers.
- 2. Consider your options for pallet storage.** Once those 80% of low-turn SKUs have been kept under control, examine the assortment of pallet storage options available for them. Here the focus is not necessarily on throughput, but the ability to hold more facings, while utilizing a minimum amount of space. In manufacturing, it gets more complicated as modules storing raw material and WIP (Work In Process) inventory not only need to occupy minimal floor space, but ideally, they also have to be in close proximity to where they are needed to avoid unnecessary delays.
- 3. Apply the 80-20 rule to pick the best storage configuration.** The next step is to determine which storage option works best for which group of SKUs based on the 80-20 rule.

For many small to mid-sized facilities, space is already at a premium. Strategies for increasing productivity and efficiency are typically focused on work cell modifications, buy vs. make analysis and inventory control. However, by simply focusing on the 80% of low-turn inventory SKUs and employing a combination of smart inventory management tactics and space-saving storage solutions, a substantial amount of hidden space within an existing facility can be uncovered. When such space differential is large enough so as to delay and even eliminate multi-million dollar new space investments, that's priceless.

For more detailed information on how to apply the 80/20 rule in conjunction with high-density storage to optimize productivity and efficiencies, please download a white paper on this subject at www.associated-solutions.com/whitepapers.

Purchasing Used Lift Trucks

Knowing What to Look For Could Save You Time and Money

Used lift trucks are growing in popularity because of their economical value. In many applications it is hard to determine when to purchase a used or new lift truck that will provide optimum value.

When you start your search it is imperative that you do your homework and have a clear understanding of how you intend to use this lift truck. Below are some things to consider when you start your search that will save you time and money in the long run.



1. Determine how frequently your lift truck will be used. Used lift trucks are the perfect solution for environments in which it will be used 25 hours or less a week. This breaks down to about 5 hours or less each day, no more than 5 days a week, and in an operation that is not high-throughput. If you plan on using a lift truck more than this it is recommended to investigate purchasing new.

2. Determine what type of lift truck is right for you.

- Indoor or outdoor. For indoor use you can choose between an electric or propane lift truck for well-ventilated areas. Some may also consider diesel or gasoline units for outdoor use only.
- Determine load size and weight needed to ensure you get the correct model of lift truck for your application. Typically a 5,000 lb. capacity will meet your needs, however in some cases much larger capacities are required.
- Determine your height and aisle requirements. If your aisles are more than 11 feet wide a standard lift truck should accommodate your needs. A narrow aisle truck is the best option for aisles between 6-10 feet wide.
- Consult OSHA guidelines for your state's safety regulations. Safety options and attachments are another key factor in choosing the right lift truck.

3. Research the company you are considering purchasing from. There are a lot of options in the used truck market. Make sure you partner with a company that has a good reputation. Find out how long they have been in business, do they have qualified technicians on staff, will they offer a warranty and stand behind it? Choosing the right dealer can be the difference between a good and bad experience.

Used forklifts can be a very economical solution in the right applications. However, it is imperative that you do your homework up front and make sure the purchase will fulfill your needs. By taking these steps you can save yourself a lot of headaches on your next used lift truck purchase.

Engineered Labor Standards

Flexibility is the Key to Achieving the Highest Level of Labor Efficiency

Today, industry research shows that many companies are using labor standards based on units per hour to improve labor performance. After a labor assessment is performed of these operations, many times it is found that they can boost the units per hour by at least 20%. The first question that is often asked is "Can't we just take those units per hour and just raise them by 20% to set the new standard?" That approach could work, but the problem is that a units-per-hour standard doesn't flex well as your business and products change...or as your associates have to walk further on some days to get all of their picks. It doesn't take into account all the possible differences in order makeup or pack changes. When any of those variables changes, a units-per-hour standard blows up, because it can't bend very well.



What a standard does is it takes the work content that you do and builds out time expectations. So instead of asking "How many picks do I have to do today?", you know that you have to do 400 minutes worth of work. It takes all those determinants and builds out the amount of time it should take to do the work.

If you're in a grocery store, how long does it take you to 'pick' your shopping list? Well, that depends on what's on that list. How far do you have to walk to get to the milk case? Is the bread aisle nearby or across the store? So, the further you need to walk, the more time you're going to spend completing your list. Similarly in the warehouse, case, cube, weight, slot height, distance traveled, number of orders, number of totes completed, etc. all affect work time. For put-away, number of pallets handled and the amount of vertical time all must be taken into account and processed by the labor management system to determine exactly how long it should take to do that work. Then people work against time versus working against units.

The reason that "bendable" labor standards are so important is two-fold. First, you're going to coach and possibly discipline people if they fall below it. But also, you're basing your incentive program on the standards. By moving to a dynamic engineered labor standard you can use your baseline to effectively manage your workforce. This prevents a units-per-hour expectation from becoming a negative experience for your employee (including all those who are doing a good job).

This article was brought to you by TZA, www.tza.com

Automatic Battery Watering Systems

The Battery Maintenance Solution that can Reduce Labor Costs and Increase Productivity

One of the most neglected parts of a lift truck is their source of power, the battery. The battery is an essential part to keeping your fleet running as effectively as possible. When a lift truck user does not have a proper battery maintenance program the life of these batteries is greatly reduced and their run hours begin to get cut shorter and shorter. This will ultimately result in increased downtime and decreased productivity.

In many cases, users that have implemented a battery maintenance program are performing these tasks manually by relying on an operator to use a watering gun or a hose to water each cell individually and setting the water level by eye. This method also requires the operator to remove the battery from the lift truck so they can access all of the cells. This process can take anywhere from 20 to 30 minutes for each battery and can be dangerous. In an average size operation, there may be several dozen batteries in a fleet, and watering can take up hours of manual labor that could be productively utilized elsewhere within the plant.

The good news is that there are a couple of very simple options in the market today that can make your lift truck battery virtually maintenance free, help to extend its life cycle and reduce your overall labor costs. One of these solutions is an automatic battery watering system.

An automatic battery watering system works through a series of interconnected valves which replace your existing battery cell vent caps. Water flows through a single connection, filling each cell accurately and efficiently. Best of all, this entire process takes only minutes!

Some of the many benefits are:

- No user contact with the battery or vent caps.
- No safety equipment required (such as eye wash systems and protective gear).
- It is not required to remove the battery from the truck to water them
- Accidental overfilling and acid overflow is eliminated
- Excessive corrosion is eliminated.
- Achieve the maximum number of cycles and productivity.
- Save premature capital investment in replacement batteries.

An automatic battery watering system can be enhanced by adding an optional water level indicator light. This light reduces maintenance even more and allows operators and management to easily monitor battery levels at a glance.

Overall, battery maintenance is a critical element to keeping your lift truck fleet up and running at an optimum level. The installation of an automatic battery watering system can save you substantial labor costs, provide a safer work environment and allow you to operate as efficiently as possible.



Associated University Presents...

Why Labor Management?

Tuesday, June 25, 2013, 12:00 PM - 1:00 PM CDT

Labor accounts for 50% to 65% of total distribution center costs, so implementing a labor management program is often seen primarily as an opportunity to reduce costs...especially since savings of 10% to 30% are common.

But putting a focus on labor management can also help you achieve a range of business objectives: enhanced customer service, increased profitability, continuous quality improvement, employee development and lean, effective processes. Whether your operation has 25 or 1,500 employees, attend this webinar to find out how you can:

- Drive process improvements to reach a new level of productivity, safety and quality
- Establish the right culture and behaviors by focusing on your people
- Utilize technology to help manage and accelerate your progress

Learn the practical approach to implementing a labor management program from the real-world perspective of an experienced industry expert. We will cover key program elements including engineered labor standards, lean practices, performance metrics, labor planning, incentives, and employee and management training.

Best of all, see how these cost savings and business benefits can be achieved with low risk and at moderate levels of investment that often provide a return on investment in less than 12 months.

To register for this event, please visit: www.associated-solutions.com/register



ABOUT ASSOCIATED:

Celebrating over 50 years of providing customers with innovative solutions that optimize storage 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 its effectiveness and reduce overall cost.

Featuring leading edge engineering, fleet management and labor optimization services 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 material handling industry.



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Did You Know?

Plant Engineering Magazine Awarded Raymond Pallet Trucks with a Product of the Year Title.

Plant Engineering magazine, one of the top publications for professionals in the manufacturing, plant design, operations and maintenance industry, has chosen the Raymond® 8000 Series pallet truck as the 2012 Plant Engineering Product of the Year Silver Award Winner in the Material Handling Systems category.

Plant Engineering subscribers voted for products and solutions in 15 categories, selecting the Raymond 8000 Series pallet trucks as one of the leading products in 2012. Created with durability in mind, the 8000 Series pallet trucks feature significant increases in material strength that enable them to meet heavy-duty application needs.

Components are reinforced for reduced wear, delivering more uptime and lower costs. In addition, all components used in the 8000 Series are backed by an industry-leading undercarriage warranty.

The Plant Engineering Product of the Year Awards were presented at the 2013 Engineering Awards in Manufacturing event held in Chicago in March.

