

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

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The Great Balancing Act - Distribution Network Configuration

Senior executives across all industries share two common goals: Increasing Shareholder Value and Delivering Bottom Line Results. A proven approach to reducing the overall supply chain “cost to service” is the optimal deployment of distribution network assets. This is done by understanding the true cost of the current distribution network and achieving the proper balance of the desired service level and the most optimal cost.

“The Great Balancing Act” configuration can be determined through network modeling and refined through sensitivity analysis to determine the most cost-effective network strategy prior to making significant investments in infrastructure or operational transition.

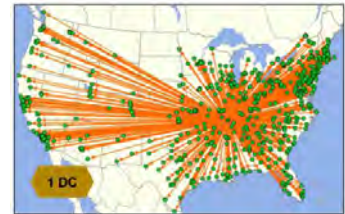
So what really is Distribution Networking Modeling and what value does it offer to undertake such an initiative?

Distribution Network Modeling is the process of evaluating a current or potential distribution network infrastructure to determine the trade-off between service level performance and total cost associated with providing a given service level. Ultimately it helps to answer the questions of how many distribution centers should be operating, where they should be located and what functions they should have. It also determines the cost to operate alternative network configurations at varying levels of service performance.

The primary reason is to make the best use of physical and human assets while meeting ever-increasing customer service requirements. This modeling is typically done when launching a new business, when adapting to changes in business conditions such as growth and new product introduction, or when reacting to industry pressures which cause a shift in the cost curve.

What cost factors need to be taken into consideration? Transportation is one key cost driver which should be monitored and modeled on a routine basis to understand the dynamics of a given network infrastructure. Other cost drivers include: people, equipment, space, operating expenses, inventory carrying charges, systems and technology, tax considerations and administration.

When these factors and the associated customer service level objectives are fully understood, they can be systematically modeled to understand the impact to cost and service when making changes to the distribution network design.



The Great Balancing Act - Distribution Network Configuration (Continued)

The optimal configuration of a company's product distribution network will strike a balance between the logistics and delivery costs required to achieve and maintain a targeted customer service level. Done correctly, an agile and resilient distribution network can be a strategic competitive advantage.

One way to evaluate this cost / service trade-off is to create a distribution network model based upon the reality of the current network scenarios to understand how changing network variables impact logistics cost and the ability to service customers. The basis for the model is an accurate depiction of the current network structure complete with fully loaded facility costs, geographic locations, processing capabilities, customer demand data, order profiles and service level performance.

If you are interested in learning more about Distribution Network Modeling including the type of operating data required to perform the study, the typically approach used, time frames to consider, additional benefits as well as other considerations please download the full white paper at: <http://bit.ly/1OQDpS1>

This article was brought to you by Peach State Integrated Technologies, www.peachstate.com



Being eco-friendly is increasingly considered a social, political and economic advantage in U.S. business and industry; however, many times it is thought to be a more expensive method than the alternatives. Many businesses hesitate to adopt green practices because they fear it will hurt their bottom line and negatively impact profits. But many eco-conscious businesses discover that they can actually save money and bring in new customers who specifically patronize companies that actively make an effort to be environmentally friendly.

Sustainability is the key to saving money and being eco-friendly. It is the combined efforts that are practiced on a daily basis consistently that lead to substantial reduction of operating costs and less damage to our planet. Going eco-friendly is employing practices that will increase your company's profitability and help to save our environment at the same time.

For example, energy use is a large expense for many companies. Warehouses, distribution centers and manufacturing facilities use huge amounts of energy to run their equipment and light their facilities. Even offices, with their computers, printers, servers and other equipment, are consuming large quantities of energy, and by making savings in these areas, businesses can reduce their overheads while not affecting productivity.

Lighting is a good place to start. Many industrial companies have invested in energy-efficient lighting thereby cutting their lighting energy expenses by 50%

Implementing Environmentally Friendly Initiatives Can Lead to a Reduction in Operating Costs

Eco-Conscious Companies Save Money and Attract New Customers

while increasing safety and productivity because this new technology provides a brighter light. Additionally, many offices keep the lights on during the day to ensure staff don't strain their eyes and can work effectively, but by replacing traditional lighting with energy-saving lights, you can reduce the cost of lighting by 30%.

Sustainability is not limited to the direct costs of business and industry. Savings can also be realized in indirect costs such as packing, transportation and other logistics considerations. Eco-friendly smart packages that reduce cardboard and filler save resources and money. Replacing gas-guzzling forklifts with energy-smart electric and motorized carts is another environmentally smart way to cut costs. Optimizing shipping loads and delivery strategies can result in significant cost savings given skyrocketing fuel prices.

Implementing a sustainable supply chain also eliminates or reduces the amount of money spent on disposal of harmful by-products, scrap and adherence to regulatory issues. In many instances, by-products previously disposed of as waste are now generating viable revenue sources for environmentally-conscious companies. Sustainability is already being used as a competitive advantage by many companies who have found it a profitable way to grow market share in their industry.

There is no downside to going green. It is a good business practice that saves you money, saves the planet and will result in your bringing in more of the green.



How Will the New FDA Food Safety Regulations Affect Your Supply Chain?

There were hundreds of food safety recalls in 2014; from boneless chicken breasts to canned soup to ice cream. That is not a phone call anyone in our industry wants to receive.

It undoubtedly means damage to product, reputations, bottom-lines, and gut-wrenchingly more critical – it could also cost lives. The latest recall of cucumbers from a California-based company affected citizens in 30 states and is linked to two deaths, and while the outbreak of listeria-tainted

ice cream was contained to only four states, it still resulted in 3 deaths and the shut-down of operations from April to September of this year.

It's no surprise that the FDA has tightened in with new regulations impacting the entire supply chain, including:

- Identification of hazards in manufacturing
- Development of measures to reduce the risk of contamination
- Implementation of methods to verify that the controls are working

The FDA will phase in the new rules over time, beginning in September 2016 for larger food manufacturers. Smaller

companies will have longer to comply with the regulations. All of the rules should be in place by late summer 2018.

Efficient handling, storage and tracking of dated food items is a critical first step to ensuring food safety and FDA compliance. There are a number of sophisticated, cost-effective, automated systems and warehouse management software (WMS) tools available to get the job done.

For more information on these new regulations please visit the FDA's website at www.fda.gov.

This article was brought to you by Mallard Manufacturing, www.mallardmfg.com

Is Your Business Plan Customer Centric?

As many of us are in the process of planning for 2016 we should be asking ourselves: Do our future plans not only include growing our business but more importantly do our plans make the Customer the center of attention? Realize that as you develop every budget, goal and strategy, the customer must be front and center in all meetings, discussions and ideas. Customer Expectations, if not considered, will result in less than desirable results.

Customer expectations are nothing more than a culmination of the changes experienced in the marketplace for decades. The impact of Social Media, technology advancements and most important, the empowered customer, have forever changed customer expectations. The customer of tomorrow will be more informed and in charge than at any other time in our history. Customers expect, not hope, that we their (for the moment) chosen supplier know their individual needs, creating a personalized experience every time we interact. Customers expect that companies will be proactive in taking the time to understand their future needs – setting in place plans to collaborate and address

those needs before they have time to take root and bring about problems. Customers expect that companies will take a vested interest in their lives and business. Customers of tomorrow are not shy about telling companies why they failed to meet expectations and quickly move away from the brand.

Companies should understand that the “good ol’ days” of telling customers what they want or need has shifted - customers are now telling companies not only what they want and need but how they want those product and services delivered. To survive, we must understand that delivering an exceptional experience requires us to create an enterprise-wide intelligence about the customer, allowing every experience to be personalized, proactive and meaningful.

The companies that will win are those who prepare today and embrace the changes taking place, creating a team who share the vision focusing on creative solutions making the company truly customer centric. This shared vision should bring about strategic initiatives allowing for a holistic customer metric, quickly identifying the wins while proactively addressing the challenges – before the customer realizes the challenge.

Upcoming Events

Event: RILA 2016

About: The Leadership Forum is an invitation-only event for retail and consumer product CEOs that fosters dialogue and discussion around the critical business issues of consumer-facing companies. It is a valuable platform unlike any other, where you can connect with your peers while participating in a meaningful, thought-provoking program.

Location: Naples, FL

When: January 24-26, 2016

Register: <http://www.rila.org>

Event: Modex 2016

About: Over 800 exhibitors from industry, commerce and government will display their supply chain solutions and innovations on the 250,000 square foot show floor.

Location: Atlanta, GA

When: April 4-7 2016

Register: www.modexshow.com

In the Press

Associated Announces Organizational Changes Aimed at Creating the Ultimate Customer Experience

Associated and its subsidiary, Peach State Integrated Technologies Inc., both leaders in providing integrated supply chain solutions, announced today the creation of a new position that will focus on their primary goal of providing the ultimate customer experience.

This newly created position, Manager of Customer Advocacy, is responsible for ensuring that the needs of their customers are met and exceeded in every transaction by developing, implementing, evaluating and managing programs and processes designed to promote the Company's standards for a superior customer experience.

Lisa Everly has been named to this new position. Lisa joined Associated in November 2005 and has demonstrated an unwavering passion for providing a high level of customer service in every transaction during her tenure.

To view the entire press release please visit our website at: <https://www.associated-solutions.com/about-contact/news.php>



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Associated University Events

Is Automation Right For You?

When: 12/2/15, 12-1 CST

Description: This webinar will provide you with an overview of common automation applications and their corresponding justification, considerations for determining if automation is the right fit for your organization, and design requirements for Automation Technology

Register: www.associated-solutions.com/register

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, South Bend
- Iowa: Ankeny
- Minnesota: Eagan

Contact Us:

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