

CASE STUDIES

Warehouse Operations

Problem to be Solved:

A distribution company discovers it has shipped over \$50,000 of product without invoicing customers. Inventory is inaccurate and product is mislocated contributing to poor order fill. Solertis is hired to review warehouse operations and implement immediate improvements.

Solertis Response:

Analyzed:

- Existing warehouse operations practices and procedures
- Utilization of material handling equipment
- Facility layout
- Order flow from office to warehouse
- Key success factors in sales and marketing that dictate operational requirements

Implemented:

- New facility layout including redesign of receiving and shipping
- New shelving and flow deck
- New picking carts and other material handling equipment
- Location address system
- Radio frequency technology and bar code scanning
- Program to reduce time from dock to stock
- Systems that improved process flow from picking to shipping
- Process for tracking missing items needed for orders
- Program for consolidating inventory at multiple locations

Results:

- Saved company **\$80,000** in labor in the first year alone
- Reduced time needed for receiving from over two days to just one-half day
- Reduced variances reported on receipts from vendors
- Increased throughput per station in shipping department
- Improved inventory accuracy as measured by product on-hand but not found for orders
- Improved order accuracy as measured by decrease in customer complaints
- Improved order processing efficiency resulting in 20% reduction in staff needed for picking
- Improved product density resulting in need for 25% less shelving
- Developed key performance indicators to measure warehouse activity