



PROMAT

2015

McCormick Place South | Chicago

March 23-26, 2015

promatshow.com

Implementing Best Practice Solutions to Drive Value in Mature Operations

Sponsored by:



Presented by:

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**FIND WHAT'S
NEXT.**

About Macmillan



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Macmillan Publishers, a distinctive group of publishing companies, has a rich history in the book industry. Macmillan companies publish a broad range of quality works—including award winning fiction and non-fiction, and inspired and much-loved children's books. A forward-looking company, they're dedicated to making our books available in whatever format readers prefer, and we foster reader discussion through innovative community websites. Macmillan Publishers is committed to our authors, our employees, and to the environment.

Macmillan Publishers is a global trade publishing company with imprints in the United States, Germany, the United Kingdom, Australia, South Africa, and around the world.



Operational Assessment

- Contracted BHS Strategy in 2013
- Evaluate current methods & procedures through floor-level observations
- Analyze historical operational data
- Conduct executive to floor-level interviews to understand business requirements
- Focus on Best Practices as defined through experience and Industrial Engineering principles
- Develop recommendations document to compare/contrast current practices to recommended best practices



Existing Configuration

- 3 Level Split Case Picking Module
 - 30,000 Split Case Picking Locations
- Zone Routing On Each Level
- Separate Area for New Releases
- Separate Area for Built to Order Kitting Process
- Special Handling Area
- Cube Utilization Within Storage Area
- WCS and Pick To Voice System
- Reserve Racking With Full Pallet/Half Pallet/Hand Stack Locations



Proposed New Configuration

- Extensive Data Analysis
- Project Implementation Within Existing Operation
- Modify all (3) Pick Module Levels/Mediums to Execute Best Practice Recommendations
- Increase pick module to 50,000 Split Case Picking Locations
- Relocate New Releases within Pick Module
- Relocate Kitting area/Special Handling Next to Pick Module
- Build New “On the Fly” Kitting Process
- Improve Cube Utilization within Storage area
- Combine Multiple Operations/Facilities Within One Distribution Center



Did you know that...?

... **30%** of warehouses are considered “*efficient*”

Why...?

... do **30%** of implementations fail

... are **42%** of implementations over budget?

... are **56%** of implementations late in “Going Live”

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It's likely due to LACK of...



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- ... commitment from upper management
- ... knowledge
- ... experience
- ... a dedicated team
- ... testing
- ... training
- ... clear direction
- ... a detailed plan to get there

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The BEGINNING



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“4 Ps”

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The “4 Ps” of ENABLING IMPROVEMENT

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- ❗ **Priorities** – Why are we doing this? Answer should be a compelling one
- ❗ **Processes** – Document Current State..., but **IMPLEMENT** Best Practices
- ❗ **Physical** – Support new process with the right **Equipment & Technology**
- ❗ **Personnel** – Define **NEW Roles** that Support Change



1. Document Current State

- Provides a starting point
- Identifies unique requirements

2. Define Future State

- Best Practices
- Define new “day-in-the-life”
- Don’t let WMS capabilities limit you

3. Determine GAPS

- Is filling them worth it?
- Justify modifications



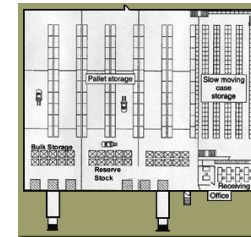


4. How much do we bite off?

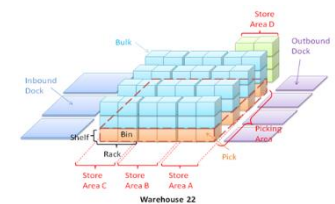


5. Finalize Layout

- Determine location naming / numbering
- Define zones (storage, picking, etc.)



6. Configure the system (rule sets, etc.)



7. TEST... TEST...TEST...EVERYTHING!



8. Train Everyone

- Super Users...THROUGHOUT
- Everyone else... Just prior to go-live



9. Follow-up

- Did we meet exceed expectations?
- Measurable success – Saved \$\$\$, improved customer experience, improved safety, improved throughput, etc.



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The Outcome



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- Increased Split Case Picking Capacity by 67% while shrinking footprint of split case area by 15%
- Increase Reserve Storage capacity by 4%
- Created Kit on the Fly Assembly Process
- Implemented Without Loss in Service And Within Same Operational Footprint By Commissioning Level Modifications Zone by Zone
- Added New Automation And Modified Existing To Facilitate Operational Changes And New Zone Routing
- Moved All Processing To a Centrally Located Area Next To Pick Module
- Reinforced Ceiling To Hang New Automation To Keep Drive Through Areas Clean And Increase Floor Staging Locations
- Upgraded WCS and Voice Pick Software For Additional Operational Efficiency Gains
- Repaired Existing Damaged Uprights During Process To Facilitate Safety Best Practices
- Liquidate Remaining Materials To Create Additional Project Savings/ROI

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Layout



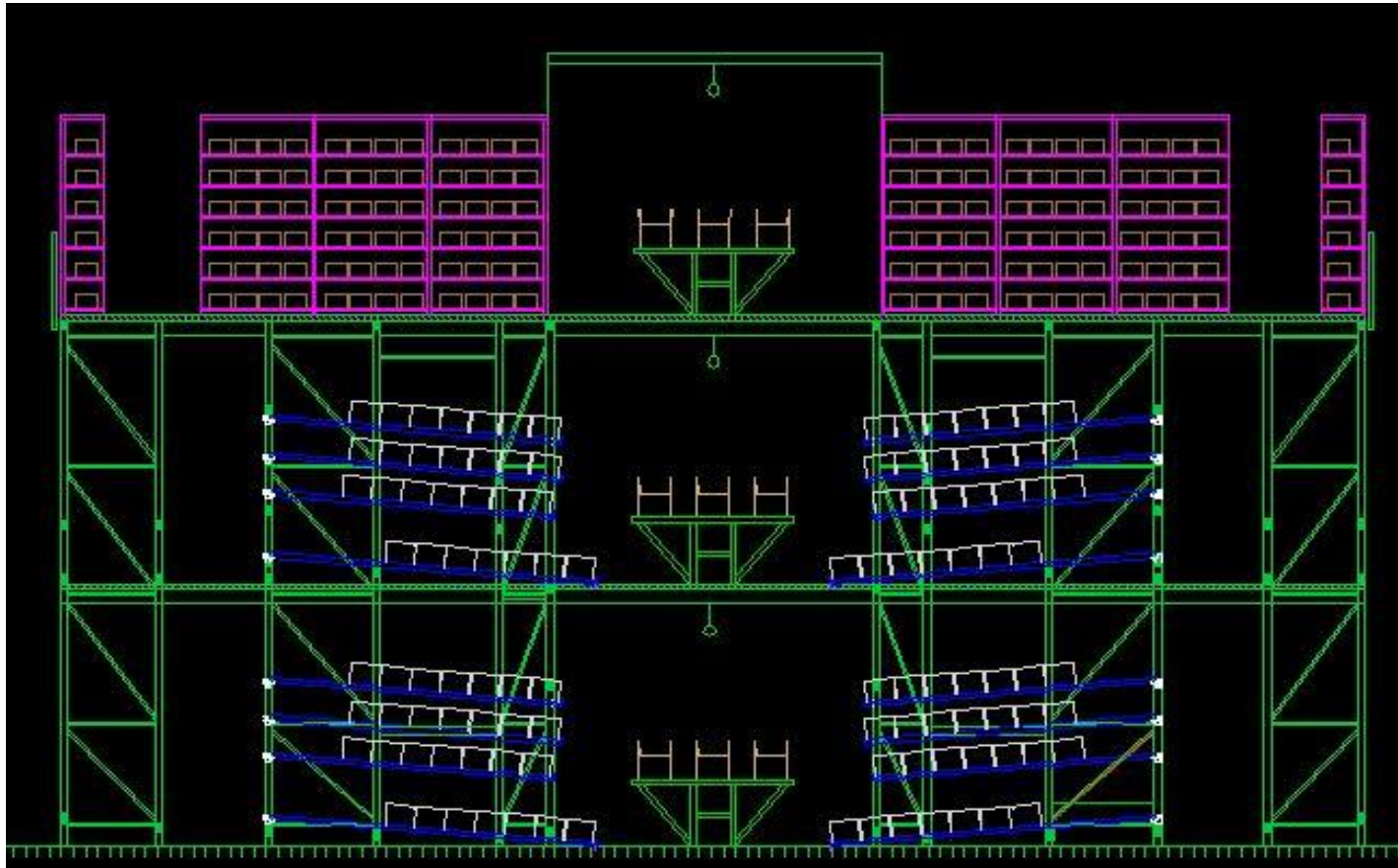
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Existing Pick Levels



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Layout



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New Pick Levels



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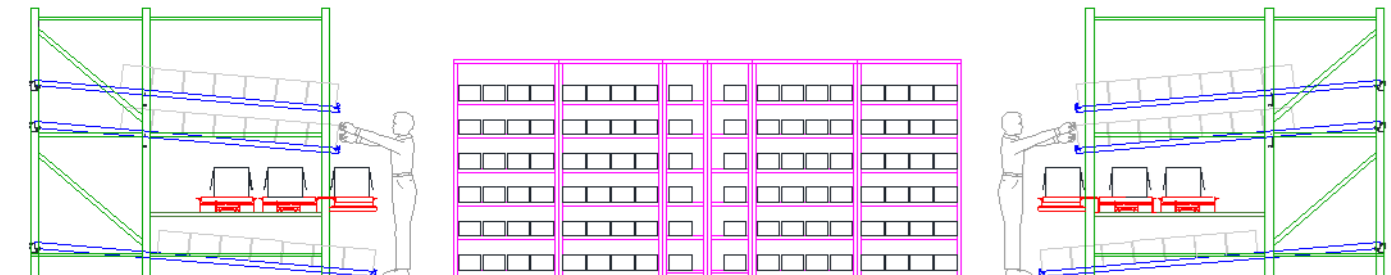


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Split Case Picking



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Reserve Storage



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- Remove Wood Pallets
 - Utilize wire mesh



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Reserve Storage

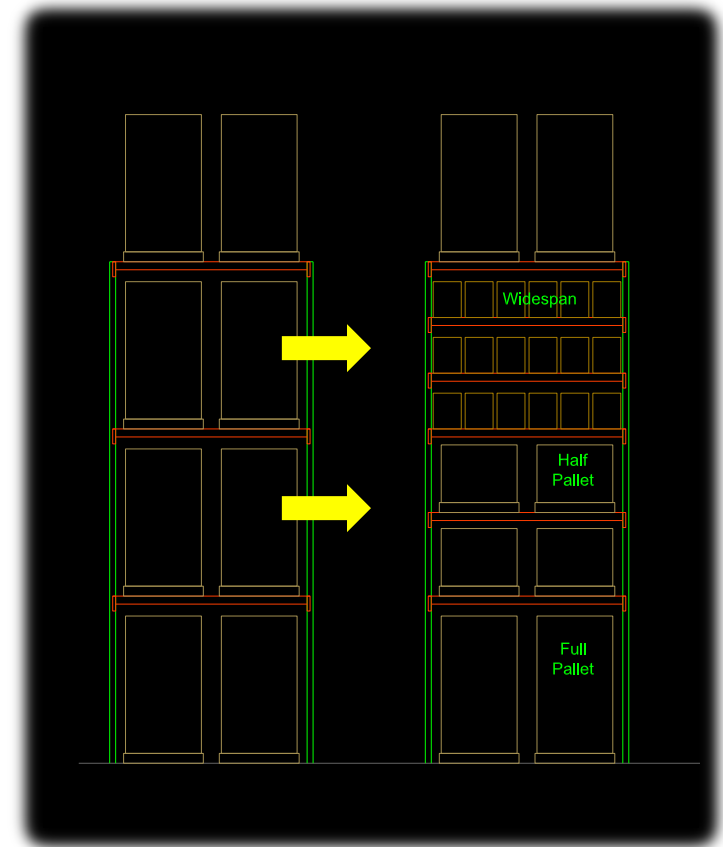


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- Reorganize storage equipment
- Add Half-Pallet and wide span Locations
 - Increase cube utilization
 - Ensures every item has a location
 - Increase available empty locations due to improved cube utilization
 - Can be implemented in any / all aisles throughout Warehouse



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What you should expect

1. 15% - 30% FTE savings overall
2. Results of improvements
 - Improved Location-level inventory accuracy
 - Improved throughput
 - Improved control
3. Improved responsiveness
 - To internal & external customers
4. Improved planning



5. Less reliance on tribal knowledge





- Project created awareness to MPS to opportunities
 - Not all have been considered / implemented
- Changed the attitude of the MPS team
 - What once was thought of as “too big” can be achieved
 - Break down any issue into smaller bites / initiatives
- Introduced the power of “compounded” thinking
 - One idea builds on another if everyone is aligned
- Created a mindset of creativity and appropriate risk taking

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