



PROMAT

2015

McCormick Place South | Chicago
March 23-26, 2015
promatshow.com

Improving Distribution Center Effectiveness – The Most Important Design Element

Sponsored by:



Presented by:
Dr. Edward F. Knab

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Why Are You Here? Today?

- Raise your hand if you
 - Have been involved/impacted by a DC improvement project that did not turn out as successful as expected?
 - Are you anxious about a currently improvement project?
 - Are worried about what might happen with an improvement project that you know is going to happen in your future?
- On a 3X5 card we have passed out to each of you, write one specific element that concerns you most about the project you identified, intended to improve DC effectiveness.
- Our plan with the cards is to collect them and
 - Briefly address few of the points you have named, suggesting approaches to deal with them;
 - Use the balance of the cards as issues as topics to address in blog articles describing how we have handled them in our work; and then
- Name and briefly describe the fundamental element, that we have experienced being missing in a wide range of improvement projects, that has contributed to unsatisfactory results.

**FIND WHAT'S
NEXT.**



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Most Frequent Missing Element

A Plan

"Document your
clear understanding of
your the desired outcome"

Planning Process

Stage 1. Analysis of Opportunities
SWOT or Risk Analysis

Stage 2. Identifying the Aim of Your Plan

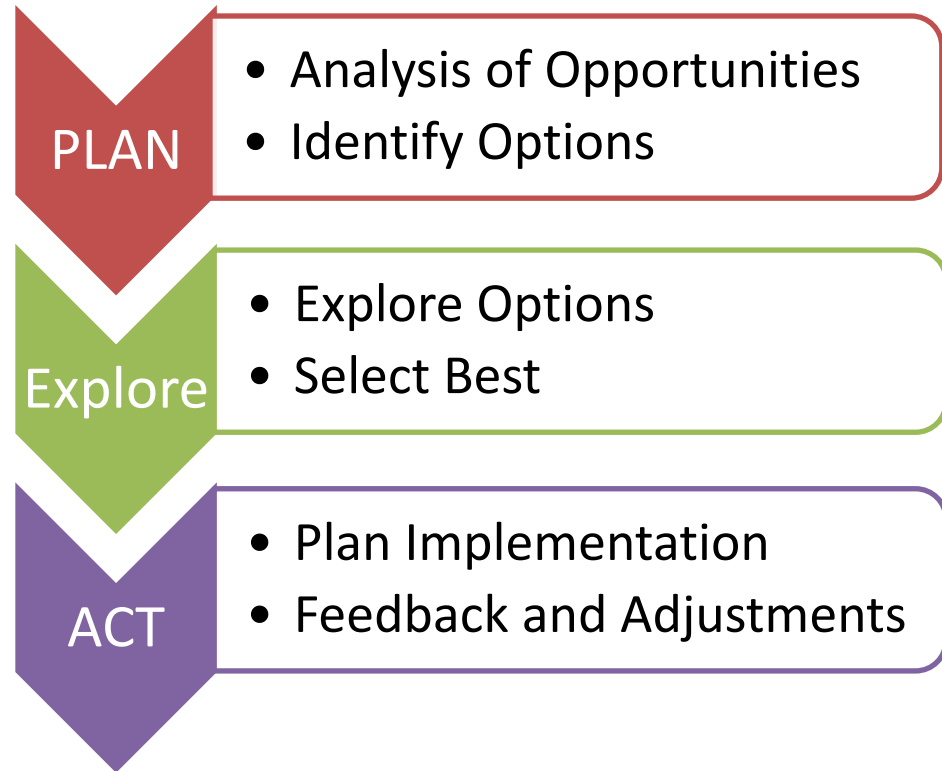
Stage 3. Exploring Options

Stage 4. Selecting the Best Option

Stage 5. Detailed Planning

Stage 6. Evaluation of the Plan and its Impact

- Cost/Benefit Analysis
- Force Field Analysis
- Cash Flow Forecasts





A Plan - Level 1

- **Long Term, identity (to 10 years)**
 - Desired Outcomes - Business; and Operations
 - Business, vision, mission of the company
 - Align operations to meet the needs of your unique Customer Demand and integrate with the Supply side
 - Satisfy the needs of the other company functions
 - Support the smooth flow of material and information in the warehouse
 - Measurement, Reporting and Control

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What is the nature of your customer demand?

- Collaborative
- Lean
- Agile
- Fully flexible or
- A combination of expectations

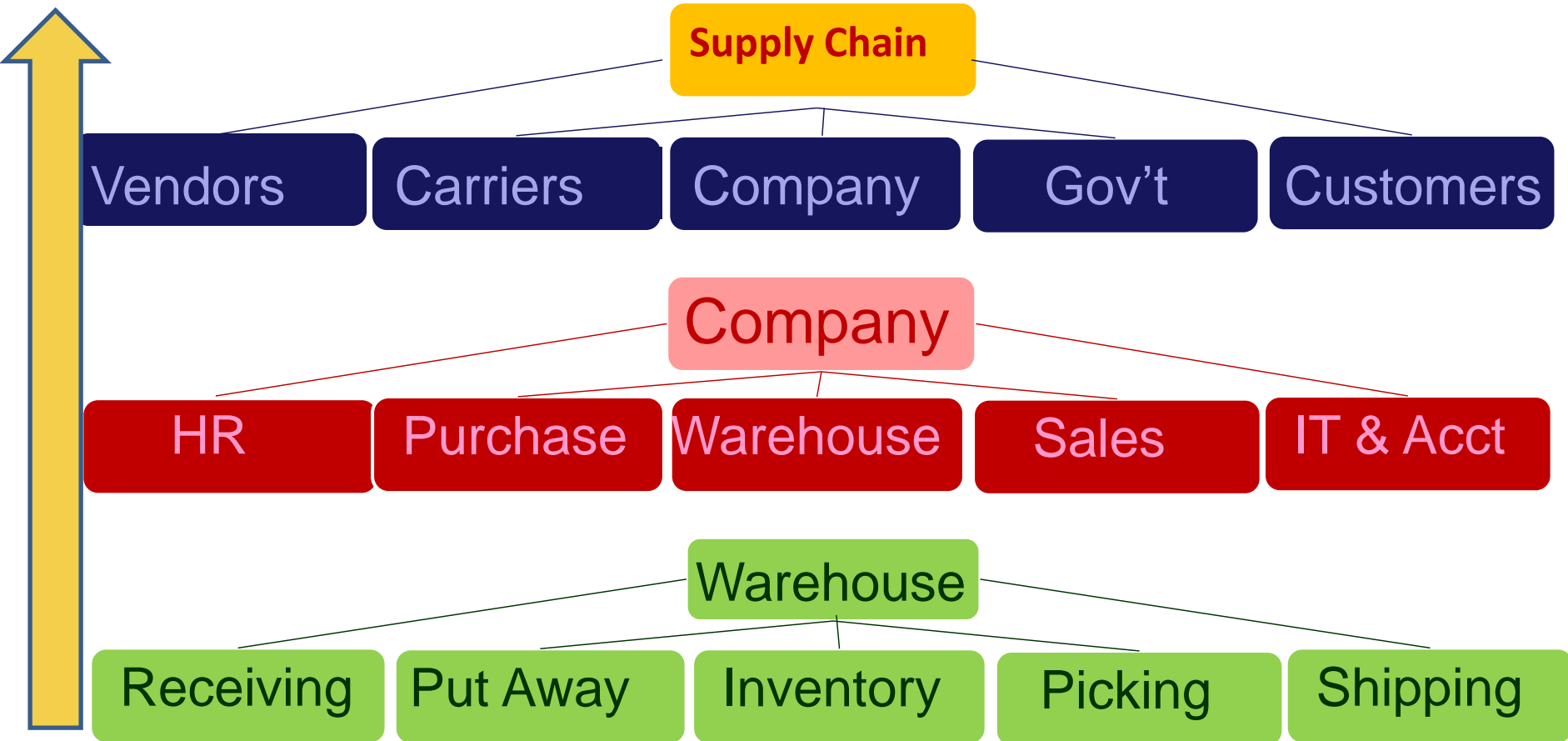
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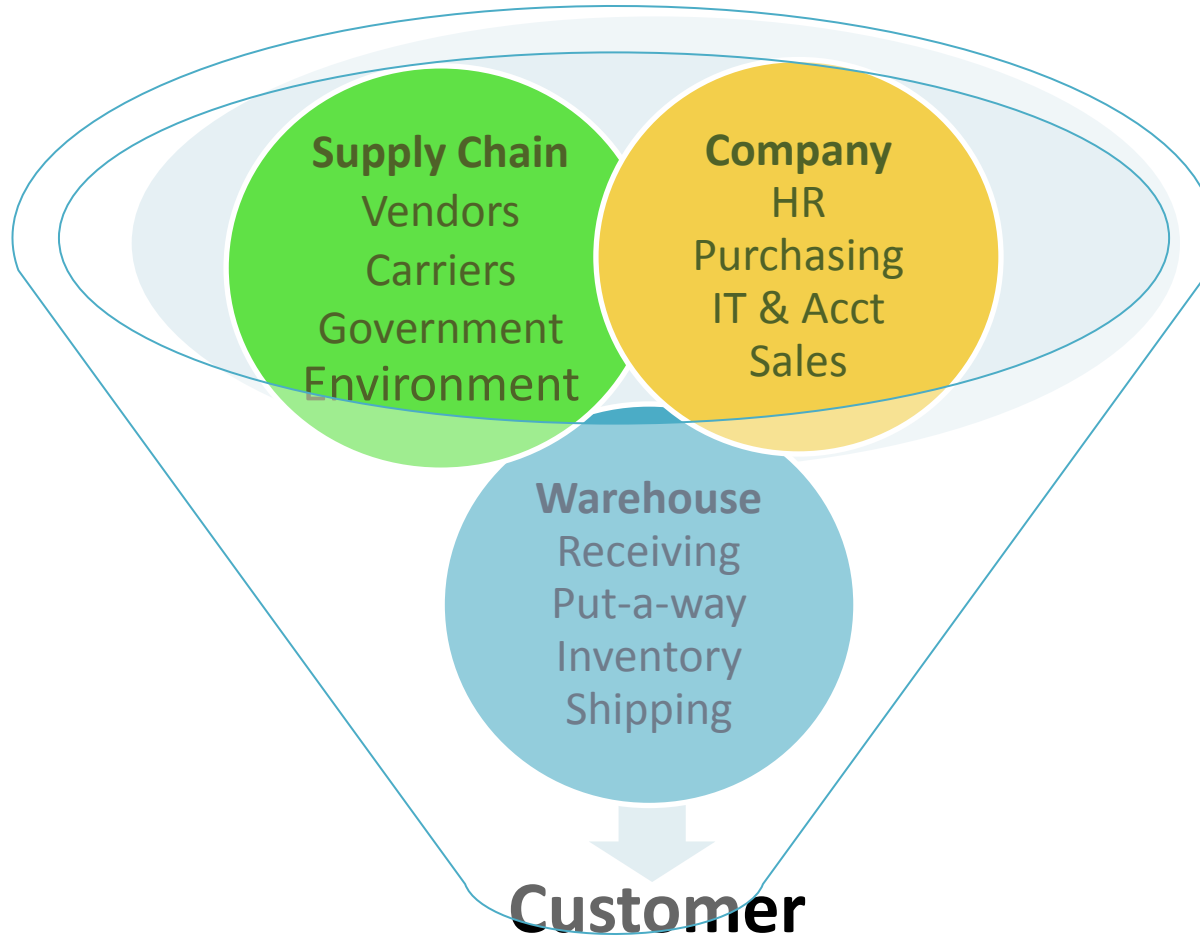
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A Plan - Level 2

- **Medium Term, information and relationships (to 5 years)**
 - Stakeholders, data, forecasts
 - Service and services at several levels, inventory, budget
 - Structure, tasks, technology, processes



A Plan - Level 3

– Operations - (every day)

- Define the work to be performed
- Organize, staff, lead, measure, report



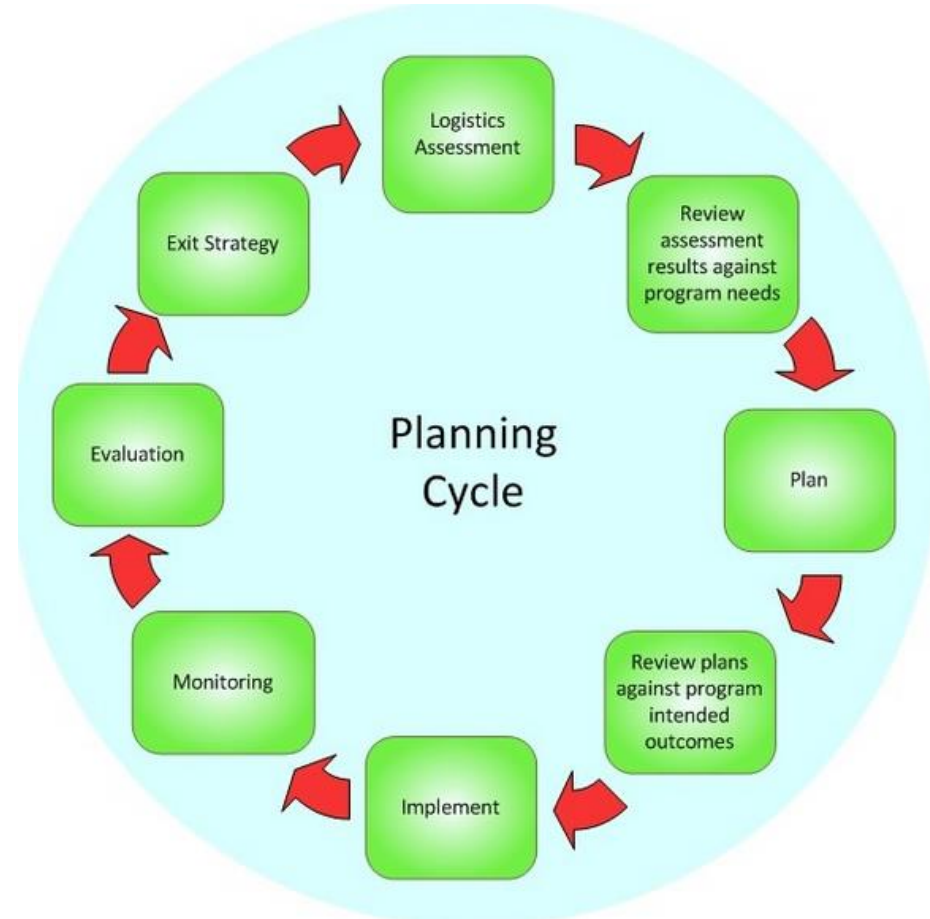
Most Frequently Missing Element - A Plan

- Document the Plan to guide the work (modify, clarify, etc. as required);
- Regularly communicate the Plan to all stakeholders;
- Use the Plan to design and select facilities, structures, technologies, tasks and processes;
- Identify the measureable outcomes to guide the monitoring and reporting of results.



A Plan

Functional Requirements



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