iWAREHOUSE Enterprise™

GENCO Warehouse Experiment Delivers Peak Performance

3PL PROVIDER COLLABORATES WITH RAYMOND, EASY METRICS FOR BEST-IN-CLASS TECHNOLOGY SOLUTION

Since its inception in 1898, GENCO has established itself as a leading third-party logistics (3PL) provider in the supply chain management industry. Today, GENCO is recognized as a Global Top 25 3PL. They have acquired a variety of customers and manage 38 million square feet of warehouse space across 130 locations. GENCO's success can be attributed to its dedication to efficient execution, innovative technology and continuous process improvements.

As part of this business approach, GENCO decided to evaluate the labor of its lift truck operators and efficiency of its warehouse management processes to identify areas for improvement. To accomplish this, GENCO partnered with labor management system (LMS) provider Easy Metrics and lift truck provider The Raymond Corporation. A collaborative team began developing a plan for merging the two programs within its warehouse operations, with goals of reducing costs, increasing efficiencies and improving productivity. After evaluating several facilities, the team chose the facility of a business process and document management company as the focus facility for this project.

"We didn't select a facility that we felt was struggling with a particular problem; we selected one we felt would benefit greatly from the combined effort of the Easy Metrics LMS and the iWAREHOUSE fleet and warehouse optimization system by Raymond," said Bob Simon, director of process solutions at GENCO. "Our goals were to further reduce labor costs and cycle times, increase visibility toward productivity and, ultimately, improve overall warehouse efficiency. The complementary relationship between Easy Metrics LMS and iWAREHOUSE allowed us to achieve these goals."

» Identifying the issues

GENCO's primary responsibilities are to manage inventory and the movement of product throughout the supply chain in an accurate, timely and cost-efficient manner. As a result, it was imperative that GENCO could rely on efficient, durable lift trucks during distribution peaks and beyond. The test facility houses 26 *Raymond*® lift trucks, including Model 4200 counterbalanced trucks, Model 7400 *Reach-Fork*® trucks, Model 5400 orderpickers and Model 8400 end rider pallet trucks to transport products and pallets around its 410,000-square-foot facility.

Initially, the test facility had been experiencing many challenges with visibility from both a labor management and operational standpoint. It was unclear where labor dollars were

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being spent and how employees were measuring up relative to productivity. This perpetuated inefficiencies in the company's budget and left a gap in performance accountability data. Further, the equipment usage, time traveled, number of impacts and utilization rates were not being accurately tracked, adding to the lack of accountability for lift truck operators.

Representatives from Raymond, Easy Metrics and GENCO initiated a plan to close the gaps on those identified issues and streamline the process for gathering and analyzing data in the warehouse. By combining their systems, Raymond and Easy Metrics could provide a comprehensive view of operations from an equipment and labor management standpoint. The Easy Metrics LMS focuses on employee activity in relation to performance goals, and the iWAREHOUSE system from Raymond collects and reports key metrics related to lift trucks and operators.

In addition, the iWAREHOUSE system's ability to assist in verifying that only appropriate personnel are authorized to operate each lift truck and ensuring that OSHA-mandated checklists are completed prior to operation was a perfect complement to the Easy Metrics database system. With these tracking and reporting capabilities working in tandem, GENCO can access information from iWAREHOUSE to see how its equipment is used and access information from Easy Metrics to show unit costs from a labor standpoint, based on employee performance and compliance to industry standards.

» Choosing the right solution

With a clear strategy and specific goals in place, the team was able to begin implementation at the focus facility. In addition to collaborating with the facility's IT department to install the system, the team worked with an industrial engineer from GENCO to identify which processes the company wanted to track and 15 to 20 metrics for generating labor standards for those processes. In addition, the team implemented the iWAREHOUSE job coding function to capture the time employees spend on each process throughout the day. Once the data started rolling in from the iWAREHOUSE and Easy Metrics systems, the team began merging and developing both automated and manually downloaded reports of its results.

SUCCESSFUL RESULTS

Months after GENCO implemented the iWAREHOUSE and Easy Metrics systems, this facility saw many benefits. The company noted increased productivity and visibility; reduced labor costs by nearly 10 cents per unit; decreased impacts, which resulted in savings on time and equipment repair; and reduced pick labor by 12 percent.

One of the biggest advantages for GENCO is its ability to track the travel distance of equipment throughout the facility. The Easy Metrics pay-for-performance system grants credits for picking up an item, so it was important to know whether operators were traveling a long or short distance to reach a location, which is information that iWAREHOUSE provides. Rather than doing complex calculations and mapping themselves, GENCO was able to quickly and inexpensively pull that data, giving managers a clear view.

Seeing these results, the team at GENCO is happy with the outcomes, pleased with the benefits it has seen and is excited about taking this concept to its other facilities.

"This whole process was a kind of testing ground for all three companies," Simon said. "I think everybody was confident that it would work. It was just a matter of how well. We are happy with the outcomes, we are happy with the benefits that we've seen and we're excited about taking this to our other facilities."