

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

## In This Issue

Evolve or Die: P.1

Evolve or Die  
Continued: P.2

How To Identify  
Which Forklift  
Operators Need  
Additional Training:  
P.2

Engineered Labor  
Standards: P.3

What Message Are  
You Sending?: P.3

Upcoming Events:  
P.3

In The Press: P.3

About Associated:  
P.4

Associated  
University: P.4

## Two options for your Retail Supply Chain – Evolve or Die

While we're still a few years away from orders being delivered within 30 minutes via automated drone, things are not going to get any easier or simpler for retailers.

Today's consumers have instant access to more information than ever before, and loyalty has never been lower. As a result, customers demand an easy buying experience with multiple options for placing/receiving orders and making payment, access to real-time information for order and shipping status, lightning-quick fulfillment (preferably from a nearby DC), 24/7 customer support, and a painless returns process. Of course, retailers need to provide all of this while still offering the lowest overall price, including shipping. Oh, and if you can't do all of the above, your competitors can, and they're lining up to take that customer away from you.

So how does any retailer go about meeting the relentless pressure of a constantly raising bar, and provide the shopping experience that your customers demand, all while controlling costs? It begins with your Supply Chain, and the type of information that you have available to provide to your customers and/or make decisions with. Below are five points that every retailer needs to think about:

**Demand Planning/Visibility:** Whether you have a "push" or "pull" methodology for getting merchandise to your store locations, having the appropriate information and tools to place accurate and timely orders, manage inbound shipments and make good decisions as shipments arrive to your DC locations is critical.

**Network Optimization:** Having the right balance of distribution locations with the right mix of inventory in each is crucial to customer service. Optimizing your network is all about balancing hard costs such as operating costs, infrastructure, labor, carrying costs and transportation costs with soft costs such as time in transit for shipments to your store locations or directly to your customers and more options for fulfilling orders or receiving returns.

**Supply Chain Balance:** A huge advantage that retailers often overlook is the fact that your DC's and the locations of the majority of outbound shipments coming from those DC's are on the same team. In other words, you're shipping to yourself and, unlike most other Supply Chain scenarios, you can choose to create efficiencies anywhere in the process. It's quite common for Retail DC locations to spend extra time, effort and DC labor generating "store friendly" shipments, with inventory split up by department or even store aisle. While store labor cost is typically lower than labor cost at the DC, employee turnover at the store locations may be higher, and you may determine that the store labor is better spent interacting with customers rather than stocking shelves with inbound product.



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## Evolve or Die

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**Omni-Channel/ Leveraging store locations:** The term “omni-channel” has become an industry buzzword that can mean many different things. A basic definition for omni-channel would be the ability to use real-time information to provide yourself and your customers with multiple options for fulfillment.

**e-Fulfillment/Reverse Logistics:** Every retailer is seeing a sharp spike in e-Fulfillment or product shipped directly to consumers from their DC. This presents a huge challenge in terms of being able to fulfill one or two-line orders while keeping your cost per unit of throughput reasonable. This trend is only going to increase, so you can't fulfill these orders as an “afterthought” forever. You'll need to look at automation and setting up a part of your operation geared to efficiently picking and shipping smaller orders. The first step will be to do the analysis to determine at what point (typically volume) this investment will make sense.

The demand on every retailer's Supply Chain is only going to increase. Whether you want to thrive or simply survive, your Supply Chain will need to evolve so that you can stay competitive.

**The full White Paper can be downloaded by visiting:**  
<http://bit.ly/1Mm3ntv>



Today, Operations Managers play a significant role in managing their organization's supply chain. Responsibilities often include the management of activities and resources that affect the design, planning, and monitoring of the supply chain to fulfill the objective of creating value in their operation. In addition to these responsibilities they also are tasked with creating a safe and productive work environment.

It has been a federal law since 1969 that all operators be trained and evaluated prior to operating a lift truck and there is no doubt that comprehensive lift truck safety programs have reduced accidents and injuries caused by unsafe lift trucks practices. OSHA also mandates that all lift truck operators be re-evaluated and recertified at least once every three years, or sooner if they have had an accident.

But how do Operation Managers always know if their lift truck operators have had an accident? Of course if the accident is severe enough the manager will be informed but what about smaller accidents that can leave the rack structurally unsound and lead to a catastrophic accident in the future? Many times, because of the size and number of operators in a facility, the Operations Manager is not made aware of these because it would require the operator or their peers to report it. But what if there was a way to know every time an operator hits anything with their forklift and even better know the relative force at which they hit it? The good news is that there are solutions available in the marketplace to do just that through the use of telematics.

Telematics is a way of monitoring the movements, status and behavior of a vehicle and its operator. This information gives management complete, real-time knowledge

## How To Identify Which Forklift Operators Need Additional Training

**Telematics can help you identify the need for additional forklift safety training**

of their fleet activities in one centralized interface, to increase safety, reduce labor costs, improve customer service, increase productivity and reduce operating expenses. Many Operation Managers have looked to this technology to provide them with more data to gain insights on their operations, in the form of devices that are mounted on each forklift truck in their fleet. These truck-mounted devices record key data events and transmit them to a database where reports can be retrieved.

Events that can be monitored by most telematic systems include:

- **Operator Verification** which limits operation of the truck to only those trained and approved operators identified by their employee code or badge.
- **Truck Checklists** which must be performed and approved by Operators on the truck before the truck can be put into operation.
- **Impacts of the truck with rack,** product or the building can be recorded and reported on. Reports can include the date, time, Operator name and force level.
- **Truck and Operator Utilization** based on onboard hour meters including Key switch, Dead man, Travel and Lift.

Data from these events can be arranged in reports to provide significant insights of the warehouse operation 24/7 to help identify the need for additional safety training as well as increase productivity, reduce risk and damage in the workplace, instill driver accountability and realize labor savings.

Telematics offers a unique solution that can offer better visibility to all areas of your operation and help to keep everyone safe.





## Upcoming Events

**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](http://www.modexshow.com)

## In the Press

### Associated Honored by Department of Defense for Extraordinary Support

Employer Support of the Guard and Reserve (ESGR), a Department of Defense (DoD) office, recently presented Associated with two awards for their continued support of this organization.

The first in ESGR's series of awards is the Patriot Award. The Patriot Award is given to an individual within a company that reflects the efforts made to support Citizen Warriors through a wide-range of measures including flexible schedules, time off prior to and after deployment, caring for families and granting leaves of absence if needed. This award was given to Rod Lyster, Fields Service Manager at Associated.

The second honor given to Associated was the "Above and Beyond" Award in recognition of extraordinary support of its employees who serve in the Indiana Guard and Reserve. "The ESGR Above and Beyond Award was created by ESGR to publicly recognize American employers providing extraordinary patriotic support and cooperation to their employees, who like the citizen warriors before them, have answered their nation's call to serve, said Steve Lynch ESGR state chair.

Associated joins thousands of American employers who have reviewed and amended their current human resources policies to ensure compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Many employers provide support far beyond what USERRA requires to include pay differential to offset the loss of wages, and extension of health care benefits which complement coverage provided by the military when their employees are mobilized.

To view the entire press release please visit our website at: [www.associated-solutions.com/about-contact/news.php](http://www.associated-solutions.com/about-contact/news.php)

## Engineered Labor Standards

### Flexibility is the Key to Achieving the Highest Level of Labor Efficiency

Today, industry research shows that many companies are using labor standards based on units per hour to improve labor performance. After a labor assessment is performed of these operations, many times it is found that they can boost the units per hour by at least 20%. The first question that is often asked is "Can't we just take those units per hour and just raise them by 20% to set the new standard?" That approach could work, but the problem is that a units-per-hour standard doesn't flex well as your business and products change - or as your associates have to walk further on some days to get all of their picks. It doesn't take into account all the possible differences in order makeup or pack changes. When any of those variables change, a units-per-hour standard blows up, because it can't bend very well.

What a standard does is take the work content that you do and builds out time expectations. So instead of asking "How many picks do I have to do today?", you know that you have to do 400 minutes worth of work. It takes all those determinants and builds out the amount of time it should take to do the work.

If you're in a grocery store, how long does it take you to 'pick' your shopping list? Well, that depends on what's on that list. How far do you have to walk to get to the milk case? Is the bread aisle nearby or across the store? So, the further you need to walk, the more time you're going spend completing your list. Similarly in the warehouse, case, cube, weight, slot height, distance traveled, number of orders, number of totes completed, etc. all affect

work time. For put-away, number of pallets handled and the amount of vertical time all must be taken into account and processed by the labor management system to determine exactly how long it should take to do that work. Then people work against time versus working against units.

The reason that "bendable" labor standards are so important is two-fold. First, you're going to coach and possibly discipline people if they fall below it. But also, you're basing your incentive program on the standards. By moving to a dynamic engineered labor standard you can use your baseline to effectively manage your workforce. This prevents a units-per-hour expectation from becoming a negative experience for your employees (including all those who are doing a good job).

## What Message Are You Sending?

Opinions are formed based on what we see, more so than the words spoken. Body language determines your success whether meeting someone new or interacting with a lifelong colleague.

Assessments are often made before the first words are exchanged, while you're interpreting another's body language, they in turn are forming opinions of the message you're sending, making body language a very persuasive tool in communication. Much of what we exchange through body language happens on an unconscious level requiring a heightened self-awareness to guarantee that the message fits our words and intentions.

Think about your last interaction. Was your body language in conflict with your spoken words? What message did you send?

The following are a few examples of body language and the messages they send:

- Arms Folded = defensive
- Hands on Hips = eagerness, readiness
- Resting Chin on Hands = bored
- Frowning = anger, dissatisfaction
- Raised Eyebrow = suspicion
- Finger Pointing = aggression, confrontation
- Handshake (depending on the strength) = confidence or insecurity
- Constant Nodding = loss of interest
- Eye contact = self-assured
- Little to no Eye Contact = lack of confidence; no interest
- Fidgeting with inanimate objects (pens, paper clips, cell phones) = nervous or disinterested

Understanding the power of body language and paying as much attention to it as you do to the words you use offers you a significant advantage in dealing with others. Master your body language and improve your relationships.



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## Associated University Events

### No Current Events Scheduled at this time

Please visit our past event videos on topic such as:

- How Much Is Your Lift Truck Fleet Really Costing You?
- Understanding OSHA Regualations

These can be viewed at:  
<https://www.associated-solutions.com/about-contact/past-event-videos.php>

## 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 aquired 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 American 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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