Before & After: Changing Your Distribution Center in a Tighter Labor Market

Presented by:
Siggins
Presenters

Jim King
Warehouse Design Consultant
Siggins

Jeff Basch
Warehouse Design Consultant
Siggins

Dan McInerney
Vice President Logistics
DiversiTech Corporation
Objectives

• Understanding the labor market

• Creative ways to retain employees

• Upgrading your DC for maximum productivity

• Before and after examples
“The Good Old Days”

[Image of people standing in line and a cartoon of two people looking at a sign that says 'APPLY HERE']

[Image of a sign that says 'RAYONIER CANADA (BC) LTD Employment Pulp Mills & Logging']
When Did You Last See One of These?
Unemployment Rates as of November 2018

- Seattle: 3.9%
- San Jose: 2.4%
- San Diego: 3.2%
- Denver: 3.3%
- SLC: 2.7%
- Kansas City: 2.7%
- OKC: 2.6%
- Dallas: 3.2%
- Austin: 2.7%
- Milwaukee: 2.9%
- Nashville: 2.6%
- Raleigh: 3.0%
- Virginia-Maryland: 3.0%
- Jacksonville: 2.9%
- Orlando: 2.7%
- Atlanta: 3.2%
- Boston: 2.4%
Amazon Goes to $15 per Hour

Amazon raises minimum wage to $15 for all US employees

- Amazon and CEO Jeff Bezos have been facing criticism for its pay disparity.
- The new minimum wage will benefit more than 250,000 Amazon employees — including part-time and temporary employees — and 100,000 seasonal employees.
- Amazon says the effect of the higher pay will be reflected in its forward-looking quarterly guidance.

Sara Salinas / @saracalinas
Published 6:06 AM ET Tue, 2 Oct 2018 | Updated 12:42 PM ET Thu, 2 Oct 2018
Do These Look Familiar?

NORDSTROM
NOW HIRING
30 Distribution Drive, Elizabethtown, PA
(1200 Zeager Rd if using GPS)
$13.75/hour to start with wage increases every 1000 hours up to $18.65/hour
Full-time 2nd & 3rd Warehouse Associates

Apply at careers.nordstrom.com and search for Elizabethtown 317-366-1310 or 569rctg@nordstrom.com with any questions

DOLLAR GENERAL
DOLLAR GENERAL WAREHOUSE IS HIRING!
• 1st SHIFT: $14/HOUR
• 2ND SHIFT: $15.50/HOUR
• PAY EVERY WEEK; 40-48 HOURS A WEEK
• APPLY ONLINE:
http://www.dollargeneral.com/DG-Careers

ASV is Now Hiring
Full-Time Assembly and Warehouse Positions
Starting Wage > $15 per hour. Shifts Mon-Thur 10 Hour days and Mon-Fri 8 Hour Days. Overtime available.
Benefits include:
Medical, dental, vision, life insurance, short term disability, etc.
401K with company match, Paid holidays, Paid time off.

Interested candidates can apply by submitting a resume to Human Resources at:
jobs@asvl.com

TEAM INDUSTRIES
JOB FAIR
IMMEDIATE OPENINGS! $14-$18/Hour
WHEN: Tuesday June 5th
TIME: 11am-3pm
WHERE: DalRoss Pizza/Timbers Event Center
1718 Central St W, Bagley MN

POSITIONS:
All shifts available! Assembly, Machine Operator, Warehouse, Building/Grounds & Maintenance

HIRING NOW!
Enjoy FREE Refreshments
Job seekers must have a valid Photo ID and social security card.
Call 701-297-8800
www.expresspros.com

Minimum Wage
Cashier, Gift Associate or Warehouse
$14.00 - $18.00
Food Service, Maintenance, or Car Wash
$11.00 - $17.00
Team Leader
$16.00 - $18.00
Assistant
$13.00 and up 3 weeks paid after hire
For more info, call 701-297-8800

McComber Place | Chicago
April 8-11, 2019
promatshow.com

Presented by MHI
Breaking News

15 Cool Job Perks That Keep Employees Happy

By Sammi Caramela, B2B Staff Writer | March 14, 2018 08:05 am EST

Happy employees are motivated, loyal and productive — qualities you should encourage in every worker. Employee satisfaction is essential to a company's overall success, which is why it's crucial to offer incentives that excite and inspire staff.

While your first thought might be a salary increase, there are many other ways to reward workers besides financially. Here are 15 impressive perks offered by large and small...
Interesting Ways to Keep Talented People:

• Gym memberships
• Pet Friendly
• Free Ice Cream
• Flexible Hours/Unlimited Time Off
• Onsite Daycare/Baby Cash Bonuses
• Onsite Health Services
• Free Massages
• Continuing Education
• Student Loan Debt Reimbursement
• Sign-on & Retention Bonuses
How To Pay For Labor & Increased Benefits

How can you pay for these rising costs?
By improving worker productivity!
So…where are you today?
Issues With Non-Mechanized Systems

• Excessive travel times

• Handling different order types are labor intensive

• Maintaining an efficient flow is difficult

• Safety issues:
  • Mixing people/fork trucks
  • Damage to fixtures
  • Personnel climbing on shelves
  • Product clogging aisles
Characteristics of Non-Mechanized Systems

- Serpentine picking
- Excessive travel
- Wrong storage media
- Not using cube space efficiently
Batch Picking Carts

Batch Pick with Paper

Batch Picking with RF/Voice
Warning Signs

- Software Integration Issues
- Tribal Knowledge – Concentration of Information
- Managers without Time to Manage
- Lost Inventory
Changing your DC for the 21st century
Moving from a manual, paper based system to a paperless, automated system
Three Level Pick Module
Rule #1 - Proper Storage Media

- Don’t treat every SKU the same!
Product Line Cube & Media Application Conveyables

- Industrial Shelving Pick to Conveyor
- Shelf-Pick Racking Pick to Conveyor
Storing Product in Proper Storage Media

- Product is stored in based on size and velocity
- Smaller products in industrial shelving
- Bulky products in shelf-pick racking
- Full pallets in pallet rack
- Very-Narrow Aisle for slow moving inventory
- Goods-To-Man delivery system
Flow racks for high-velocity SKUs

- Carton Flow
- Pallet Flow
Slotting & Cubing Inventory
Mechanized Pick Module System
Mechanized/Pick to Conveyor Systems

• Majority of SKU’s are picked to conveyor

• Product lines separated at receiving for put-away into zones

• Picking in zones within picking-modules and racking

• Utilizing floor and vertical cube space

• Proper flow of product from receiving to shipping
Mechanized U-Shaped Flow
Benefits of Designing a Scalable DC

• Principles work equally well in large and small DC’s

• Productivity generally increases as volume added

• Future growth included in expansion plans
# Productivity Comparison

<table>
<thead>
<tr>
<th>Velocity in lines per person per hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
</tr>
<tr>
<td>---------------------------</td>
</tr>
<tr>
<td>Light Directed Picking</td>
</tr>
<tr>
<td>Goods To Man</td>
</tr>
<tr>
<td>RF Picking</td>
</tr>
<tr>
<td>Voice</td>
</tr>
<tr>
<td>Paper</td>
</tr>
</tbody>
</table>

### Rack and Shelving

### Carton Flow, Pallet Flow, Goods To Man
Multi-Capability Systems

Order Management
Directed Picking System

Paper Pick
RF Pick
Voice Pick
Pick to Light
Completely Paperless DC

Configurable to Fit Applications

Online Reports and Dashboards

Real-Time Status by Work Zone

Fast/Accurate Order Processing

WMS
User Device Compatibility

- WMS web users
- SWITCH - BACKBONE
- Wireless Switch
- Access Point
- WMS Server
- ERP Server

Network diagram illustrating device compatibility.
Dashboards For Processes

Order Classifications

- Stock Orders
- Hot Shots
- Sales
- Manufacturing
- Transfers

Fill Rate Transfers

- Completed
- Released
- Picking

Weekdays:
- Monday: 97%
- Tuesday: 98%
- Wednesday: 96%
- Thursday: 98%
- Friday: 99%
- Saturday: 100%
Automatic Storage & Retrieval Systems (AS/RS)
Robotic Goods-to-Person Picking
Before
After (Phase One): Pick Module
Future (Phase Two): Pick Module
Future (Phase Three): Third Level

- Shelf Pick Elevation
- YHA Elevation
- Trolley Shelving Elevation
- Shelving Elevation w/ Addendum 2 Side Storage
- Shelving Elevation w/ Addendum 2 Side Storage
- Shelving Elevation w/ 10 Double Shelves per Unit
After (Phase One): Pick Module
After (Phase One): Room To Expand
Future (Phase Two): Third Level
Key Takeaways

• Be creative in finding ways to hire and retain employees.

• Upgrading your material handling system will increase capacity and lower your head count.

• You can always improve because there are many levels of automation before you will need a fully automated warehouse.
For More Information:

Jim King - Siggins
Email: jking@siggins.com
Website: www.siggins.com

Jeff Basch - Siggins
Email: jbasch@siggins.com
Website: www.siggins.com

Dan McInerney - DiversiTech
Email: dmcinerney@diversitech.com
Website: www.diversitech.com

Visit ProMat Booth #S5216