

**LEAN THINKING IN
WHOLESALE DISTRIBUTION...**



...It's an exciting time for distribution operations leaders who can drive their company's destiny like never before!

Drive Your Distribution Center & Warehouse Performance Assessment Guide

*Turn Your Distribution Center & Warehouse into a
"Speed-of-Flow" Profit Center...*

*MCA Associates
66 Derbyshire
Derby, CT 06418
203-732-0603*

www.mcaassociates.com

DC-Warehouse Design & Systems Integration

LEAN THINKING IN WHOLESALE DISTRIBUTION...



“A Warehouse-In-A-Warehouse”?
Ask us about it...

Turn Your Distribution Center/Warehouse into a Speed-of-Flow Profit Center

The Business Case

It's an exciting time for distribution operations leaders who can drive their company's destiny like never before; elevating their distribution operations into the financial arena – a very clear distinction in approach – that can become a major impetus for change and the basis for your “business case” - create a process-driven, productivity-driven warehouse environment. Optimizing the product flow through a facility should be a primary goal of any distribution operation if you are to meet your “*speed-of-flow*” objective - because “*it's all about the flow!*” For sure, your competitors are trying to reimagine their operations. The successful ones will align their business strategy more effectively, and work across functional lines, to build experiences for their customers that are often hard to emulate.

Go Beyond “Incremental Improvement” ...to “Transformative”

Our clients seek “*new expectations*” and have reimaged their distribution centers and warehouse operations. **They've transformed from a cost center profile to a profit center** – contributing to their company's bottom line, building on the operational strengths that their customers' value, while avoiding future costs as their company continues to grow.

LEAN THINKING IN WHOLESALE DISTRIBUTION...



Why is it hard sometimes to get these types of projects “right”?

Let inertia set in and operations and processes will not get examined or changed, even when the business requirements and conditions have changed drastically. **For your company it may be an urgent issue, pervasive and costly to profits. It's a specialized discipline!**

- *There may be a lack of staff expertise*
- *Not every organization can drive a race car - vs. - managing manual systems*
- *Every day in a DC/Warehouse can be different – like a snowflake*
- *Product flow analysis can be complicated with so many different kinds of SKU's*

Question: Can you demonstrate that your distribution operations can...and will...pull a profit?

MCA Associates, experienced in DC-Warehouse design and systems and equipment integration, will work with you to:

Incorporate the 4 Strategy Components of “Speed-of-Flow”:

1. *Identify, and rethink the opportunities...*
2. *Become “Lean Thinkers”...and drive out wasted movement, improve processes and space utilization...*
3. *Understand the transformative design & systems concepts required...*
4. *Identify and integrate the “key performance indicators” that will drive “transformation”...*



So, what can you do next? How will your company benefit?

LEAN THINKING IN WHOLESALE DISTRIBUTION...



First, read the rest of this *“Drive Your Distribution Center & Warehouse Performance Assessment Guide”*...

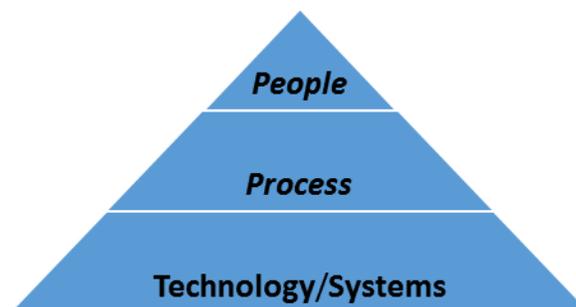
A great place to start is with an assessment of where you are now – the *“current state”*. Find out how to get visibility - and clarity - into your distribution center/warehouse operations – *identify the required areas of improvement*. Our assessment program is good for your business. We help DC’s and warehouses run more efficiently – the *“future state”*.

You’ll find our assessment program is a comprehensive evaluation of overall capabilities and performance of core warehouse functions, conducted by industry professionals, and subject matter experts, who can really bring about *lean improvement*.

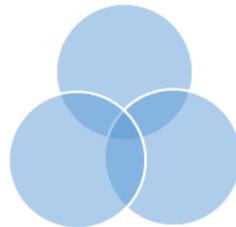
Maybe you just don’t have the time to go it alone - or plainly - it’s just not a core competency within your organization to be able uncover the barriers, bottlenecks and visualize the *“future state”*. We provide the objective analysis skills and the knowledge of **best practices and operational strategies** leading to:

- ✓ *Increased warehouse process efficiency*
- ✓ *Increased space capacity & resource utilization*
- ✓ *Reduced operational transaction costs*

So, whether you are considering a new facility or a retrofit of an existing facility; whether you are a large organization or a smaller one, our tailored approach to bringing breakthrough **“speed-of-flow”** solutions to your distribution operations yields savings and *future cost avoidance* opportunities equal to many times the cost of your efforts. *It’s a fresh objective and a fresh perspective*. **You’ll be able to make immediate and essential improvements - and continuous improvements - that enhance your operations year-over-year.**



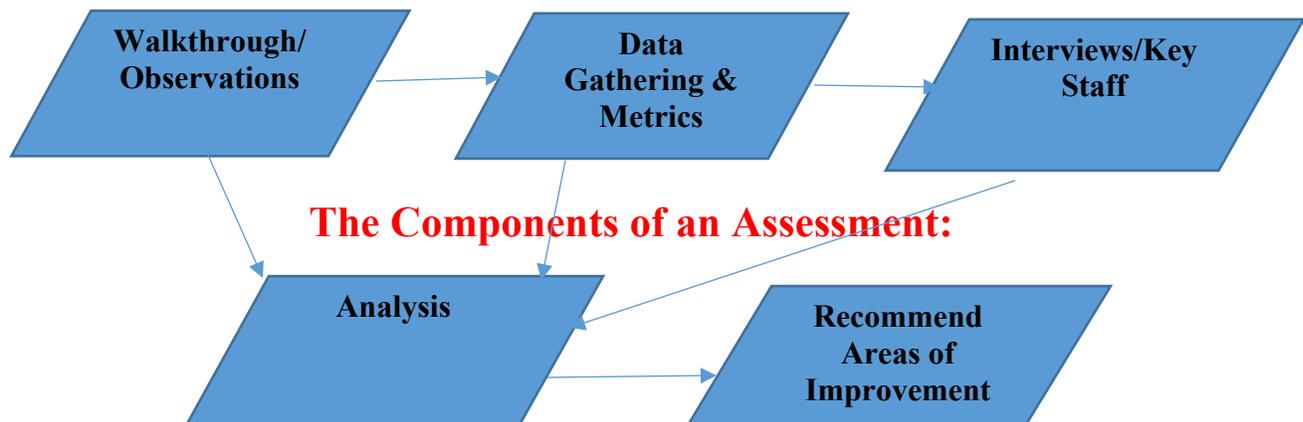
LEAN THINKING IN WHOLESALE DISTRIBUTION...



We know that for companies of any size to grow and scale their businesses, it's a matter of better utilization of key resources; people, processes and technology.

Our *Drive Your Distribution Center & Warehouse Performance Assessment* is a **3-phased approach** - focused on making warehousing a competitive advantage - reducing transactions costs - while enabling you to focus on other strategic initiatives that drive value in your organization.

Phase 1 – Assessment & Roadmap



LEAN THINKING IN WHOLESALE DISTRIBUTION...



- **MCA Associates conducts an exploratory visit at the client's facilities** to observe daily operations, interview facility team members, provide initial feedback and direction, discuss operational concepts, and determine the scope for a ***"Performance Driven Proposal"***.
- **Based on identifying obstacles and bottlenecks, we will evaluate your distribution center/warehouse work-flow processes, people and systems - in great detail**; receiving, put-away, order fulfillment through order consolidation, shipping and carrier loading, other value-added services provided, existing material storage and handling methods, product transport methods, staffing, current base-line performance measurements, current productivity and warehouse transaction costs, SKU hits velocity analysis, and preliminary inventory efficiency analysis. **We'll identify the opportunities for improvement in processes, performance, productivity, service, and the technology/systems you use or could use.**
- **We'll provide detailed written documentation** of our findings and **specific recommendations**, including **a recommended warehouse design concept**. We'll formulate the business case solution - and the ROI.
- **We'll understand the readiness of your organization**; assess the core-competencies required, the readiness to accept change, and the ability to execute.

- **Recommend**

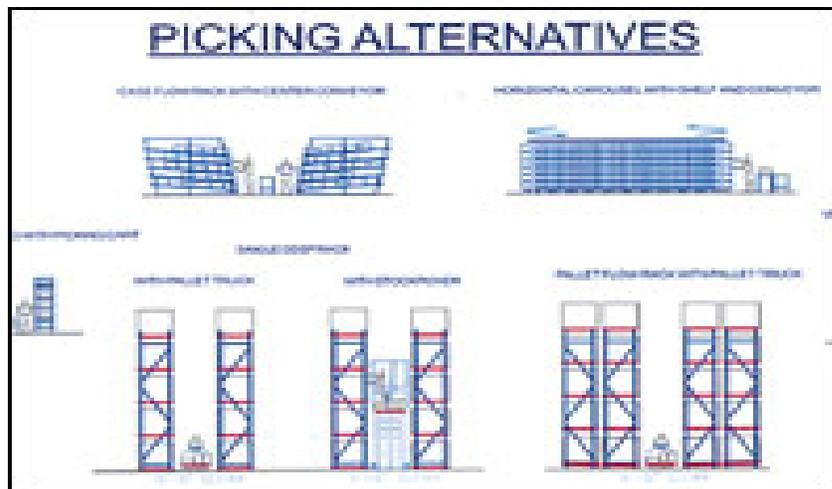


LEAN THINKING IN WHOLESALE DISTRIBUTION...



Phase 2 - Design Engineering

- **Starting with “a blank sheet of paper - and no prior assumptions”, we develop detailed “to-scale engineered drawings” that illustrate what your distribution center/warehouse should look like (a “future state” that can be realistically accomplished).**



Not all warehouses are the same; products, size and handling characteristics differ, sales channels and order profiles may vary, customer service requirements differ, and volumes may be greater or lesser from one site to another.

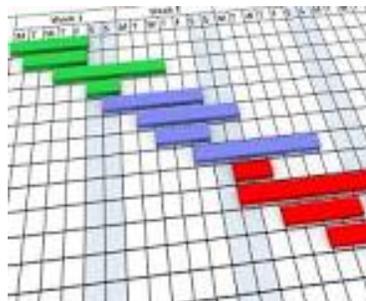
- **We value engineer best practices and practical solutions; so you should expect a R.O.I. – a performance increase and a reduction of transaction costs - of 15% to 30%, or more, within 6-months.**
- **We provide a full bill-of-materials, and a budgetary estimate of the cost-of-implementation.**

LEAN THINKING IN WHOLESALE DISTRIBUTION...



Phase 3 - Project Management

- **Optional:** You choose whether you want MCA Associates to manage the project, in whole or in part.
- **With our experience in systems integration, MCA Associates offers successful DC/Warehouse project management implementation assistance;** including complete sourcing of equipment, preparation of bid packages, vendor procurement, equipment installation support, and new workflow implementation. **Our proven performance improvement implementation strategy assures the project gets done right!**



- **We work with you to develop a time-phased *Project Work Plan*** based on agreed to action steps. These “Work Plans” are based on final concept acceptance and interim “go-forward agreements”. The “Work Plans” will describe, in detail, the activities required for completion of each action step, time-frames, individual and/or entities responsible, and mitigate any implementation risk factors that may rise to the surface.
- **We recommend appropriate performance metrics;** to measure and guide your *continuous improvement* efforts.
- There is a separate project management fee for Phase – 3
-

LEAN THINKING IN WHOLESALE DISTRIBUTION...



We'll also help you answer any questions you have, just like these:

- ✓ Can you support DC-warehouse future volumes with current warehouse size?
- ✓ What distribution center processes will drive service and volume targets at the least cost?
- ✓ Does the solution involve efficient processes alone or is enabling technology required?
- ✓ Can your existing equipment be used – repurposed – to reduce cost?
- ✓ Can current technology be modified or upgraded to meet the requirements?
- ✓ What is the appropriate design and specifications for storage and handling technology?
- ✓ What's the best product storage “slotting” methods for your operations?
- ✓ What's the best picking, packing, shipping, receiving/put-away and bin replenishment methods for your operations?
- ✓ Are there any design changes required to your overall distribution network?
- ✓ Will the solution be flexible enough to support future change?
- ✓ What warehouse associates training is required to guarantee a “controlled” environment versus “in the heat of go-live”?
- ✓ What is the return-on-investment (ROI) you will achieve?
- ✓ How should you measure “success”?

NEXTSTEP



LEAN THINKING IN WHOLESALE DISTRIBUTION...



MCA Associates may be contacted at 203-732-0603, or by email at hcoleman@mcaassociates.com. Visit our website at www.mcaassociates.com.

About Us:



Howard W. Coleman **Principal**

MCA Associates, a management consulting firm since 1986, works with wholesale distribution and manufacturing companies that are seeking and are committed to operational excellence. Our staff of Senior Consultants provide business consulting and advice in specific areas of our core-competency:

- *Operational excellence – thought leadership – design and implementation of continuous improvement solutions*
- *Business process re-engineering*
- *DC-warehouse design and resource integration*
- *Inventory and supply chain management*

LEAN THINKING IN WHOLESALE DISTRIBUTION...



- *Sales development and revenue generation*
- *Information systems and technology*
- *Organizational assessment and development*
- *Family/business succession planning.*