



Process Optimization

Health & Beauty

Client is an international manufacturer and distributor for health and beauty supplies generally servicing the spa treatment and day spa businesses including cruise ship lines. Due to popularity of the products with consumers the need to address demand through omni-channel solutions required re-engineering and optimizing the warehouse and distribution processes

The Challenge

The client's business is organically growing substantially through various channels that include wholesale to spas, direct to consumer via multiple websites, and via retail stores both individually run and large chains. The warehouse, distribution, and order management processes were faced with the following hurdles on a daily basis:

- Excessive labor and overtime required to fulfill daily orders
- Constant re-prioritizing of work that was already in process creating confusion for the workforce
- Inefficient and random methods for purpose of profiling and slotting of items; hunt and peck order picking
- Batching culture throughout the warehouse that perpetuated excessive work queue, order WIP, and delays.
- Systems aligned with business needs but not aligned with warehouse needs.

The Solution

The solution provided was a 3 step approach to identify and analyze, prioritize the opportunities, design and implement changes / refine as required. With limited systems changes allowed we are able to:

- Optimize the overall warehouse processes by developing an operational strategy that addressed current issues yet provided a base from which to grow.
- Develop and implement a slotting plan and process aligned with order profiles.
- Redesign the order packing methods, materials, and process to eliminate bottlenecks and reduce dunnage / carton use.
- Develop a process and tools for the order management that eliminated the need for re-prioritizing released work.
- Eliminate the batching culture by focusing on "one piece" flow and implementing "5S".

The Value

In a matter of weeks after starting the project we were able to begin implementing the solutions with the client who experienced significant improvements with respect to the following:

- Greatly reduced temporary labor and overtime to acceptable levels.
- Improved communication between order management team and warehouse; streamlined priorities.
- Re-slotting the warehouse for top movers / order profile alignment improved processing time by >100%.
- Increased inventory accuracy by implementing a locator solution.
- Greatly streamlined the packing / shipping / QA process.
- Improved overall operating efficiency through "5S" disciplines..