

HOUSEHOLD APPLIANCE MANUFACTURER

CLIENT:

A household appliance manufacturer experiencing rapid growth needed a plan for a Facility Expansion and material handling and information system upgrade.

DESCRIPTION OF OPERATION:

The company manufactures household appliances which are shipped primarily to the stores of large national and regional general merchandise chains and to general merchandise chain warehouses.

OBJECTIVES:

Gross & Associates was retained to develop material handling and information systems strategies for the finished goods operation starting at the palletizing station. The goals were to: support the increased level of sales and manufacturing output, improve control over the operation, evaluate storage alternatives and improve productivity.

RECOMMENDATIONS:

Gross & Associates recommended the following:

1. Install an automatic palletizer with an in-line automatic stretch wrapper. Unit loads are to be stacked on slipsheets.
2. Convert from a two-way entry pallet to a four way.
3. Develop a bar coded computer directed putaway label system.
4. Transport pallets from the palletizer to the putaway location using a tugger and a train of carts.
5. Floor stack pallets of bulk quantities and install single racks for smaller quantities and for items which cannot be stacked.
6. Install a forward picking line with flow racks and conveyors for small quantity picks.
7. Verify all transactions using bar code scanning.
8. Install an Early Suppression Fast Response (ESFR) fire protection system.

RESULTS:

By using floor stacks, the client was able to avoid an investment of \$1.4 million for drive-in racks and \$140,000 for pallets. The automatic palletizer will save 6 people and have a payback period of 1.6 years. The bar code system will enable the company to gain tight control over their inventory. The ESFR system provides superior fire protection and will permit future flexibility for rack installation.

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