



Consultants in Material Handling Logistics

Operations Design for Warehousing, Manufacturing and Distribution

MATERIAL STORAGE AND OPERATIONS DESIGN – REGIONAL ELECTRIC UTILITY

CLIENT:

A regional electric utility with a service area of 600 square miles needed to consolidate its logistics support operation on its site to store, control and handle the full range of materials required to support its construction, maintenance and repair operations.

DESCRIPTION OF OPERATION:

The operation centered around the requirement to “stock” about 90 utility service trucks each day with the materials for the next day’s work orders for the line construction and maintenance crews. The operation also had to be capable of quick response to emergencies like storms and other natural disasters.

The inventory consisted of over 5,000 SKUs ranging from fasteners and small assemblies to transformers, telephone poles and large reels of cables. The current operation was decentralized without standard processes and with minimal information systems support for the operation. There was a significant “reverse logistics” requirement for materials returned from the field.

OBJECTIVE:

The objective of this assignment was to design a new, expandable logistics support operation on the existing site.

CONSULTING SCOPE ASSIGNMENT:

1. Analyze current conditions and operations and identify opportunities to improve process efficiencies and control
2. Develop prototype SKU groupings, review the current movement and inventory data and develop cube/dimensional information requirements
3. Quantify the design criteria for SKUs, inventory and throughput requirements based on data and projections for the logistics support operation
4. Develop alternative operating scenarios including higher levels of mechanization and information systems support for the operation
5. Evaluate quantitative and qualitative aspects of the alternative operating scenarios
6. Recommend operating methods and associated layouts for the logistics support operation including future expansions
7. Develop outline level implementation plans for the recommended system

RESULTS:

The client is currently in the process of obtaining funding for the project.