

WHOLESALE PERISHABLE FOOD DISTRIBUTOR

CLIENT:

The company wanted to improve warehouse operations, eliminate late deliveries, and reduce distribution costs.

DESCRIPTION OF OPERATION:

The company supplied a large number of supermarkets with 350 SKUs of wet poultry, frozen meat and provisions from a central distribution center. The operations consisted of floor storage with powered pallet jacks. Daily volume averaged 250,000 pounds of outbound shipments on 10 to 12 delivery trucks.

OBJECTIVES:

Gross & Associates was retained to analyze and develop methods and procedures to eliminate late deliveries and to reduce the costs of storing and handling.

RECOMMENDATIONS:

Gross & Associates recommended the following:

1. Change the pick methods so that all the frozen and provisions are batch picked by truckload.
2. Pick the wet poultry by order and combine the batch picked frozen and provision portions of the order with the wet poultry before loading each truck.
3. Pick frozen and provisions onto shelf carts which were designed specifically for their operation.
4. Assign fixed pick location numbers to each SKU and print these pick locations on the pick documents.
5. Slot the fastest moving SKUs closest to the shipping dock.

RESULTS:

Improved methods and controls reduced the distribution cost per case from \$0.20 per box shipped to \$0.13. The projected annual labor savings were \$180,000. The late deliveries of customers' orders and the overtime in the warehouse have been eliminated. The order error rate was reduced dramatically.

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