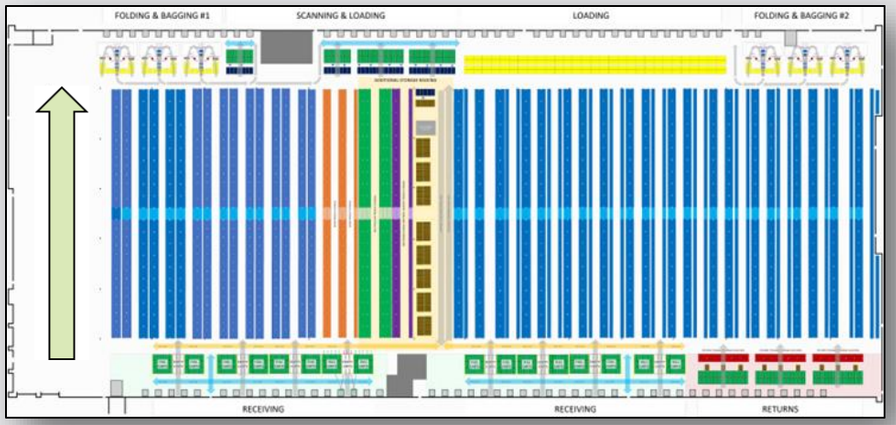
CONTINUUM

IMPROVING FACILITY FLOW

See how CONTINUUM helped optimize facility flow for a Premier Retailer of Indoor & Outdoor Home Goods & Decor



Project Data

Client: Premier Retailer of Indoor & Outdoor Home Goods & Decor

Location: Cranbury, NJ

Timeframe: 2 Months

Key Project Factors: Client had seen significant growth over several years and had focused primarily on maximizing throughput to manage the increasing order volume. Leadership was emphasizing optimization of operational performance, utilization and efficiency across their expanding distribution network to meet order volume, fulfillment goals and SLAs. CONTINUUM was tasked with identifying improvement opportunities related to supply chain, warehouse and distribution processes with a focus on Labor, Process, Layout, System & Capacity Opportunities.

The Challenge

Several opportunities were identified during an assessment, unique to each facility across the network, which would improve overall process flow within the respective distribution facilities. Many of these opportunities had been created as a result of Covid-19 challenges incurred across the supply chain or were directly correlated to efforts to simultaneously manage order fulfillment and service level challenges related to the rapid growth of the company. While the client leadership had established an effective managed flow within their facilities supporting current needs, opportunities to reduce travel paths, minimize product double-handling, and eliminate circular workflow needed to be evaluated as part of current facility improvements and future DC design given the expanding network strategy.

The Approach

Increasing directional product flow and reducing operational touches from inbound to reserve and then from reserve to outbound improves the opportunity for overall efficiency gains. In one facility, given the orientation of the receiving and shipping operations on opposite sides of the facility; driving a unidirectional product flow from one side of the facility to the other minimized processing time and operational handling. In comparison, another distribution center had receiving and shipping operations on the same side of the building, pointing to a put/pull strategy within the facility focused on minimizing travel away from the docks.

The Results

While custom strategies had t be employed based on the existing facility design, improvements associated with operational flow netted a 26% reduction in operating labor costs and improved productivity and associated throughput by 35%. The location of the primary operations were relocated to support this improvement and secondary and tertiary support functions with smaller footprints and volume were pushed outside of primary operational areas so that these ares didn't negatively impact operational flow. Coupling this with customized slotting mechanisms and modified picking strategies supported additional travel and functional optimization.