



INCREASING PRODUCTIVITY AND STORAGE CAPACITY

A national medical supply distributor's rapid growth required additional storage and the need to improve all operational metrics.



CUSTOM SOLUTION BY PEAKLOGIX RESULTED IN
47% GAIN IN PRODUCTIVITY AND 50% DROP IN ERROR RATES

CASE STUDY: INCREASE PRODUCTIVITY + STORAGE

Medical Device Manufacturer, Global Distribution Center

The Challenge

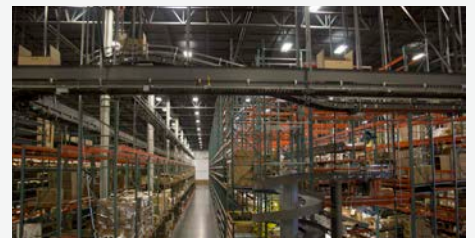
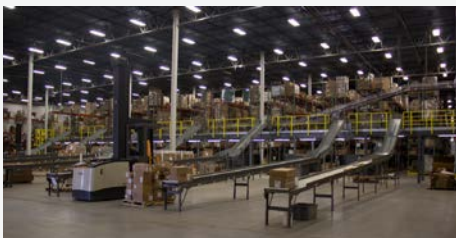
Outgrowing their current space and not ready to add another 100,000 square feet (a \$7M CapEx project), our client needed a way to expand storage in their current 500,000 sq. ft. distribution center without affecting production areas.



Before the redesign, employees were manually picking, packaging and shipping.

The Solution

During Phase I of the three-phase project, we worked with the client to improve efficiency and productivity by implementing vertical storage solutions and a smart conveyor system. The design allows for room for growth within the new warehouse configuration.



Key Results

We were able to help our client expand storage; increase productivity; reduce errors, customer complaints, and labor costs; prepare for short-term and long-term growth; and improve employee morale.

50%
REDUCTION
in error rates

47%
INCREASE
in productivity

\$1.3M
ANNUAL SAVINGS
in labor costs

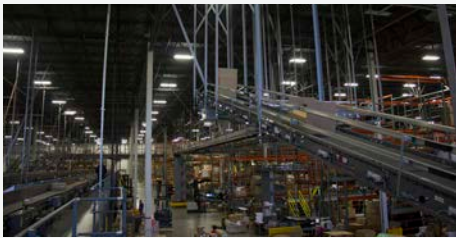
WORKING WITH PEAKLOGIX:

“PeakLogix is fantastic to work with. They took crude drawings of what we wanted and turned them into the finished product. They were very responsive to changes and managed other vendors very well which reduced headaches. One example: plans indicated the wrong height for beams and they couldn't fit the pallets, and PeakLogix sent a crew in the very next day to fix it at no additional cost (even though they built to specs). Ours will be a long-term relationship.”

- Manager on this project

The Solution in Detail

The reconfigured design of operations reduces the space needed for fulfillment, increases the space for storage, and allows a greater ability to grow without expanding footprint.



To allow for additional storage without increasing the footprint, we implemented vertical storage.

INCREASE STORAGE

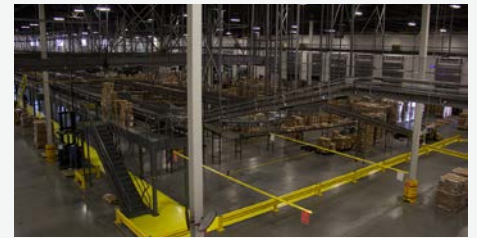
- ▶ Increased vertical space utilization from six feet to just under 30 feet, gaining 1,800 pallet positions in Phase I
- ▶ Reduced space needed for operations and created more space for storage
- ▶ Installed a cardboard takeaway conveyor above the pick lines; created less ground debris, feeding it into a baler to reduce boxes taking up space



With 5,200 - 5,800 orders per day, even the smallest errors can significantly impact efficiency.

ADD A SMART CONVEYOR SYSTEM

- ▶ Menu-driven approach allows more accurate picking, bar code technology ensures the right products are picked
- ▶ Alerts picker if wrong item is scanned into fulfillment
- ▶ Print and apply labels ensure correct addresses are added to cartons
- ▶ Sorts orders into the right shipping area
- ▶ Flags orders with incorrect weight (overage/shortage/wrong items in box)



We wanted our client to be able to expand even more in this space before outgrowing it completely.

ALLOW ROOM FOR GROWTH

- ▶ New design is ready-made for 3-tier picking when client expands from its current 2-tier pick module
- ▶ Allows for 5-7% annual growth without interruption to operations
- ▶ Estimated for payback within 4-6 years

PROJECT SPECS:

Elevated Seven-Lane High Speed Narrow Belt Sorter; 2-Level Split Case Pick Module with 106 Total Bays of Carton Flow; Pick Pack Mezzanine (4,500 sq ft) with In-Motion Scale, Box Tapers, and Quality Inspection Area; 3-Level Full Case Pick Module with 159 Total Bays of Pallet Flow; Parcel Processing Area with Automated Print & Apply Machines; Overhead Corrugate Takeaway Conveyors in Split Case Pick Modules

This project with no downtime or interference to the client's normal operations.

WORKING WITH PEAKLOGIX:

"PeakLogix is a great partner who offers value in engineering and solves unforeseen project issues with flexibility without taking advantage of upcharging opportunities."

- Manager on this project

The Results in Detail

We were able to increase our client's productivity while improving employee safety and morale and ensuring regulatory compliance.

PROCESS

- ▶ Reduced error / customer complaints by 50% (1 in 1,700 to 1 in 850)
- ▶ Reduced touch points by 50% (6 points per box down to 3)
- ▶ Reduced handling: print and apply saves 50 seconds per package
- ▶ Reduced picking zones by 2/3, from 300 ft. to 100 ft.
- ▶ Increased productivity by 47%
- ▶ Increased throughput: 25% more cases shipped in an 8 hr shift with 6 less people

PRODUCT

- ▶ Ability to convey irregularly shaped packages
- ▶ Increased per-hour "shopping" capabilities from 20-25 cases to 230 cases
- ▶ Every package is trackable from distribution to patient
- ▶ Increased ability to be HIPAA-compliant with correct orders
- ▶ Reduced time-to-ship by 2-3 hours

PEOPLE

- ▶ \$1.3M savings in labor costs annually
- ▶ Cardboard takeaway provides a safer environment
- ▶ Ergonomic mats provide comfort and reduce pain
- ▶ Predictable shifts - employees can create greater work-life balance
- ▶ Increased pride in quality of work



“I feel really good about the work I'm doing because I know that our customers receive the right products. The system automatically tells us what we need so we don't have any errors. And because it takes less time to fulfill our orders, our shifts are more predictable. I get to spend more time with my family.”

Kenyetta
EMPLOYEE