



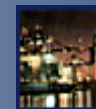
Warehouse Management Systems Forum

“Great Expectations or Bleak House?”

WMS Conference,
21st March 2007



The Chartered Institute of
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Welcome to the Conference

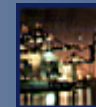
Mike Dymond

WMS Forum Chairman

+ Parish Notices



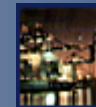
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Warehouse Management Systems Forum

0935	Exhibitor Introduction
0945	Speaker 1 - Simon Reynish
1030	Coffee
1100	Speaker 2 - David Lucas
1145	Speaker 3 - Diane Smith
1230	Lunch
1315	Speaker 4 - Simon Fahie
1400	Speaker 5 - Graham Gittins Peter Roberts





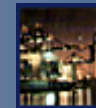
Warehouse Management Systems Forum

Exhibitor Introduction

WMS Conference,
21st March 2007



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CONFERENCE EXHIBITORS



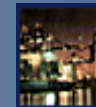


WMS Conference,
21st March 2007

**The first of today's
guest speakers**



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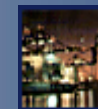


Project Management Experience

Simon Reynish
AG Barr plc



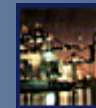
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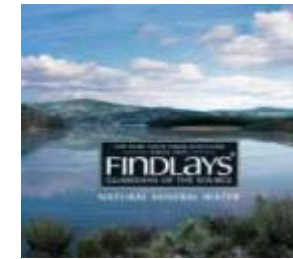
About the Company

- **Manufacturer of Soft Drinks**
- **£140 million turnover**
- **Nationwide distribution network in the UK**
- **Bottled under licence in Russia and Poland**
- **Export world wide**
- **Latest acquisition Strathmore Water**

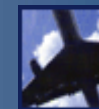
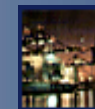




Some of Our Brands



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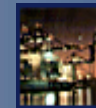


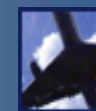
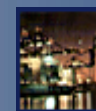
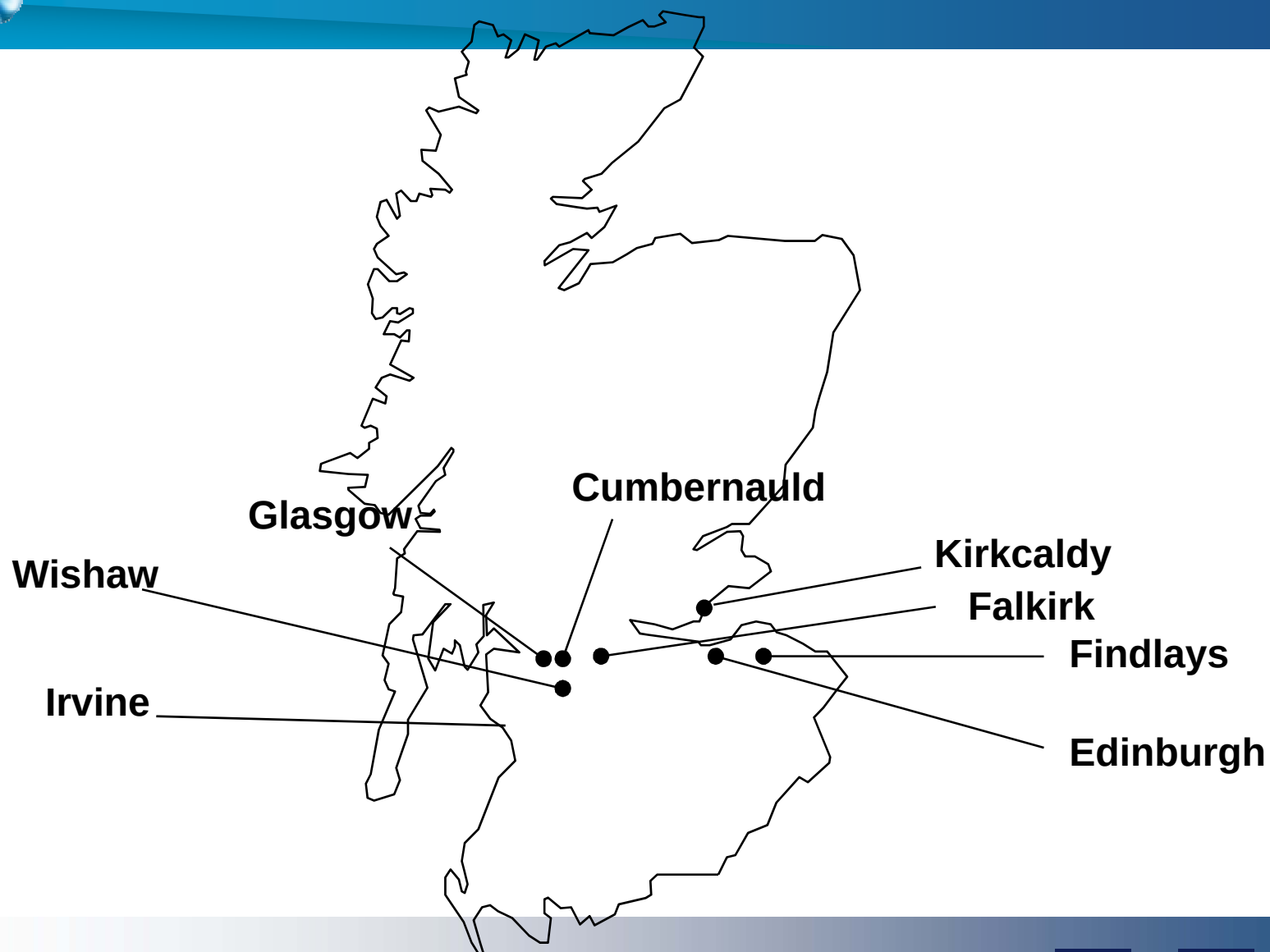
I've Bought My WMS What Next

***“Great Expectations
or Bleak House?”***



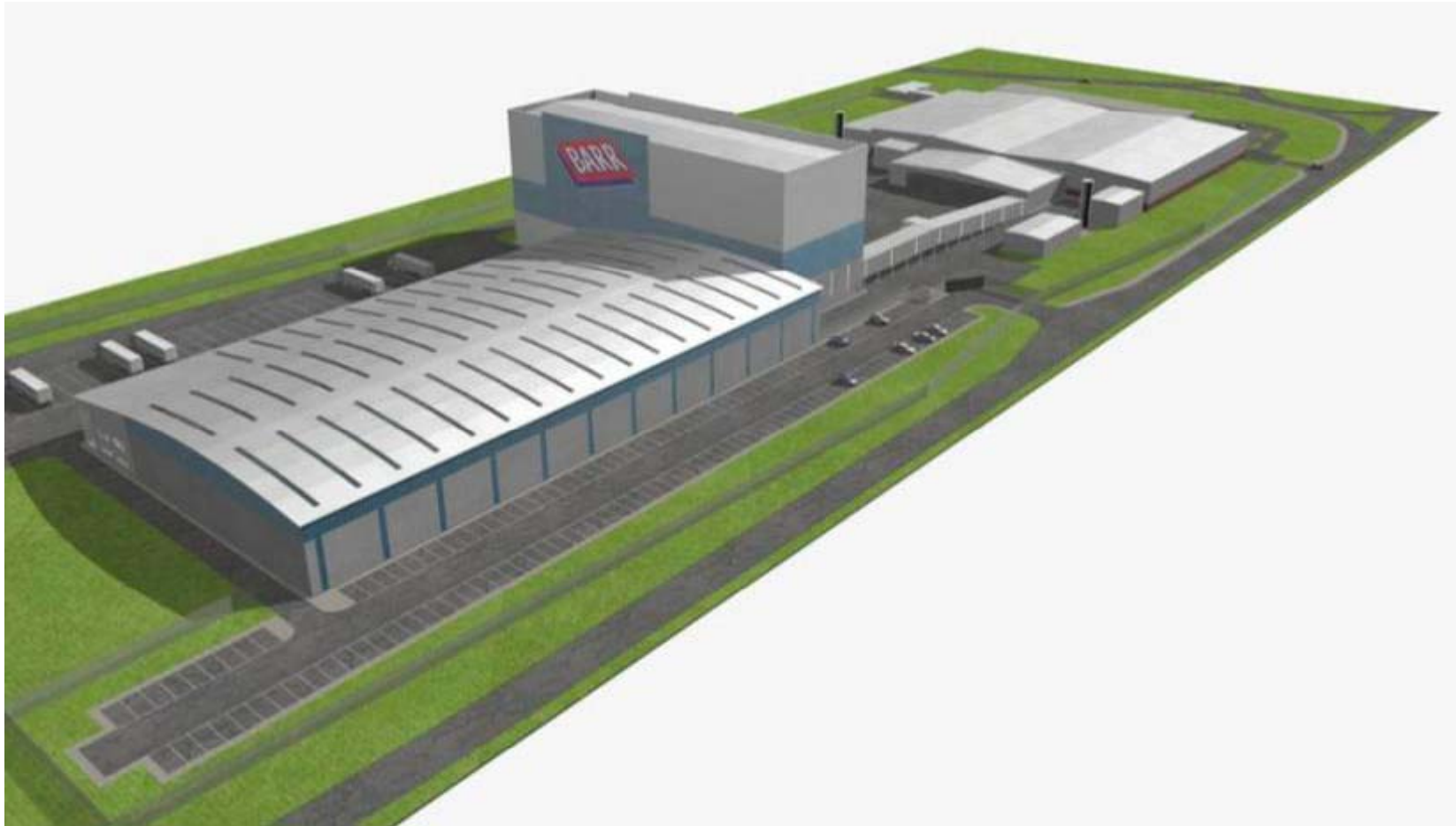
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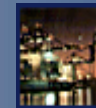




Reasons for Change



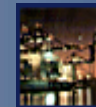
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Opportunities for Change

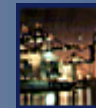
- **Warehouse Management System controlling stock, flow of product and orders**
- **RF System (Radio Data Terminals) providing accuracy in manual areas.**
- **Voice Recognition System providing location and product picking, verification and checking**
- **Perpetual Inventory (PI) cycle counting**
- **Weighing Station to validate picked orders**
- **Other functionality including – Global Inventory, Yard Management KPI Cockpit...**





Reasons for Change

- **Four Part Plan to minimise business risk whilst building the new-build DC**
- **Mansfield:- New WMS with RF plus Voice trial**
- **Glasgow (Springfield Rd):- New WMS with RF**
- **Cumbernauld New WMS with RF plus Voice**
- **Atherton New WMS with RF plus Voice**

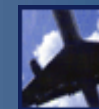
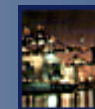




Reasons for Change



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swisslog

SUPPLY CHAIN SOFTWARE CUT DIVISION
presents

WarehouseManager
Client

WarehouseManager
GUI RF

WarehouseManager
GTM Pickstation

WarehouseManager
HTML Help

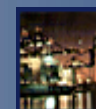
WarehouseManager
RF HTML Help

to execute a specific demo just click on one of the links above!
click [here](#) to download the Oracle Jinitiator

Copyright © 2002, Swisslog Software AG, All Rights Reserved



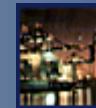
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Schedule

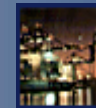
- **Classroom Pilot (Introduction)**
- **Gap Analysis**
- **Functional Specification**
- **Mod Development**
- **Interfacing**
- **Go Live**





Relationship with Internal customers

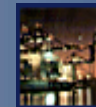
- **Clear strategy**
- **Strategic Management**
- **Warehouse Management**
- **Warehouse and Driver Operatives**





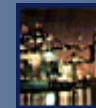
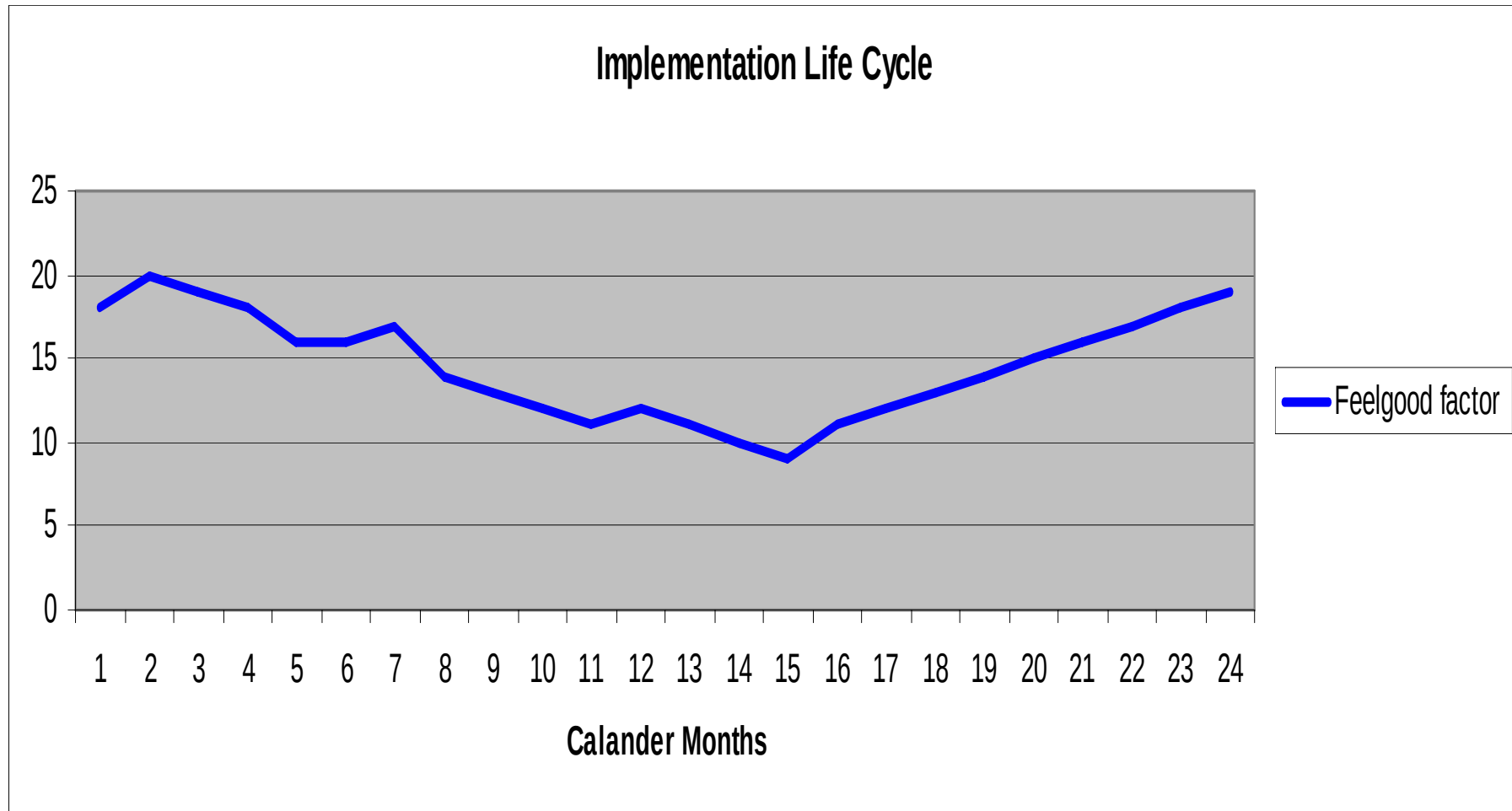
Relationship with supplier

- Clear strategy
- Dedicated suitably resourced and unchanging team **(ON BOTH SIDES)**
- Understanding of the rules of engagement
- Budgeted amount of contingency
- Ability for both sides to hit deadlines





Relationship with supplier

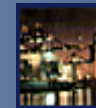




The Barr Experience

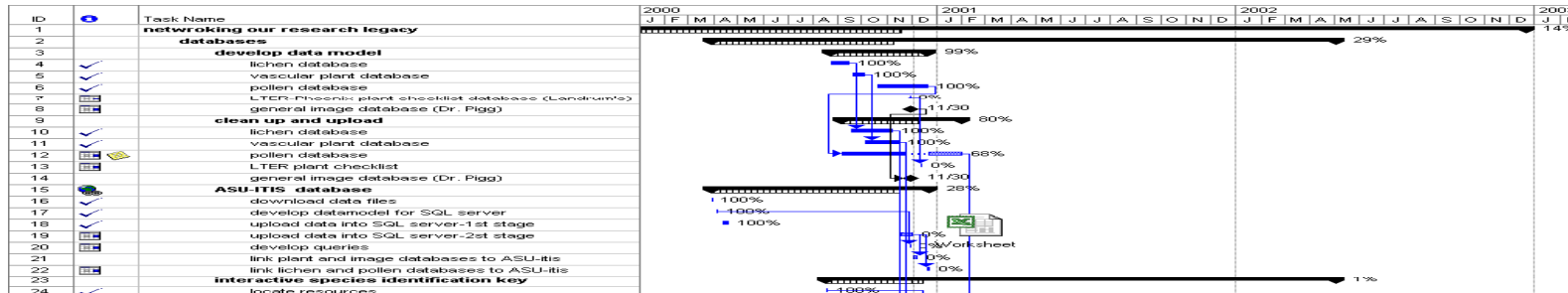


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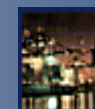
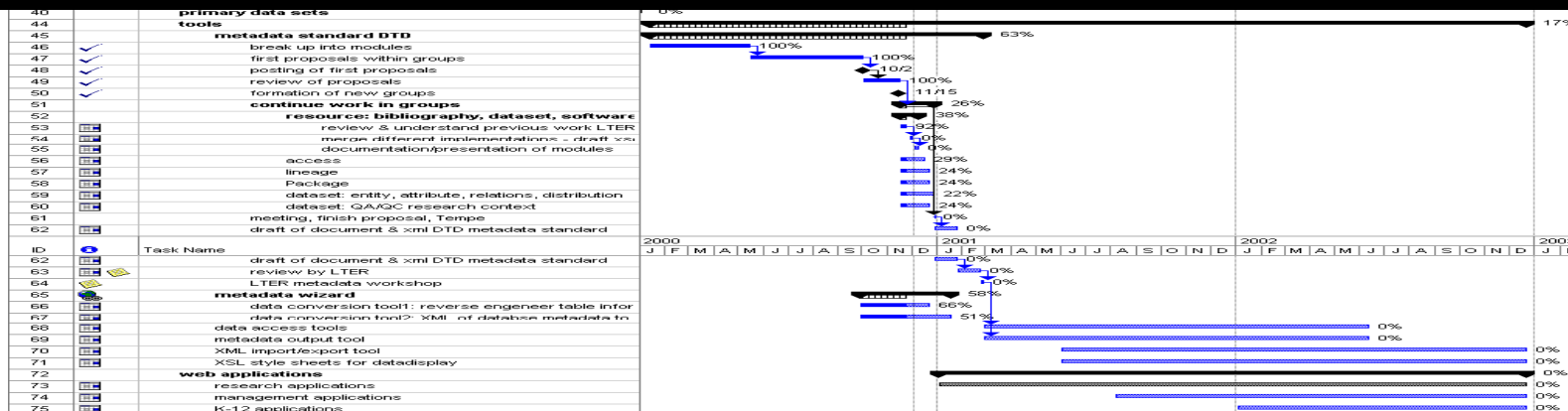




The Barr Experience



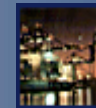
Not the Barr Gantt Chart





The Barr Experience

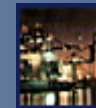
- **Time Line Challenges**
 - Finalising the contract
 - Peak trading periods
 - Availability of team members
 - Perceived/actual lack of resource
 - Interface Issues
- **Interpretation Issues**





Mansfield experience

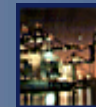
- **Education of people**
- **Functional Specification over-ran**
- **Interface issues**
- **Cumbernauld Team**
- **Just in time delivery**





Knock on effects

- **Glasgow Springfield Rd cancelled**
- **Voice trial late at Mansfield**
- **Internal Issues**



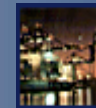


Cumbernauld

Cumbernauld Challenge



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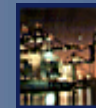


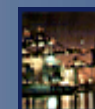
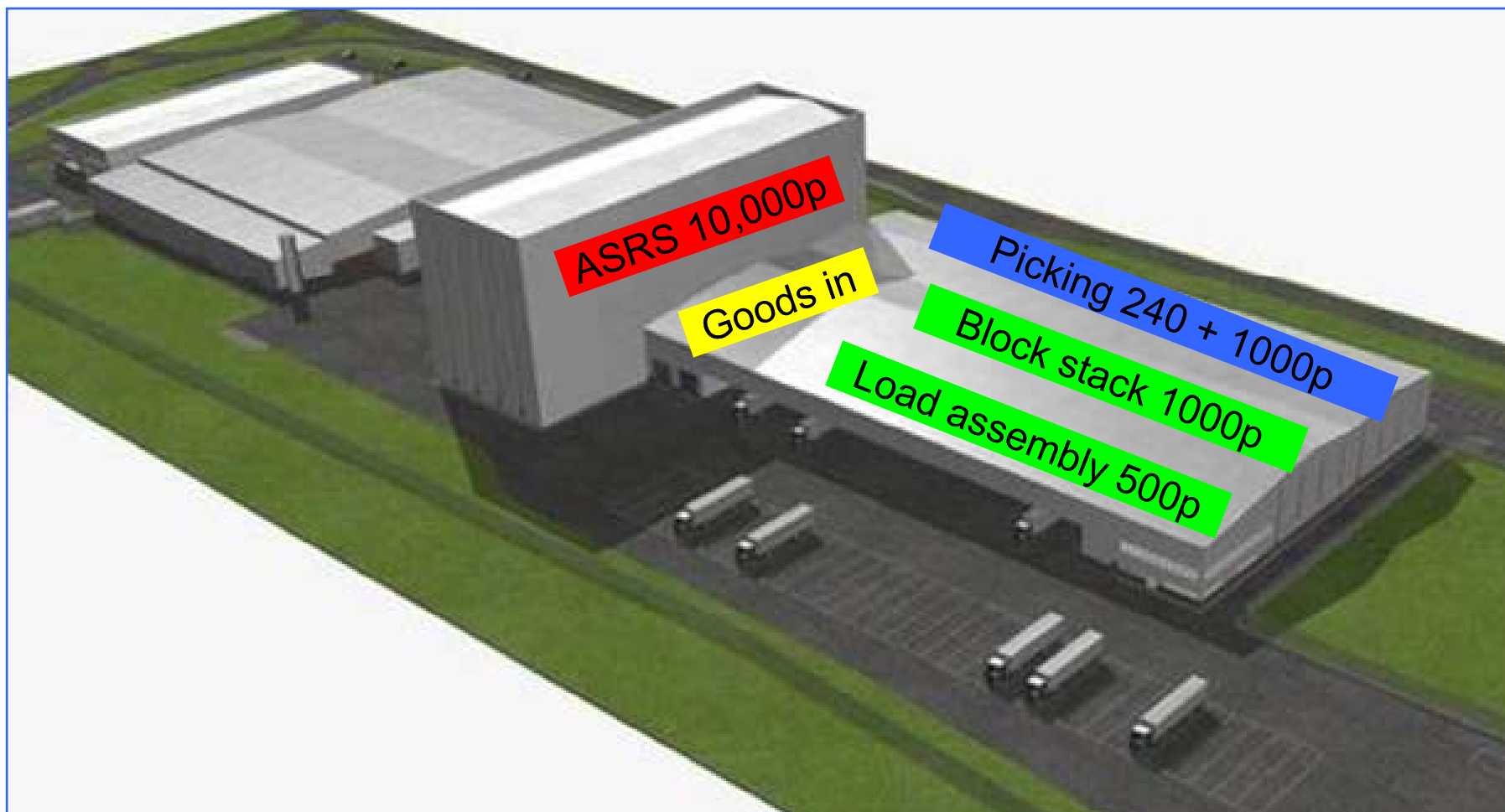


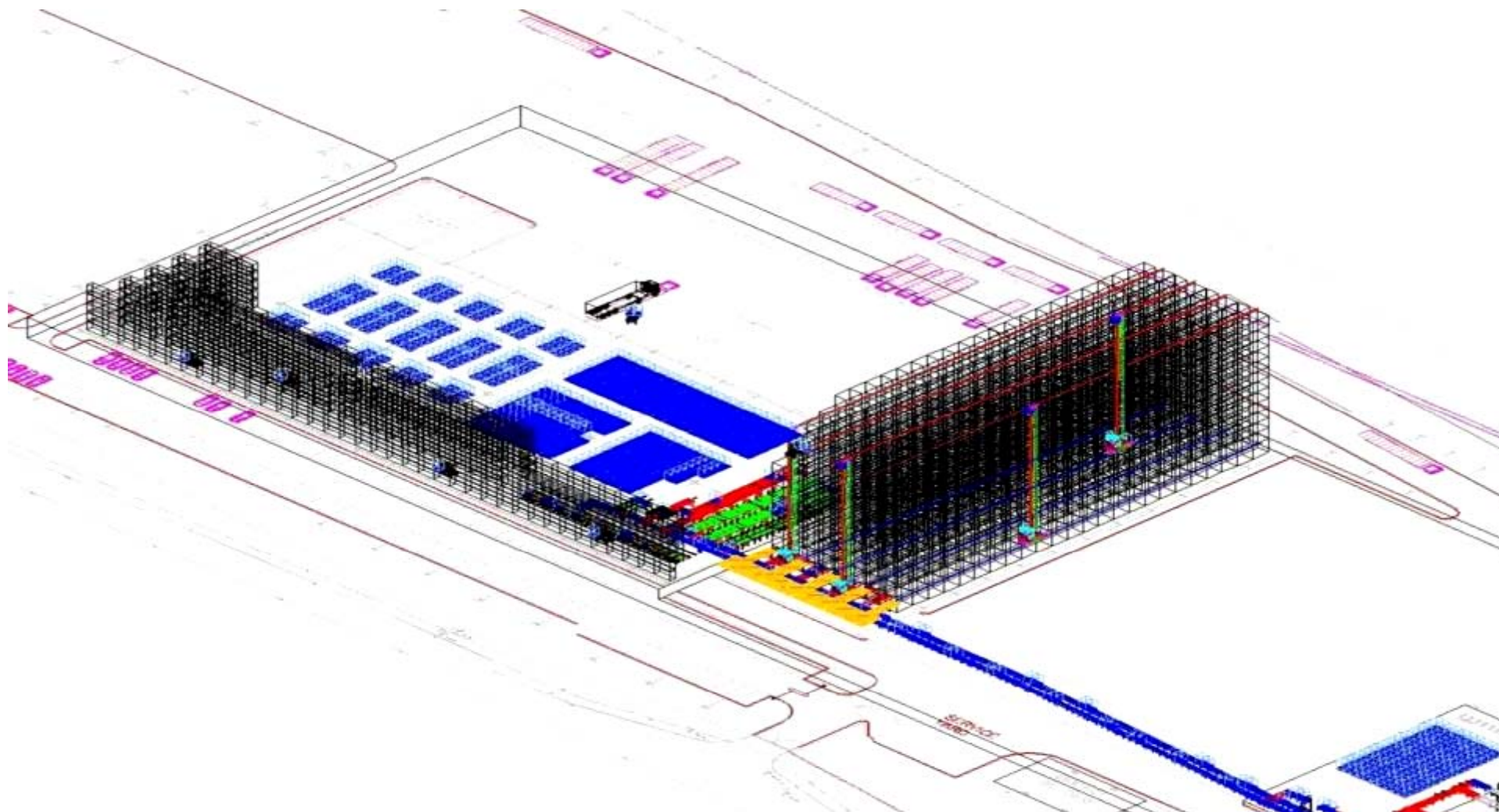
November 2004



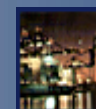
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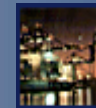




Moved over 100,000 tonnes of earth



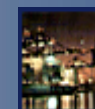
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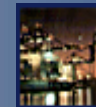




26th September.



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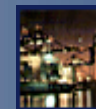


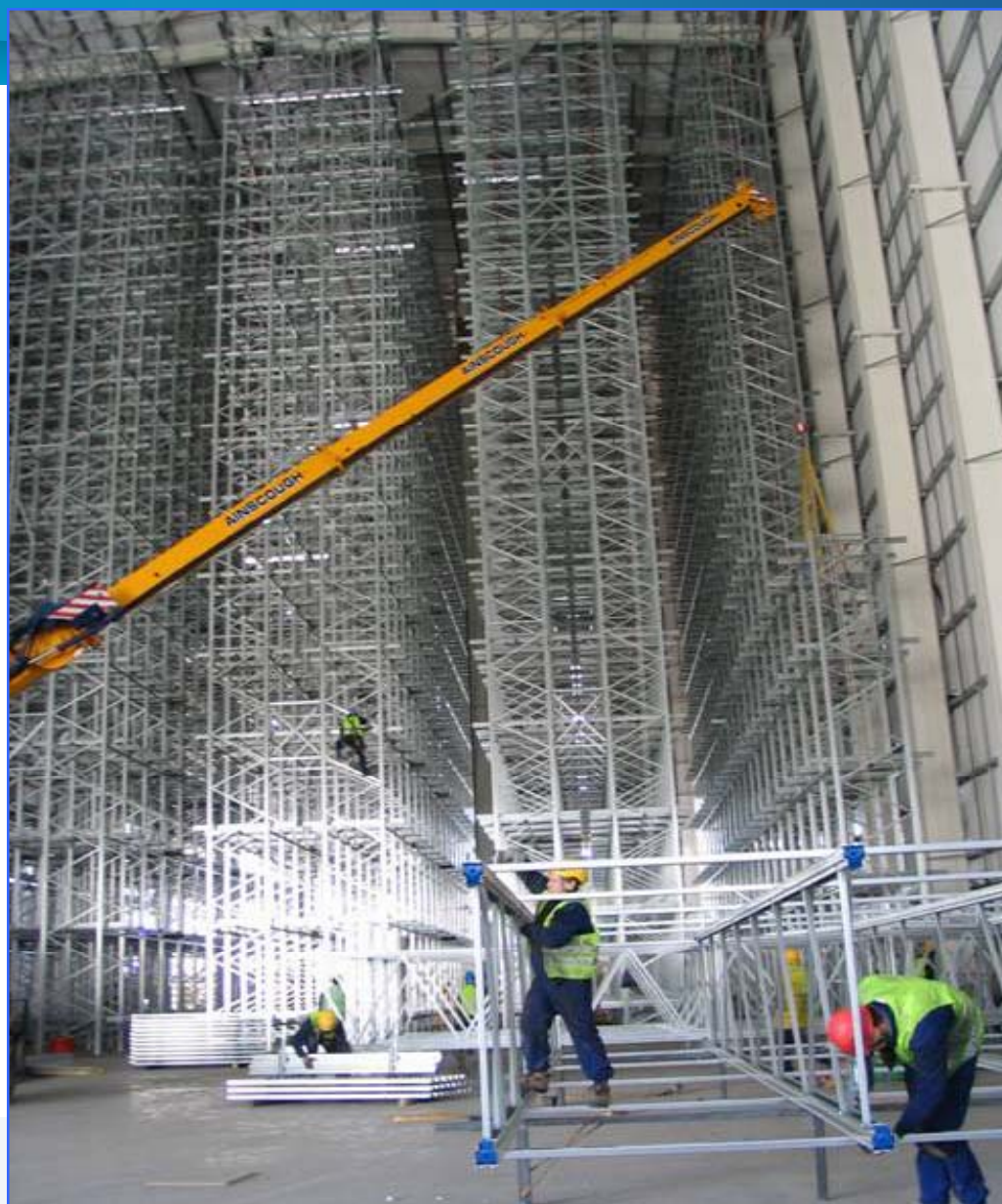


7th December

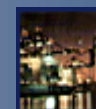


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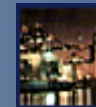




2nd March 2006

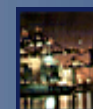


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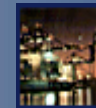


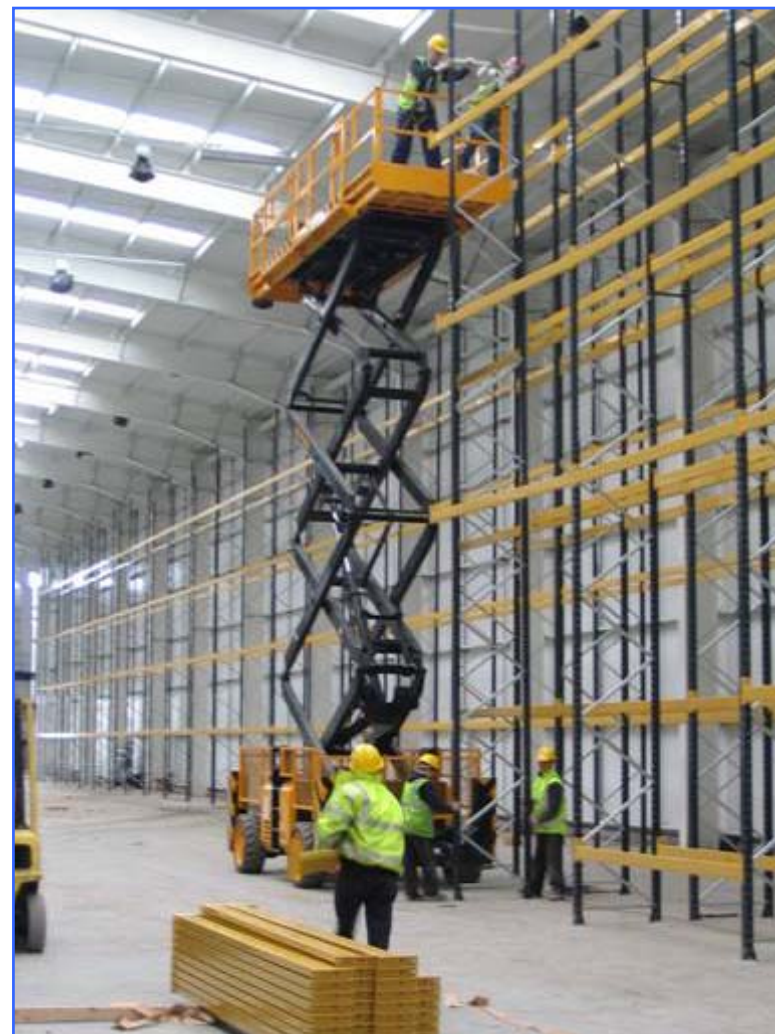
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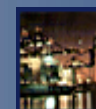


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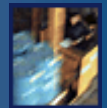
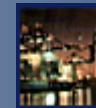




18th May 2006. 9:30am



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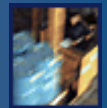
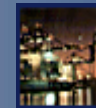




18th May 2006.



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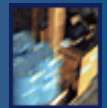
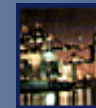




18th July 2006.

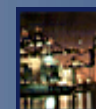


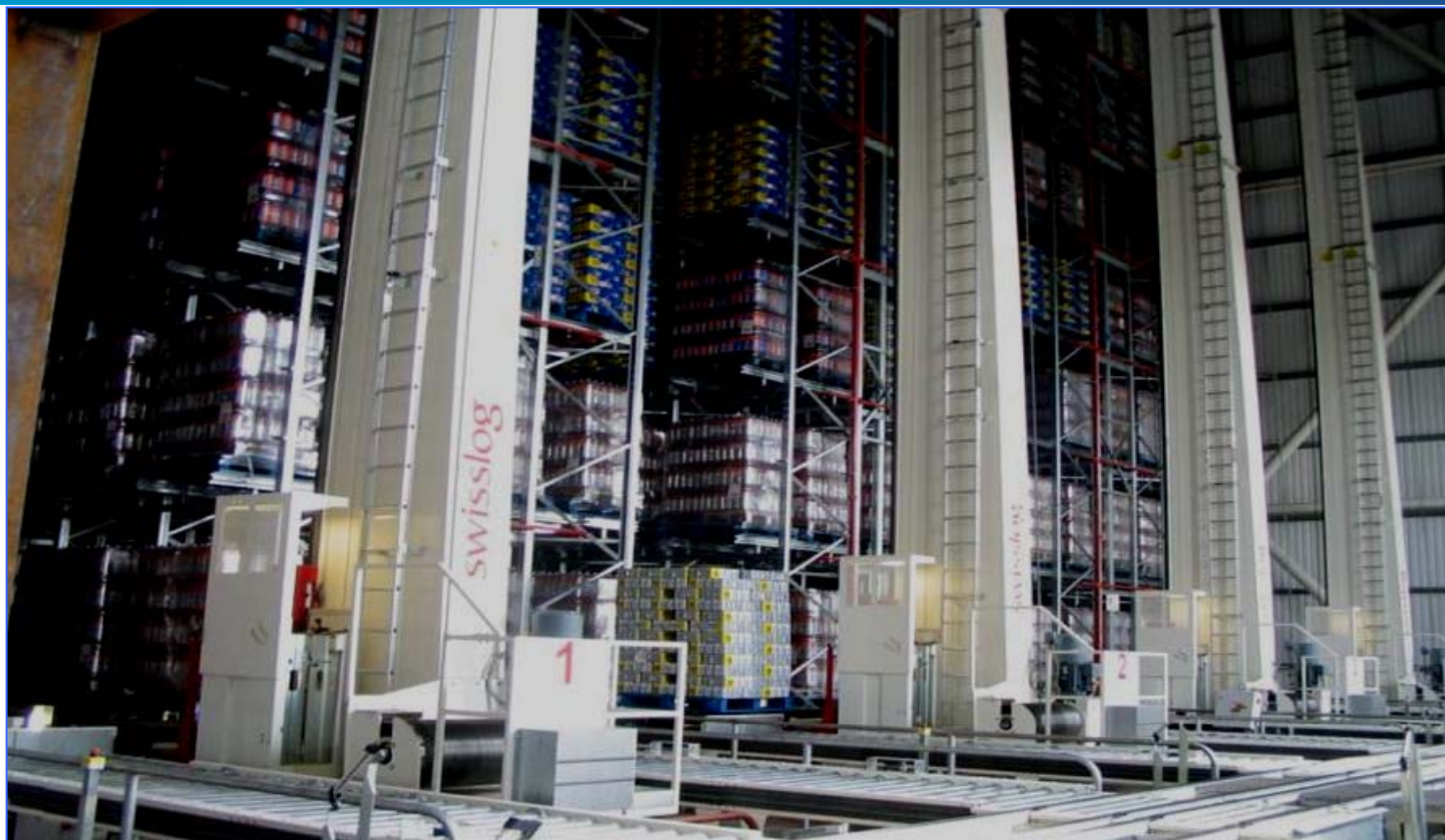
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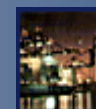


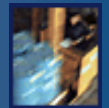
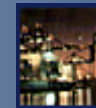
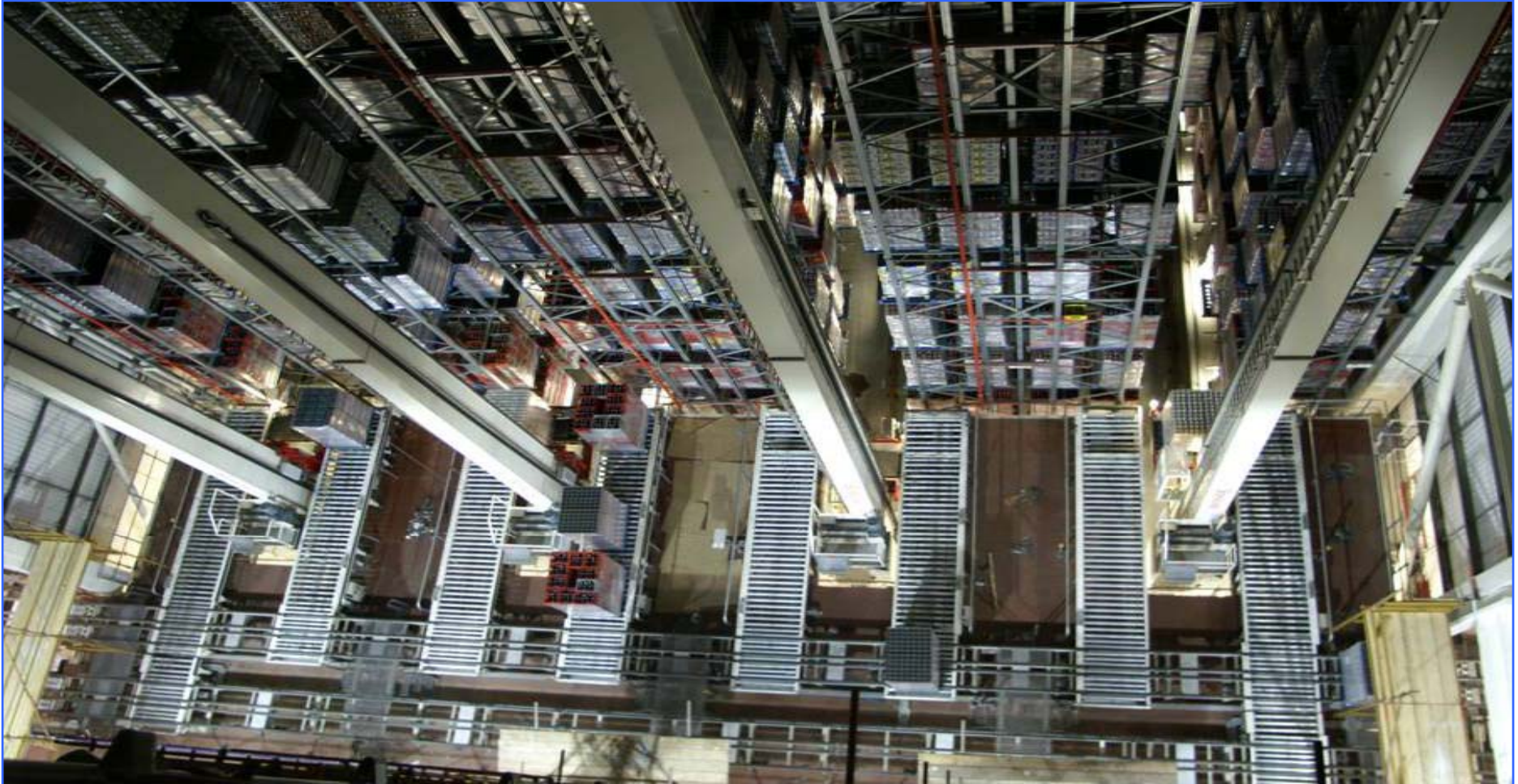
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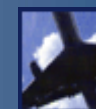
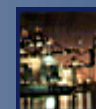
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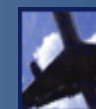
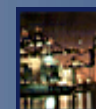


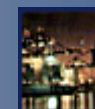
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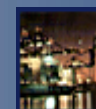
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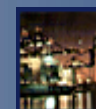


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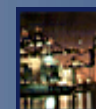


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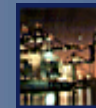
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Challenges and Issues

- **Knock on effect from the Mansfield Voice trial**
- **Barr's operational issues continued**
- **New functionality to combine the Automation and WMS**
- **Functionality took longer to develop**
- **Existing sites had already been sold**

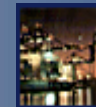




Currently Handling

- **54 Retail Routes 30,000+ cases a day**
- **30+ Wholesale movements
approx 62000 cases a day and growing**
- **Daily deliveries and uplifts of materials
and recyclable packaging**

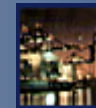
Delivering £10,000 saving per week





Advice

- Agree that as much of the functionality comes as constants and defaults (so you can switch them on and off)
- Devise a strategy that the system can be modified (within reason) by you and not the supplier but in collaboration with the supplier so that upgrades and fault resolution can take place
- Have all your interfaced kit available from the start
- Set up Educational Test-bed as early as possible





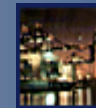
AG Barr plc's Project Management Experience



QUESTIONS & ANSWERS



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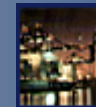




The Realities of Managing Change

How to achieve barrier breaking results
through '**tipping point**' change

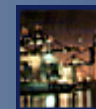
David Lucas





“We never have the time to do it right at the right time, but we always find twice the time and budget to correct it later”

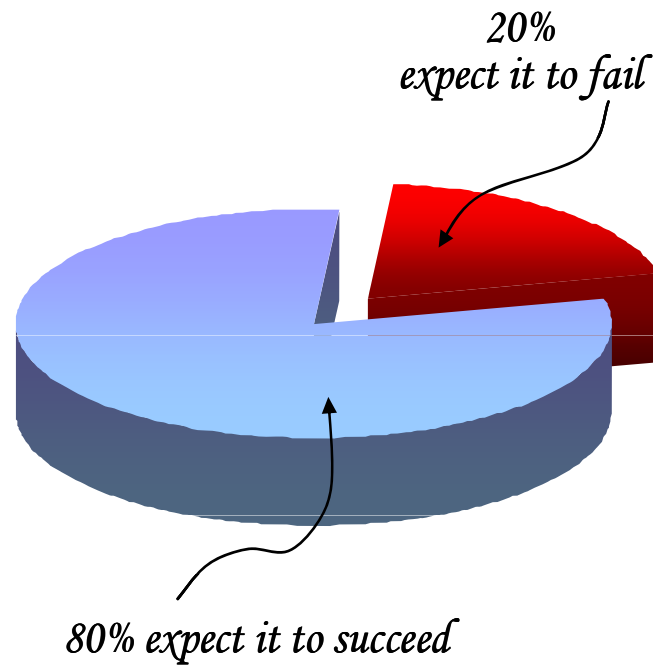
Retail Logistics Director





EXPECTATION vs OUTCOME

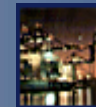
Before change programme



Source: The Economist



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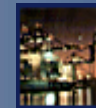




Some projects ...



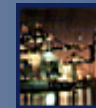
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I'm going to show you

- The nature of change
- What doesn't work
- What does work – tipping point change
- The theory behind tipping point change
- Case examples, techniques and results





Benefits we can achieve - examples

Chemicals manufacturer – supply chain project

From unproductive silos to process led efficiency

Products right first time and order lead time reduced by 5 weeks (from 14)

Multi-format retailer – supply chain project

Full margin net sales up 13%

Customer returns down 1%

Gross margin up 1.44%

Net product contribution to profit up 4%

Global pharmaceuticals change programme

Improved R&D productivity

Reduction in manufacturing iterations

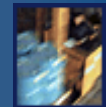
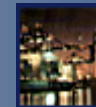
Better products faster to market

No compromise to patient safety

Specialist construction project

From always delayed to in on time

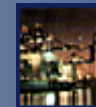
From overspend in £m's to a saving of 15% of budget (eg £6m on £40m)





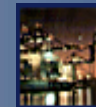
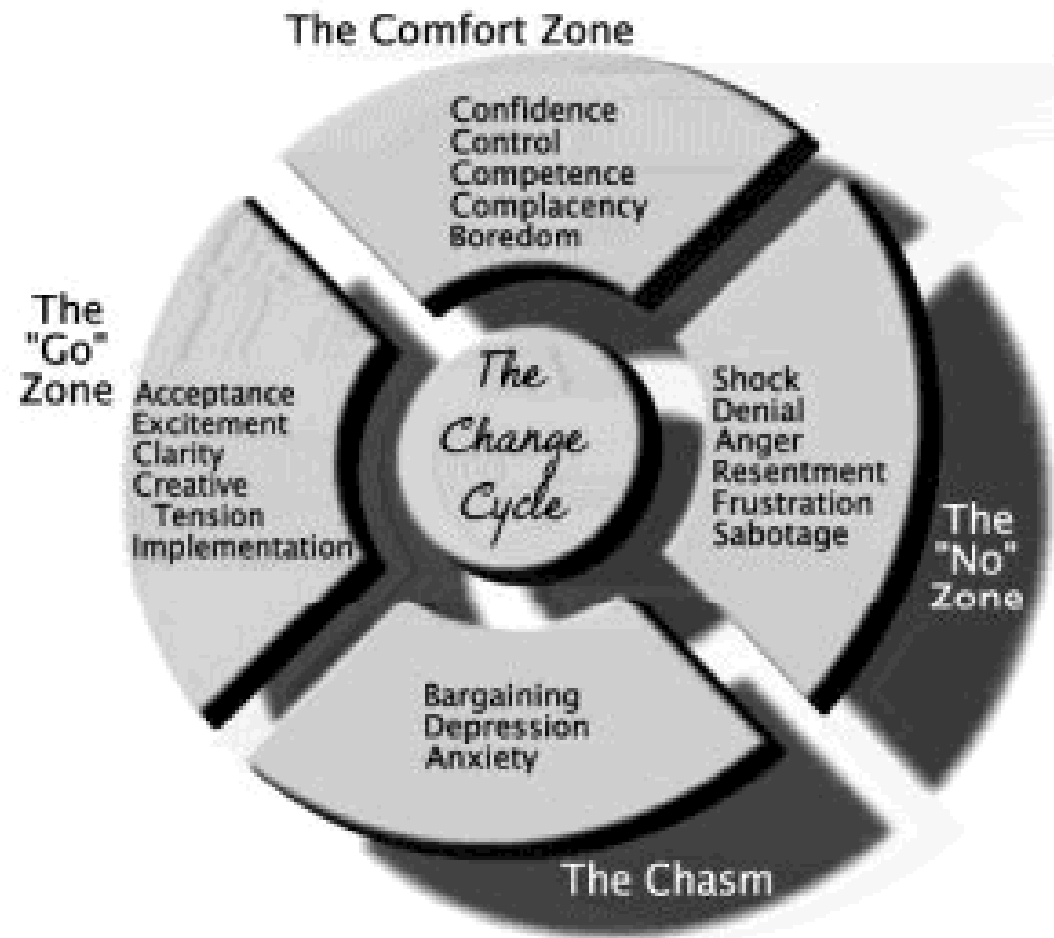
Basically, we need to change the dynamics in the organisation in order to:

- 1. Enable**
- 2. Accelerate**
- 3. Sustain change**





1001 change models...





According to BPR...

$$\text{Successful Change} = \frac{A \times B \times D}{R}$$

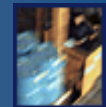
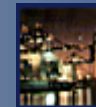
Beckhard's Resistance Formula

A = Degree of dissatisfaction with the present situation

B = Desire for the a new situation

D = Practicability of the change effort

R = Resistance (cost of change)



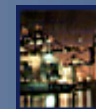


The solution is not just to re-organise...

“We trained very hard, but it seemed that every time we were beginning to form into teams, we would be re-organised.

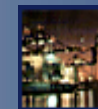
I was to learn later in life that we tended to react to any situation by reorganising, and a wonderful method it can be for creating the illusion of progress, while producing confusion, inefficiency and demoralisation.”

Petronius (AD 66)



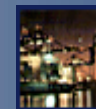


We also tend to make a drama of it...



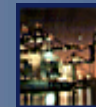


But for your average employee it can feel...

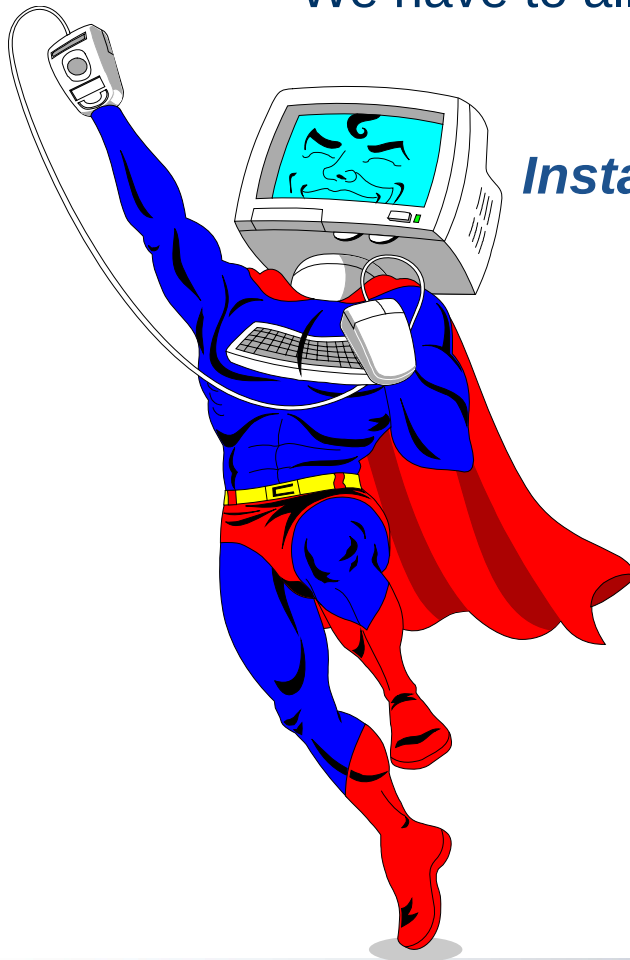




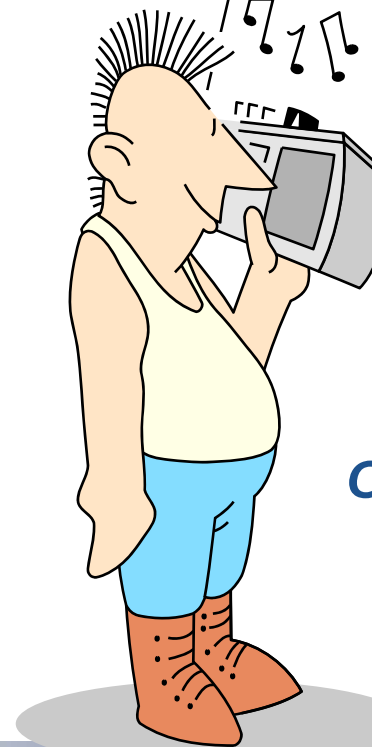
...or some people just have a different interest in life...



We have to allow for 'people' difference...



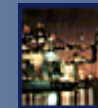
Instant Cyber-hero



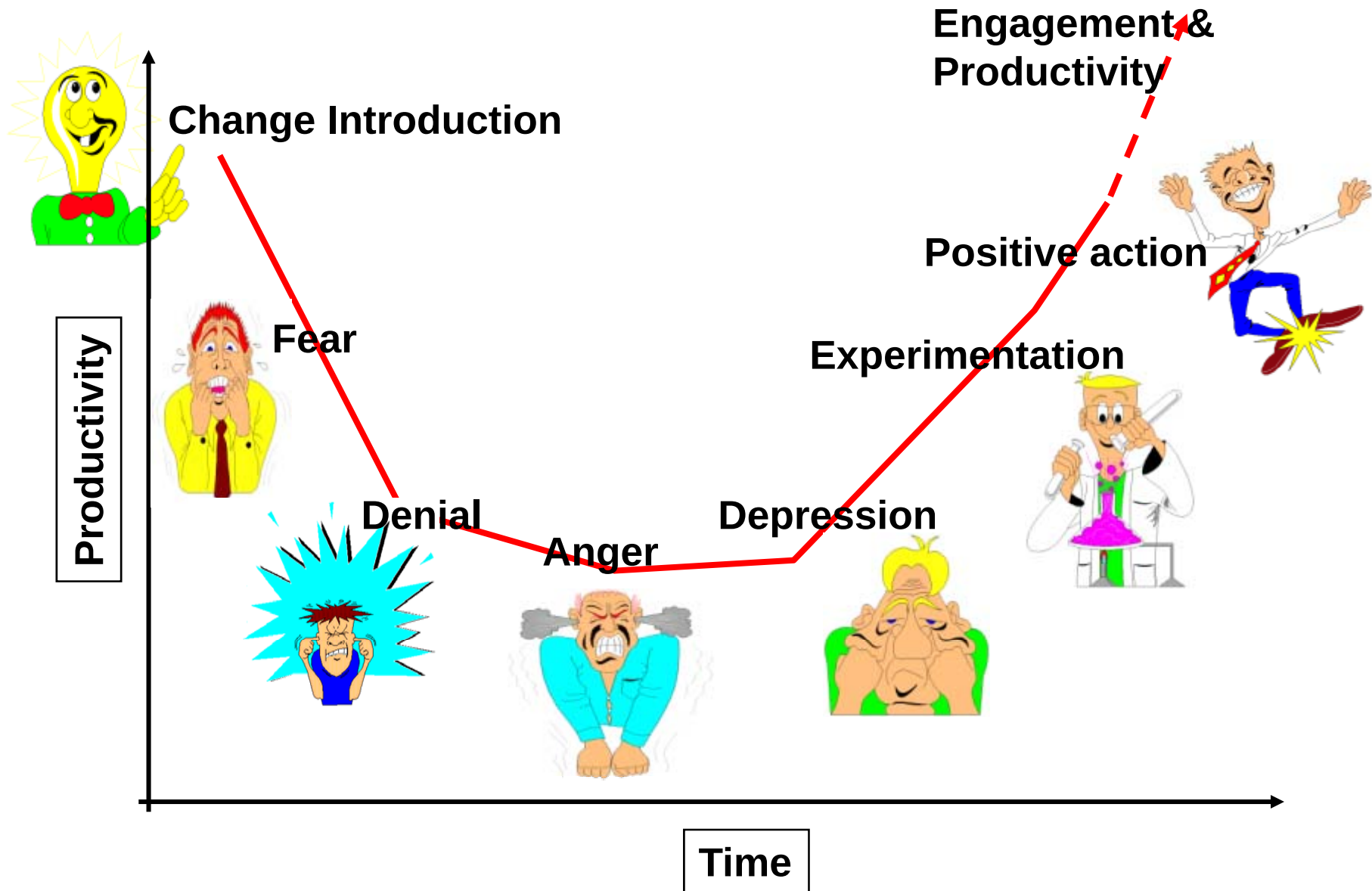
Other employees



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The change curve





Change happens best when people ***experience*** 'a better reality'...

"We must become the change we want to see."

Mahatma Gandhi, 1869-1948

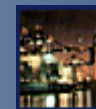
"I hear and I forget. I see and I remember. I do and I understand."

Confucius 551-479 BC

"I try it and I like it – I spread the news to others!"

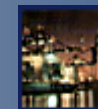
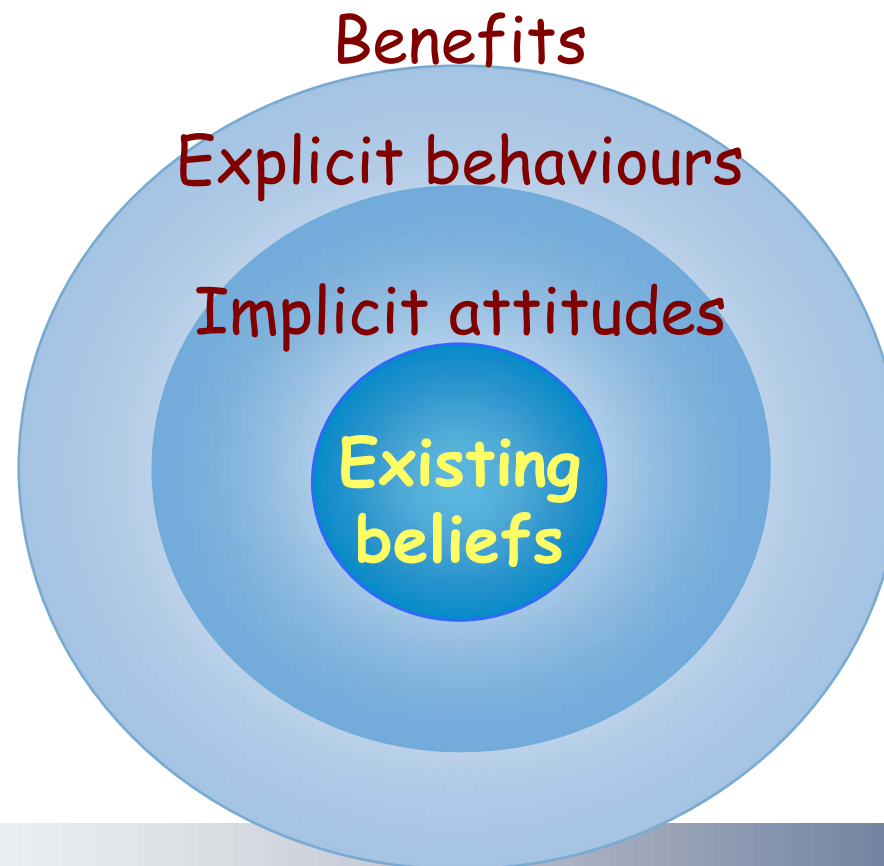
David Lucas, 1956 -

(with all due deference to the great and famous)





It is more effective to act your way into a new way of thinking than to think your way into a new way of acting

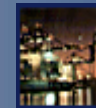




What is tipping point change?



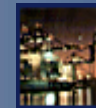
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'Tipping point' theory

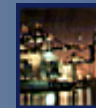
- * From epidemiology – how a virus spreads
coined by Malcolm Gladwell
- * Change has its roots in a better 'idea' – the origin of the virus
- * An idea that is actively and vocally supported by people who 'lead' opinion
– '**connectors**'
- * Change 'tips' when the idea becomes contagious
- * Fast, sustainable change is about reaching the tipping point to spread a 'change virus' quickly – an epidemic for the new idea
- * It is unlikely to be the whole vision – more a 'bit' that fires the imagination and builds a 'better reality'
- * It is this 'bit' that 'connectors' use to tip opinion





Fundamental principles

- Find the 'connectors'
- Identify and focus them on the 'contagious idea'
- Focus on doing not just explaining
- Build a better reality around how people work together
- Make change digestible – bite sized
- Support the process to the 'tipping point'
- Then there is no going back



...we need to achieve ground breaking improvements in performance by creating...

1

...circumstances in which change and new ideas are embraced with infectious enthusiasm

**...the 'virus'...
the tipping point
for change**

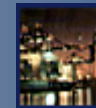
'contagious'
performance

2

...organisations where people habitually work better together



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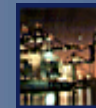
The Realities of Managing Change

Tipping point approach

How change really happens



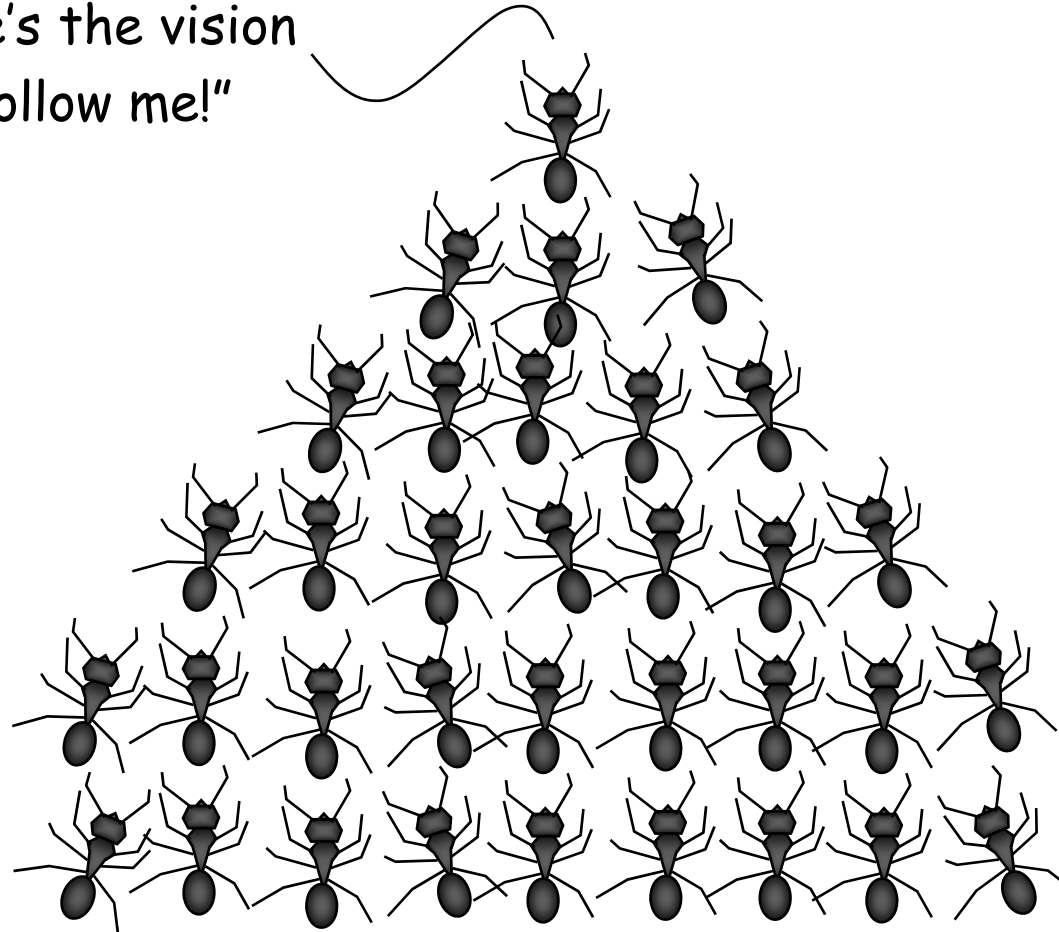
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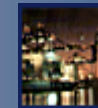


Traditional approach to change

"Here's the vision
- follow me!"



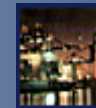
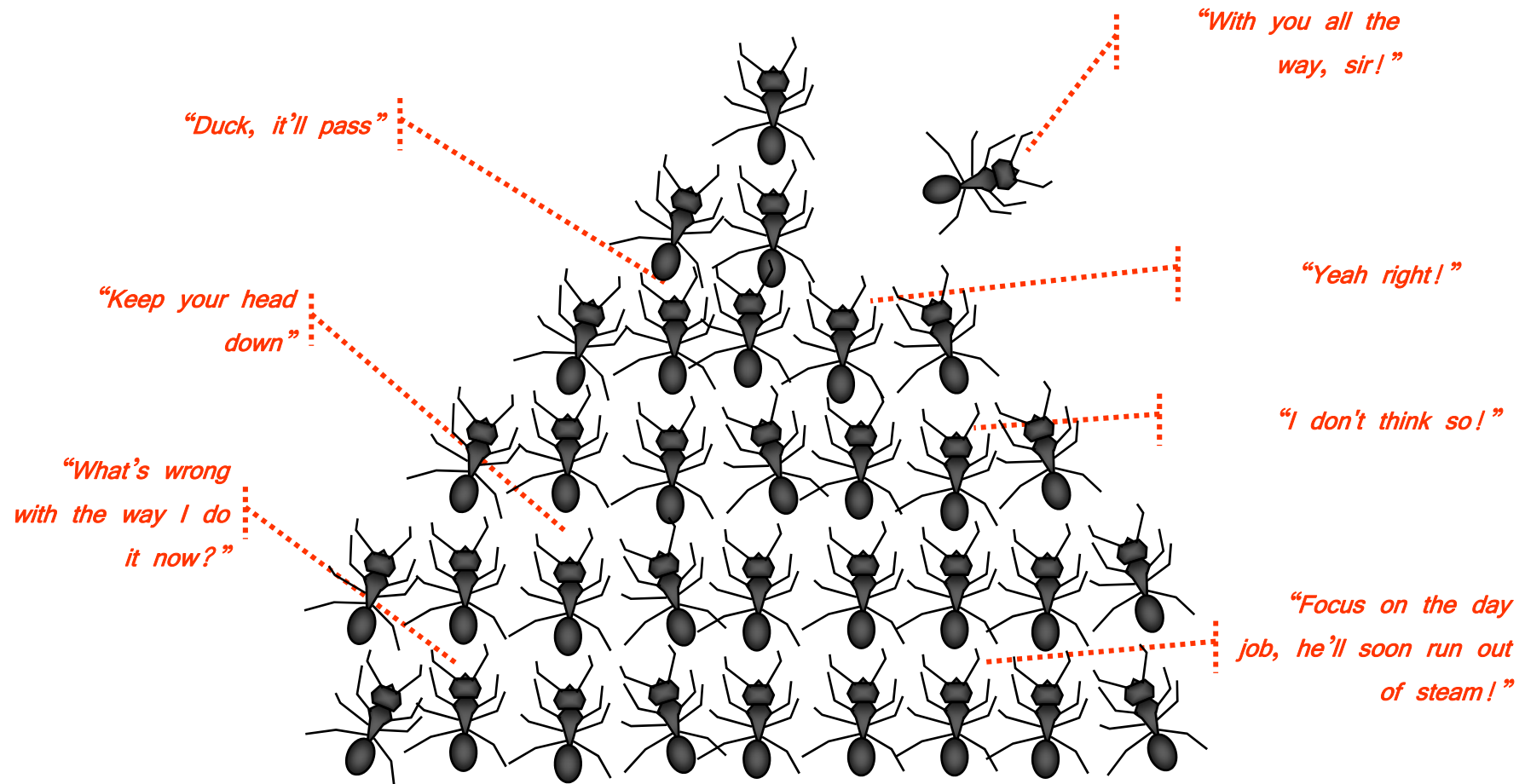
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Traditional approach to change

Classic response



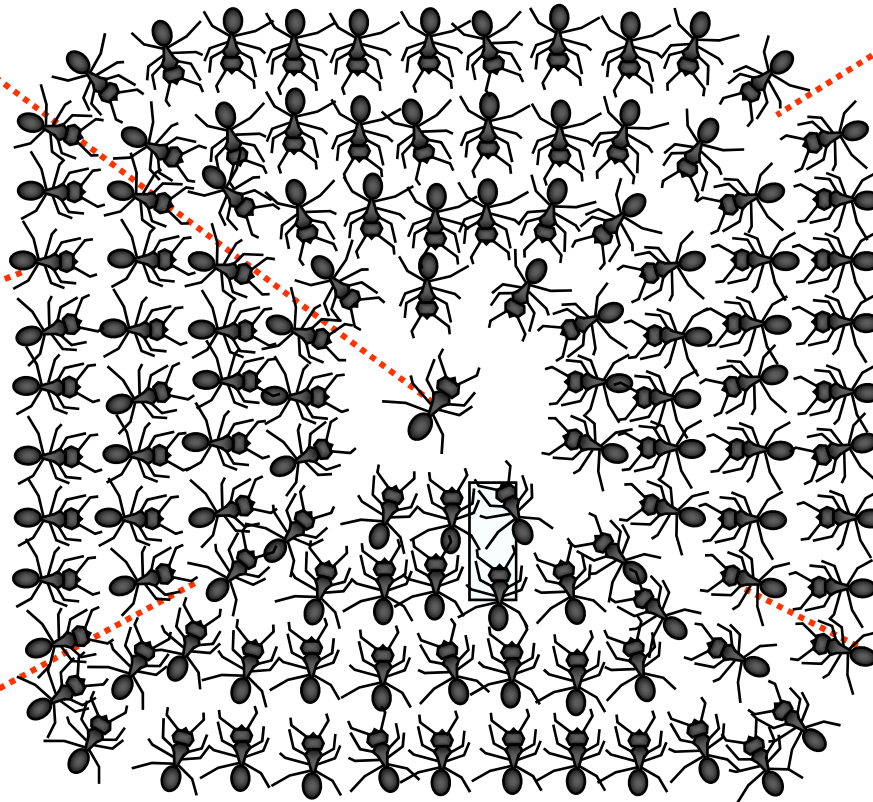


'Tipping point' approach to change A good idea in the hands of a 'connector'...

*"Here's something
new that works for me"*

*"How can I get to
try it?"*

*"Sounds good, pass it
on"*

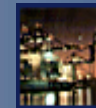


*"Why didn't I think of
that!"*

*"Well if she thinks it's
good, I'll give it a try"*

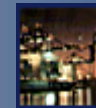
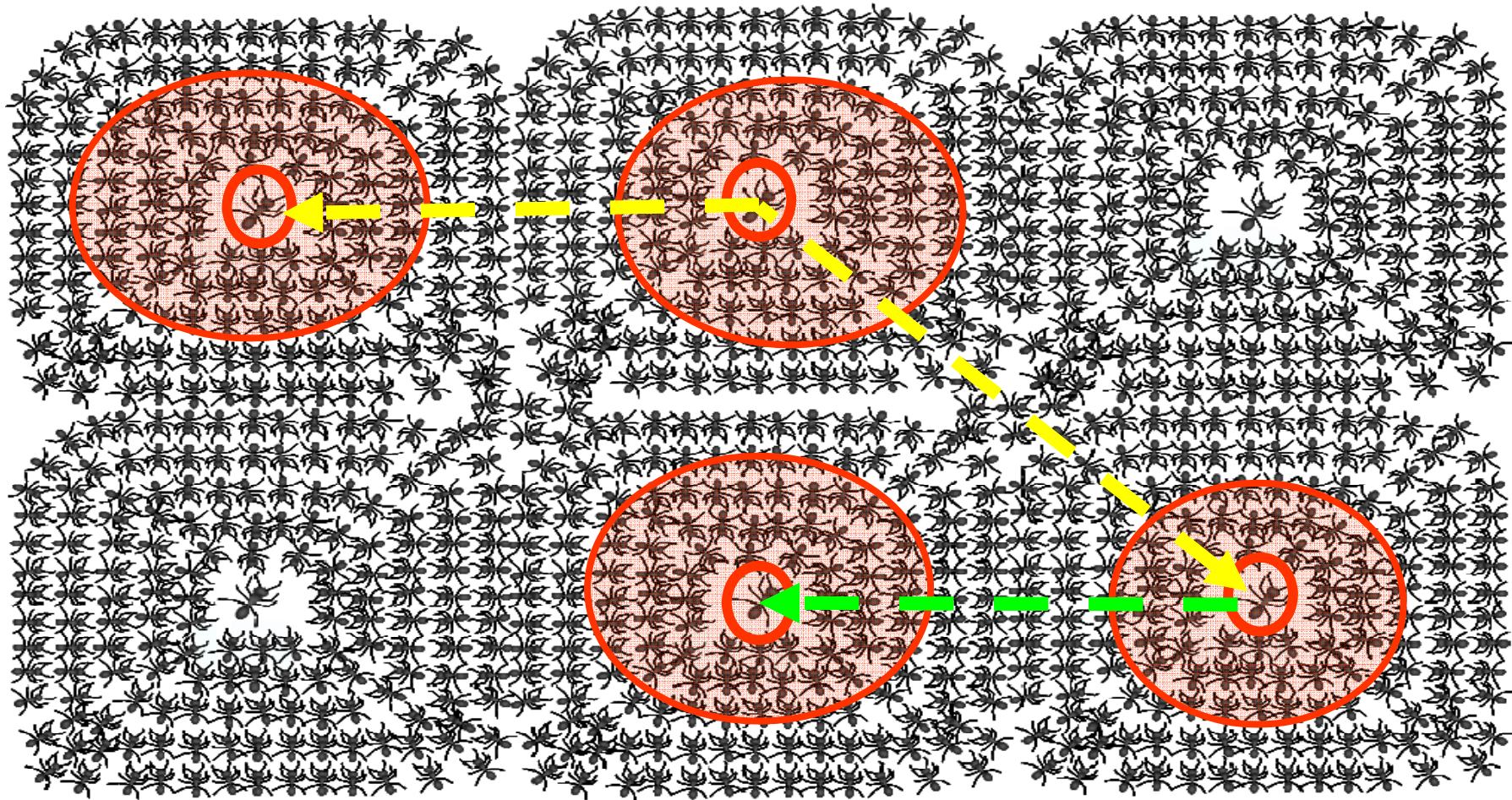


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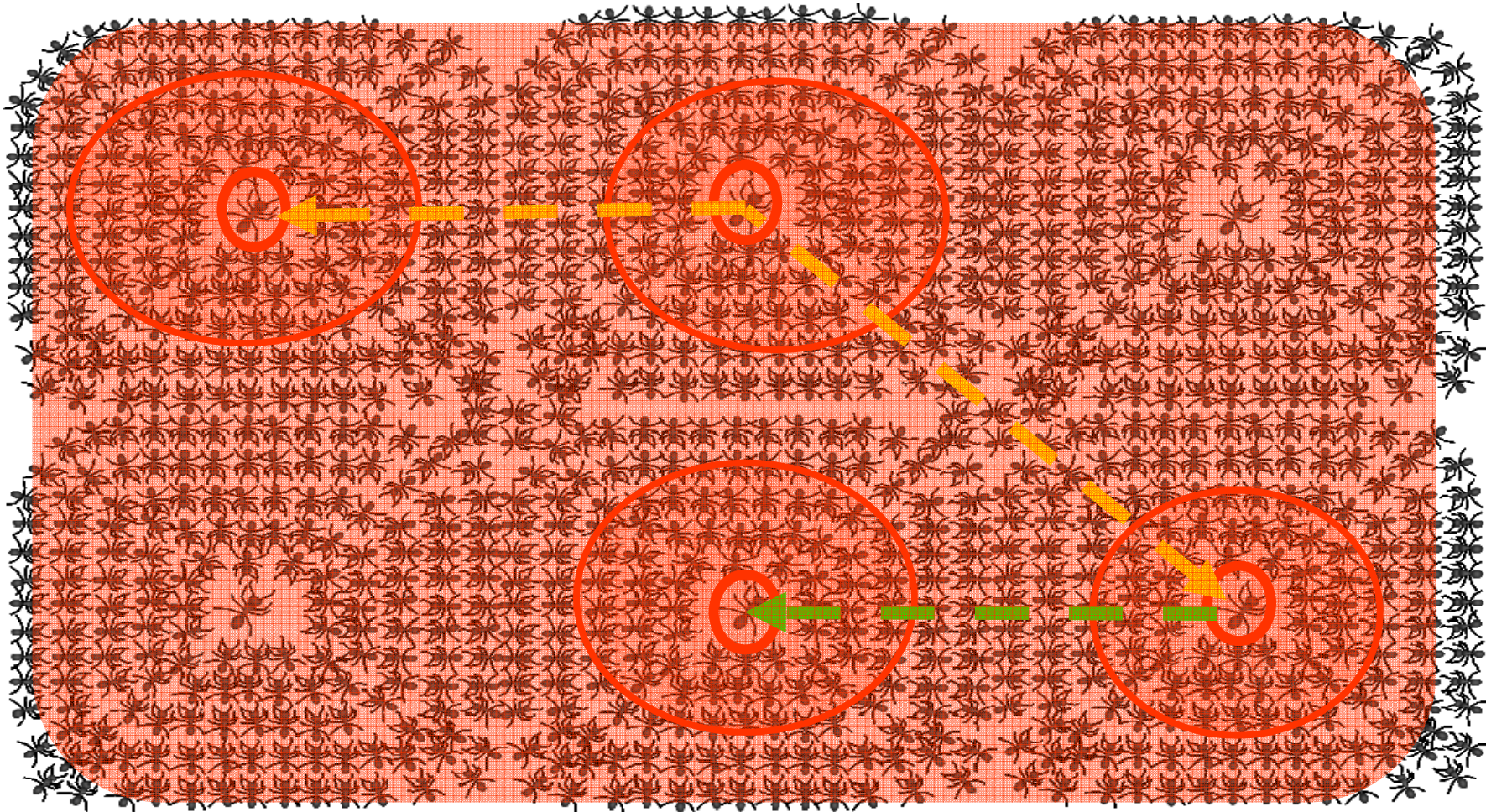


...develops *infectious enthusiasm*...

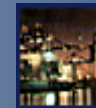




...and 'tips' change like an epidemic



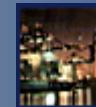
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Benefits we can achieve – case examples

- Chemicals manufacturer – supply chain project
- Multi-format retailer – supply chain project
- Global pharmaceuticals process change programme
- Specialist construction project





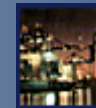
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Techniques and examples

1. Find the natural 'connectors' and arm them with the 'idea'



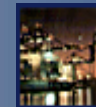
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End-to-end process re-engineering

- **Make seven functional silos work as an integrated process - from sales order processing, through design and manufacturing, to warehouse and despatch**
- **Overcome endemic suspicion and adversarial behaviour between departments**
- **Make it happen in six months to make the new system implementation successful**





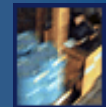
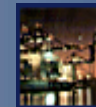
The Connectors and the idea

Connectors

- Not managers
- Not 'career' minded people
- People who had been overlooked
- Trusted and respected by others
- Given the opportunity – came to life – used their charisma
- Formed and led opinion

The idea

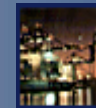
- 'The thread' – taking responsibility for your part in the thread that runs through the process





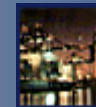
The process

- Clear explanation of the requirement
- Open workshops across functions to identify the idea and the connectors
- Allowed them to define and lead change projects
- Worked with connectors to help them spread the virus
- Worked in the background to remove political blocks (a few people had to go!)
- Created the environment that allowed a better reality to emerge – KPIs and bonuses



The result

- 95% of employees embraced the new processes within 6 months
- There was a revolution in the collaborative working environment
- The system implementation was on time, to budget and successfully adopted

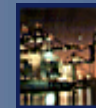




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Techniques and examples

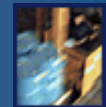
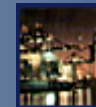
2. Make it meaningful to the individual
– build a better reality





Case example 2: Multi-format retailer

- Profitability appeared to be excellent on the company P&L
- But it relied on credit income from direct sales
- Direct product profitability was negative across the range
- Buying and merchandising teams working hard to select and source
- Marketing teams churning out ever more complex offers
- It was a case of change or die of exhaustion



The temptation was to make too big an 'ask' – it's a giant



CEO's address (with a few liberties!)

"Underlying product profitability is negative because your supply chain costs are too high.

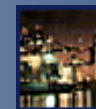
The evidence is irrefutable so I know you will understand its importance and want to engage with it.

Your new target is 4% net contribution - a shift of 10%.

Here are some consultants who will review your systems and processes

Then you can solve the problem...

...oh...and we're behind you all the way!"





Tipping point approach



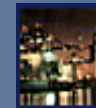
Cut the giant down to a meaningful, actionable size

**Achieved the
10% shift within
three seasons**

- Identified the 'trigger' for a better reality - 'personal' P&Ls
 - visibility of performance at a meaningful level – their product level
 - Ownership of their own part of the business and improvements
- Identified those few people to whom most people listen – the connectors
- Supported them to experience a 'better reality'
 - worked with them to touch and feel the benefits of managing their P&L differently
- They 'sold it' to their teams
- Helped the message travel by celebrating 'iconic' moments
- Incentivised exceptional performance at individual and team levels



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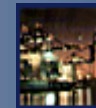
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Techniques and examples

3. Collaboration and 'real conversations'



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Case example 3: Global Pharmaceutical company

Change dilemma: Science and the sausage factory

- *You must*

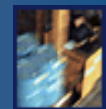
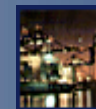
Respond to changed regulatory requirements, now

- better chemical process understanding - takes more time
- reduced chemical compound risk – takes more time
- Improved regulatory filings – takes more time

...but ...

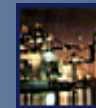
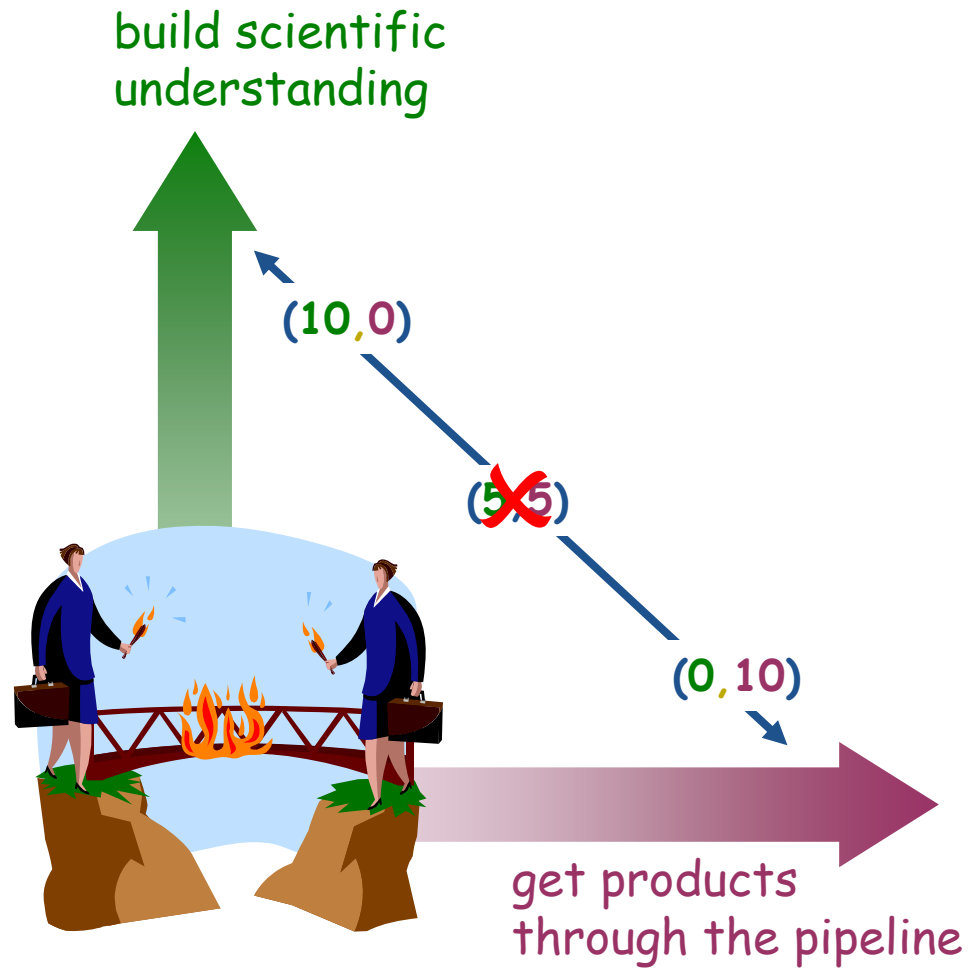
Don't slow down product speed to market

- worth \$bns in revenue
- budget squeeze
- ...even faster would be good!





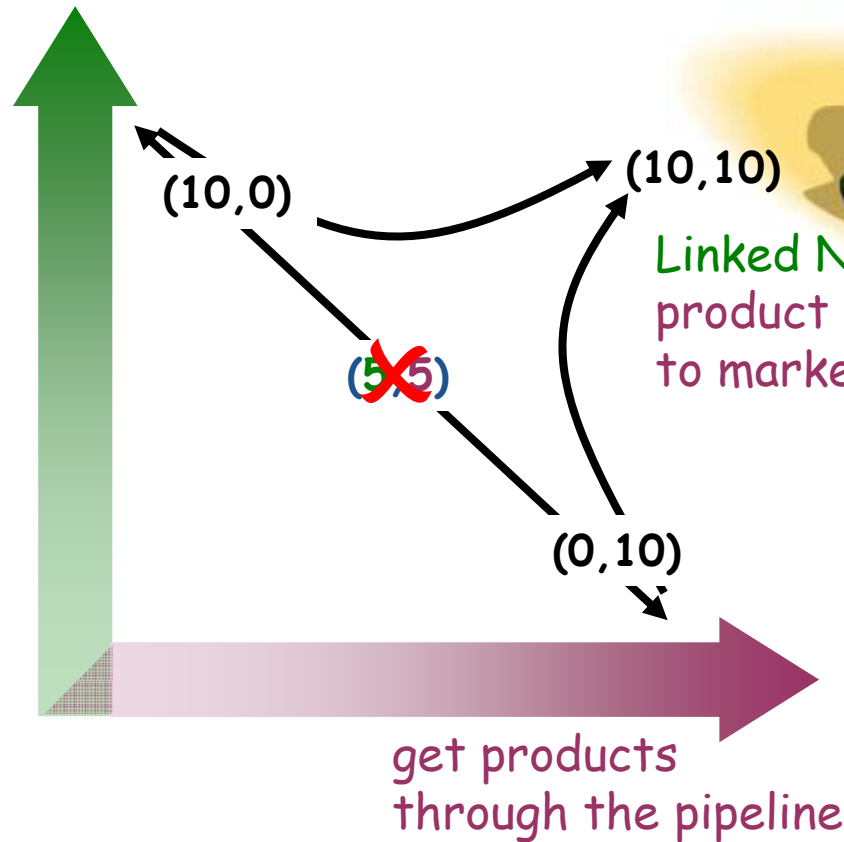
Science and the sausage factory





Science and the sausage factory

build scientific
understanding



Linked NPD and
product speed
to market

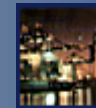


The 'idea'

*You can both be
heroes if you
work together to
achieve required
change*



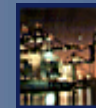
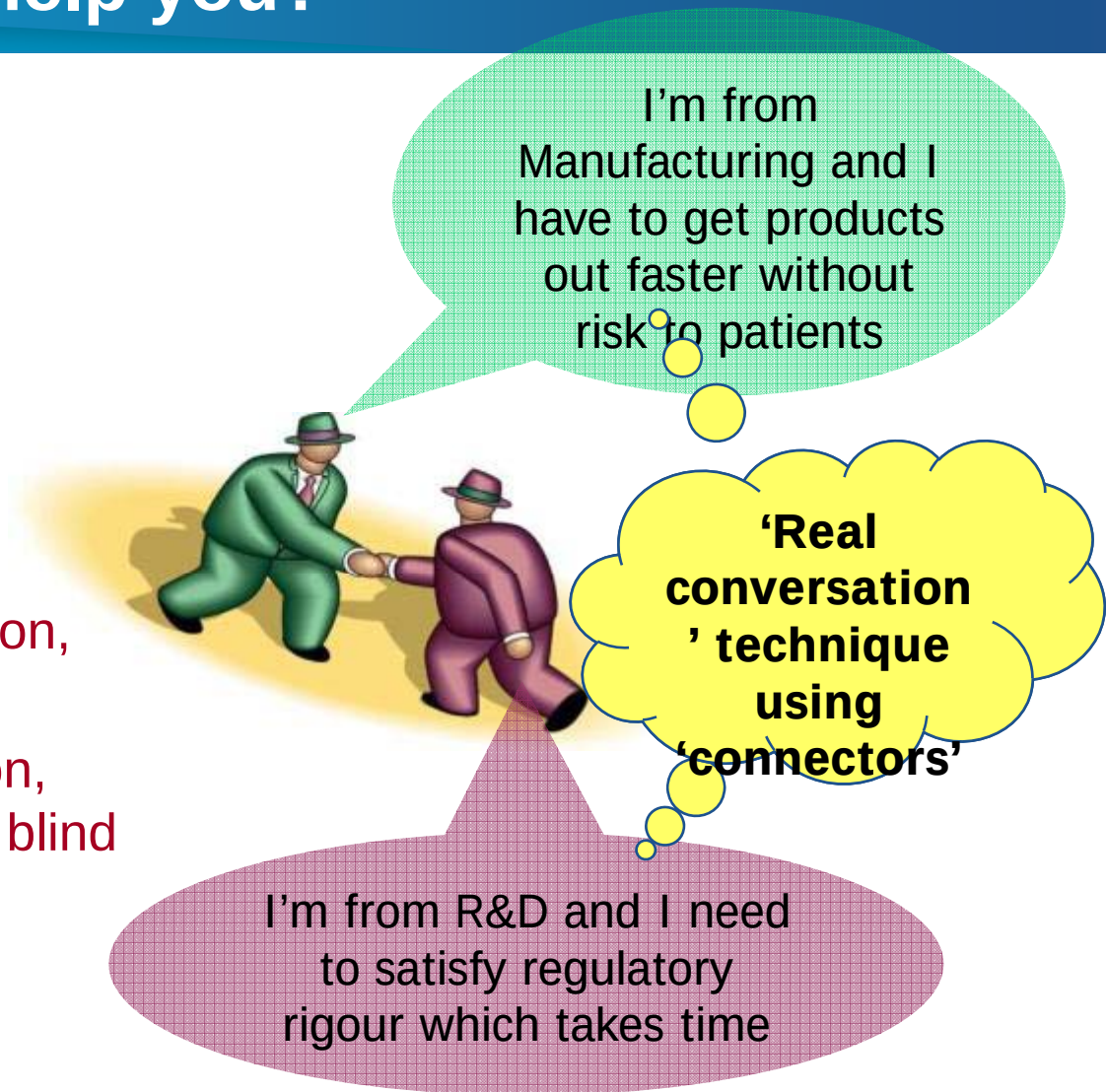
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“How can I help you?”

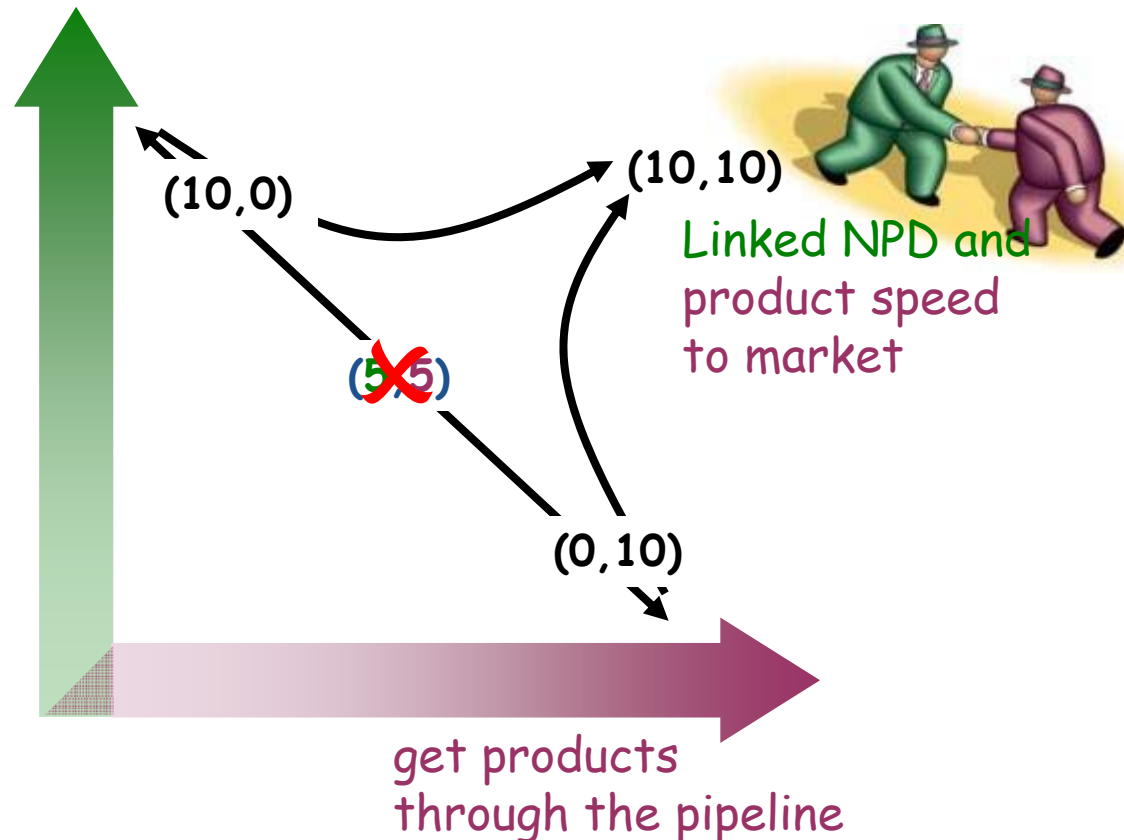
- “How can I help you?” behaviours
- Reconciled perspectives, not compromise
- Step change in benefits, not zero sum game
- Dialogue as default condition, not confrontation
- Open arena and exploration, not exploiting facades and blind spots
- Experienced it, liked it – so it worked





Science and the sausage factory - results

build scientific
understanding



Better product planning

Better process control

Aligned equipment and
calibration

Common compound
materials

In-process collaboration

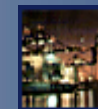
Fewer manufacturing
problems

Fewer regulatory filing
rejections

Better products to
market faster



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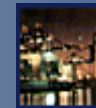
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Techniques and examples

4. Collaboration and 'real conversations'



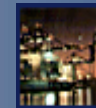
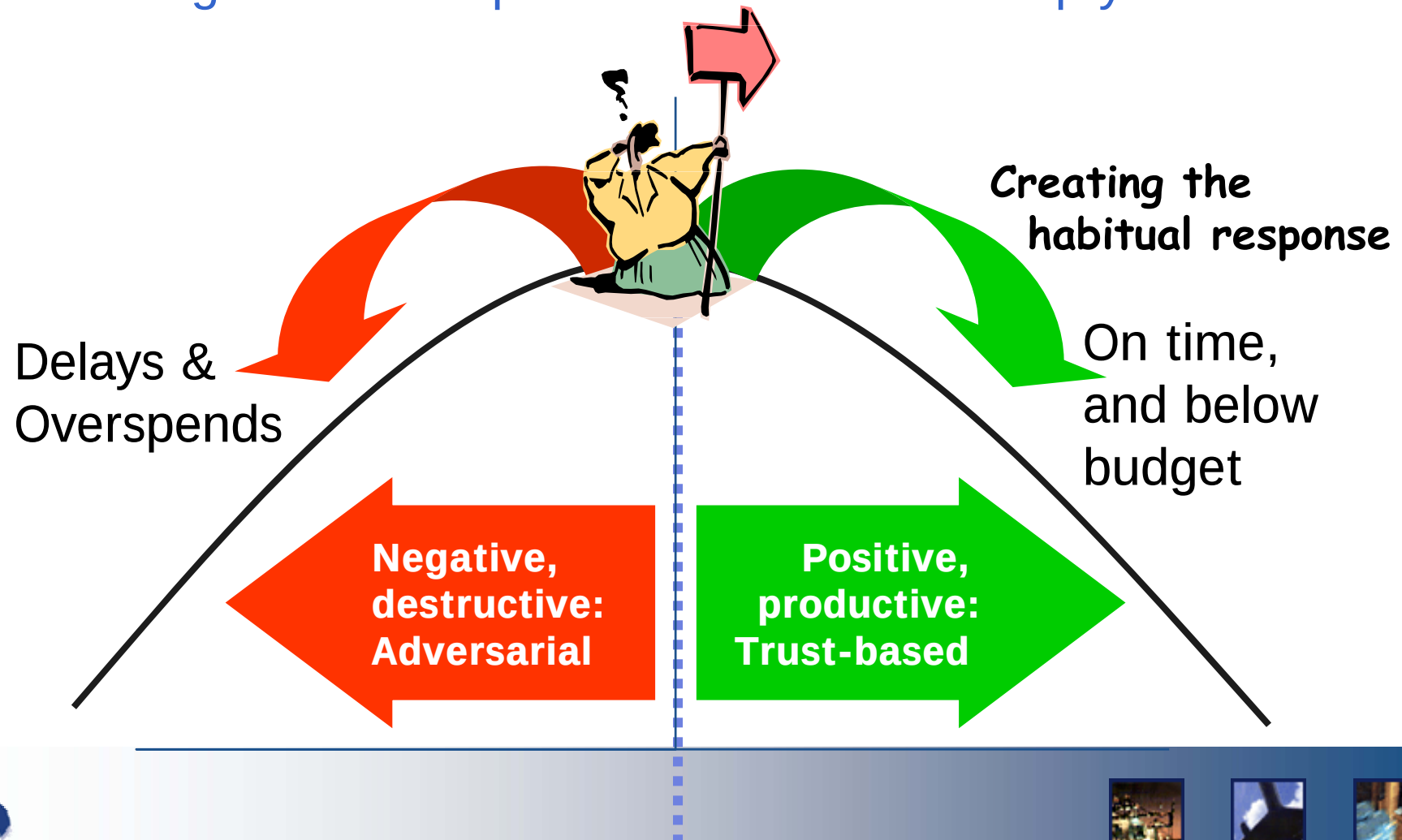
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Case example 4: Specialist construction projects

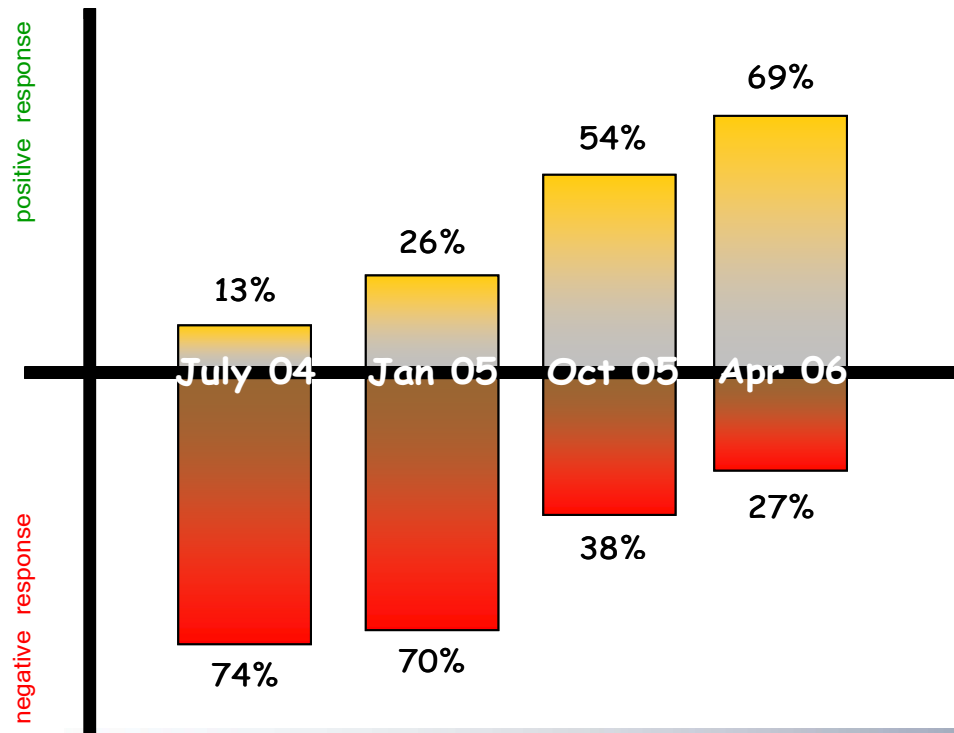
Achieving the default position... 'how can I help you?'





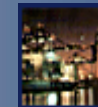
Case example 4: Specialist construction projects Achieving the default position... 'how can I help you?'

"to what extent are the partnering principles of trust, openness, honesty & commitment being followed?"



The real prizes were

- 15% saving on budget
- project in on time



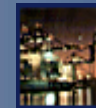


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Summary



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Logistics and Transport (UK)



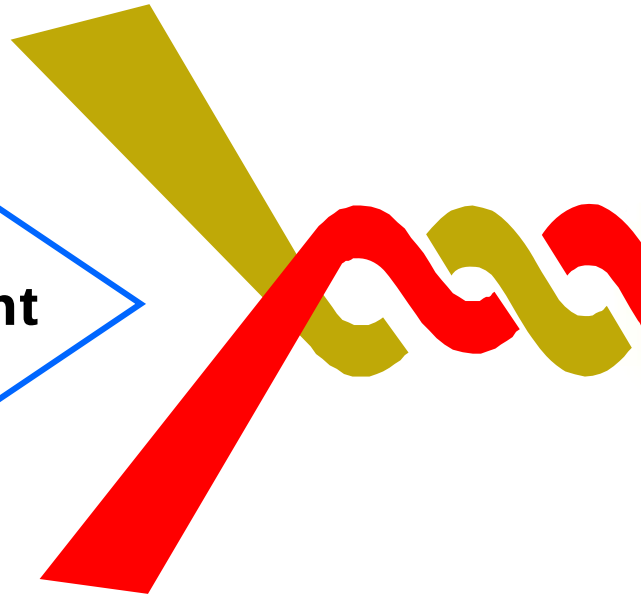


...we need to achieve ground breaking improvements in performance by creating...

1

...circumstances in which change and new ideas are embraced with infectious enthusiasm

...the 'virus'...
the tipping point
for change



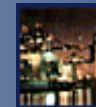
'contagious'
performance

2

...organisations where people habitually work better together



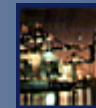
The Chartered Institute of
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So average projects become ground breaking projects...

- Simplify
- Clarify
- Find the 'tipping point idea'
- Find the 'virus carrier'
- ...and create a better reality

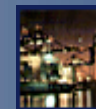


- 
- *“We never have the time to do it right at the right time, but we always find twice the time and budget to correct it later”*

– Retail Logistics Director

- *“...one in six UK managers fulfill the diagnostic criteria for anti-social personality disorder (psychopathic behaviour)”*

- Oxford Psychologists Press





The Realities of Managing Change

How to achieve barrier breaking results
through 'tipping point' change

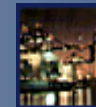
David Lucas



QUESTIONS & ANSWERS



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THE WORKS



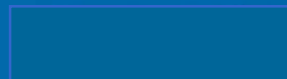
Case Study

Delivering a new WMS and 25%
productivity in just 12 Weeks !!

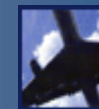
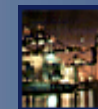
Roy Bridgland

*substituting for
Diane Smith*

Supply Chain Manager



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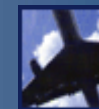
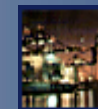


Introduction

- UK's largest value book and artists' materials retailer
 - 280 stores nationwide
 - 4 established brands – – – – – → 1 recently launched brand



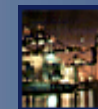
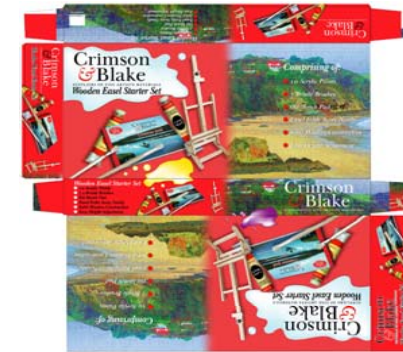
- T/O of £100 million, growing by 10% this year and 15% thereafter
- Proven business model demonstrated by strong financial results
 - Strong annual sales growth
 - High returns and profitability
 - Profits forecast to grow by 40%
- Exciting, simple and low risk rollout strategy to 400 stores and a potential of 600



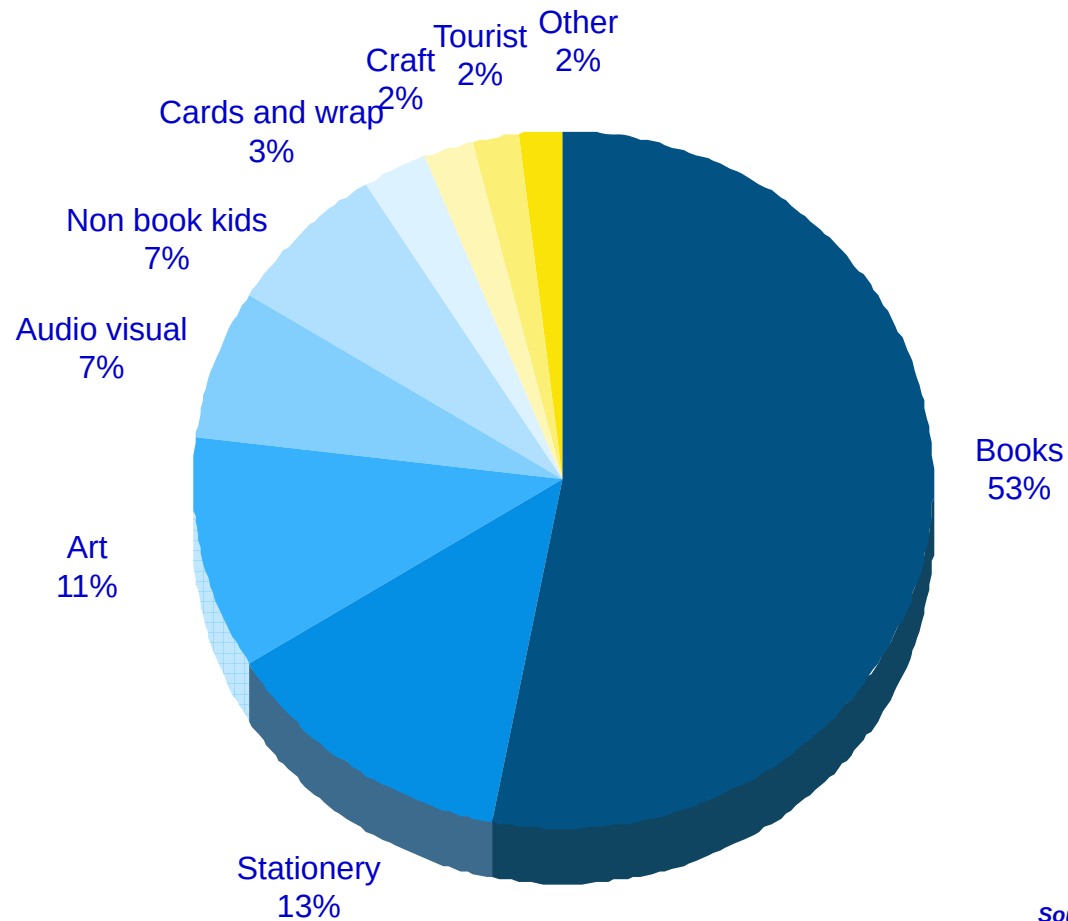


Product development

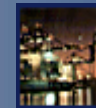
- Successful record of continued product development
 - seasonal products and promotions
 - successful establishment of new product lines
 - successful focus on development of core lines
- Creation of exclusive artist materials
- Create promotional and own branded books
- No reliance on any one supplier



Product mix (by turnover)

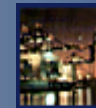
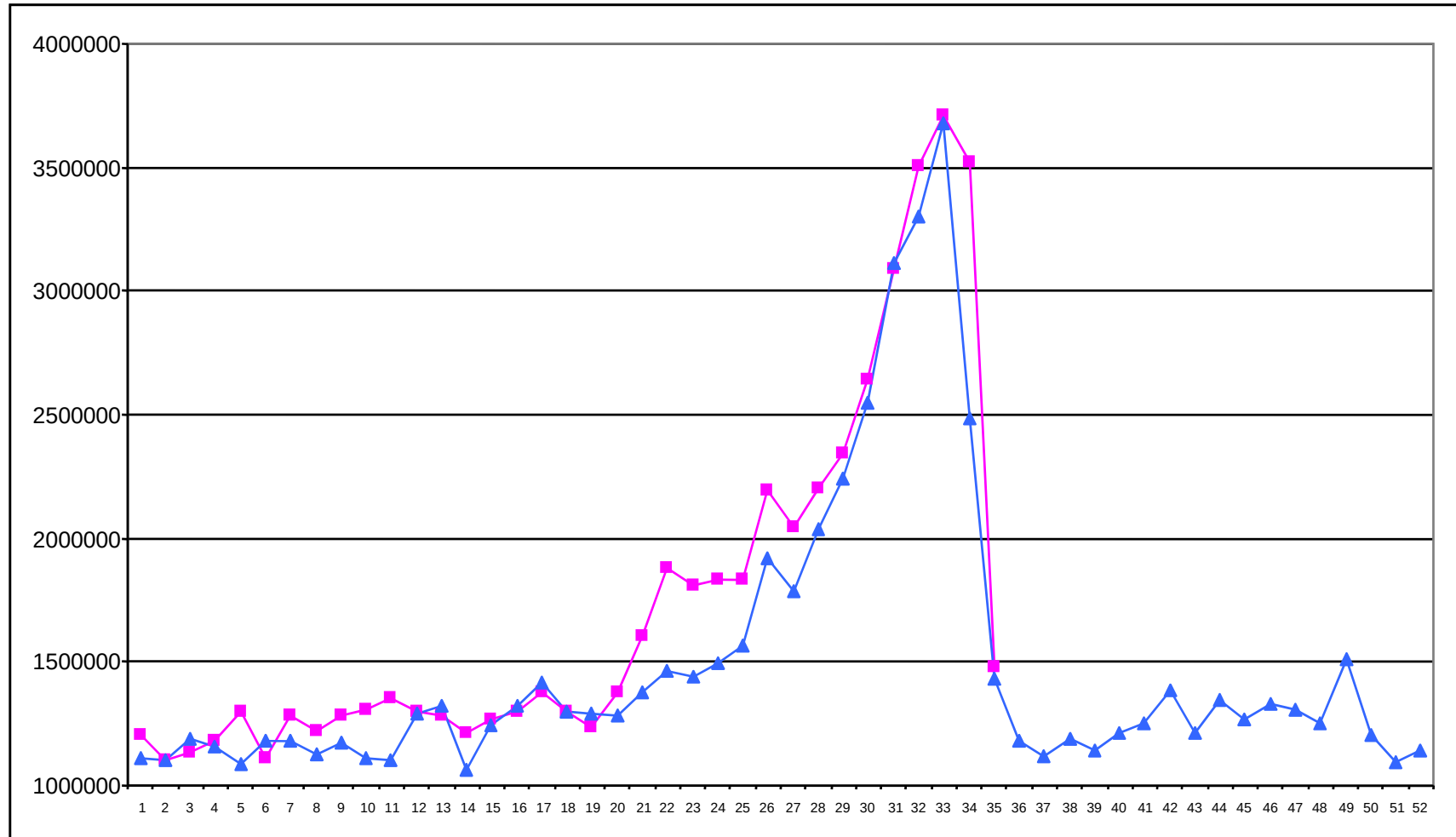


Source: Management accounts





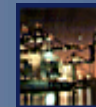
Weekly sales – A Distribution nightmare !!





Distribution Depot

- Centralised distribution
 - 100,000 sq ft purpose built facility
 - located in centre of country and motorway network
 - will support future growth
- Excess capacity
 - additional space
 - new warehouse management system
 - supply chain efficiencies
 - currently single shift
- Investment in efficiencies

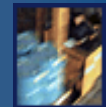
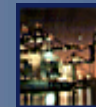




Investment in IT

Overall strategy is to move to packaged solutions, develop strong supplier partnerships and share in the future development of the Business. Focus on timely supply and integrity of data with robust management information systems .

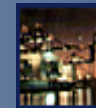
- Infrastructure
 - Broadband/Wireless technology
 - Store back office hardware
 - Disaster recovery / Redundancy
 - servers
 - Generator/UPS
- New developments
 - Supply chain – Buying and Merchandising system
 - EPOS/Promotions
 - Intranet / Business to business
- Web site
 - Potential £1m t/o within 2 years





Why did we embark on a new WMS

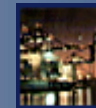
- Platform for the future
- Improvement in efficiency
- Service level to stores





Team makeup

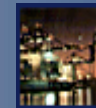
- All aspects of the business
- Senior management buy in
- External elements





Selection Process

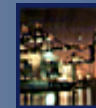
- RFI
- Evaluation
- Conference room pilot





How the project was managed

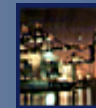
- **Communication**
- **Milestone**
- **Decision making**





Lessons learnt

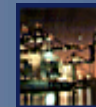
- Working partnership
- Approach to training
- Risk management





Go live

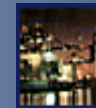
- Timescale
- Dry run
- Go live day





Improvements

- Improved picking efficiency
- Service level to stores
- Platform for the future





THE WORKS



Case Study

Delivering a new WMS and 25%
productivity in just 12 Weeks !!

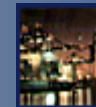
Diane Smith

Supply Chain Manager

QUESTIONS & ANSWERS



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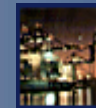




LUNCH



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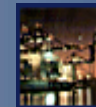


Effective Workforce Management

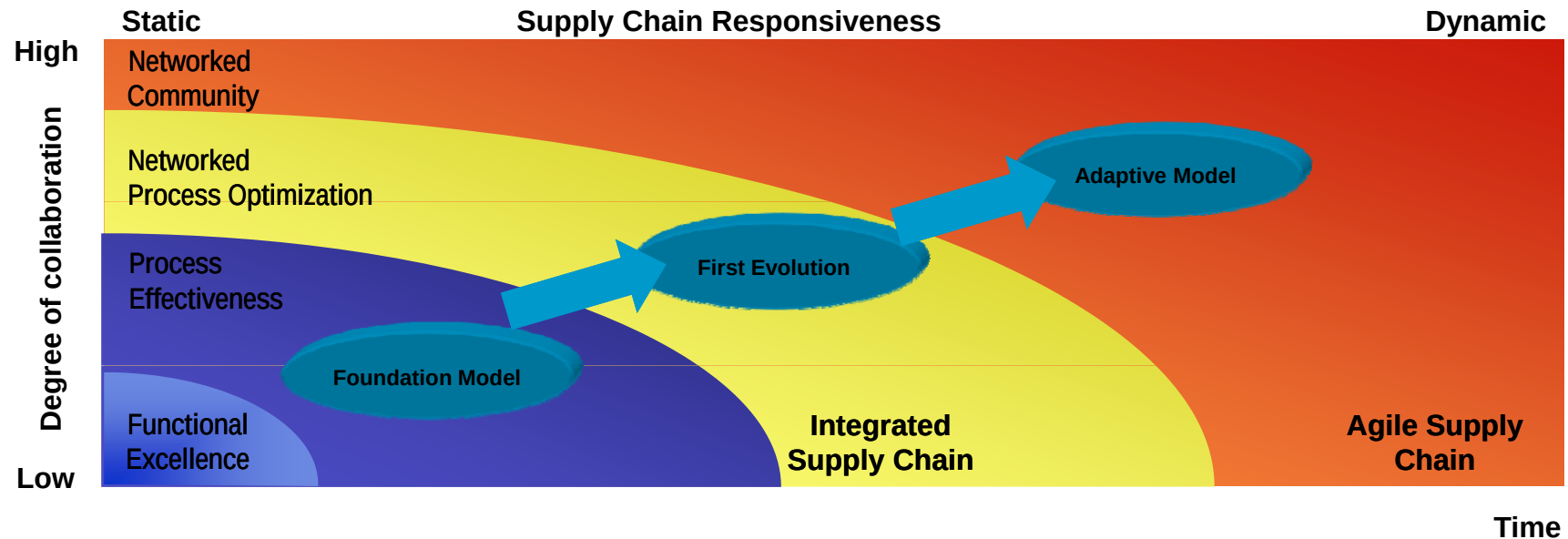
Simon Fahie
Executive Director



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Logistics and Transport (UK)

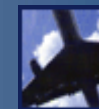
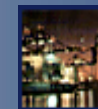


The evolving supply chain



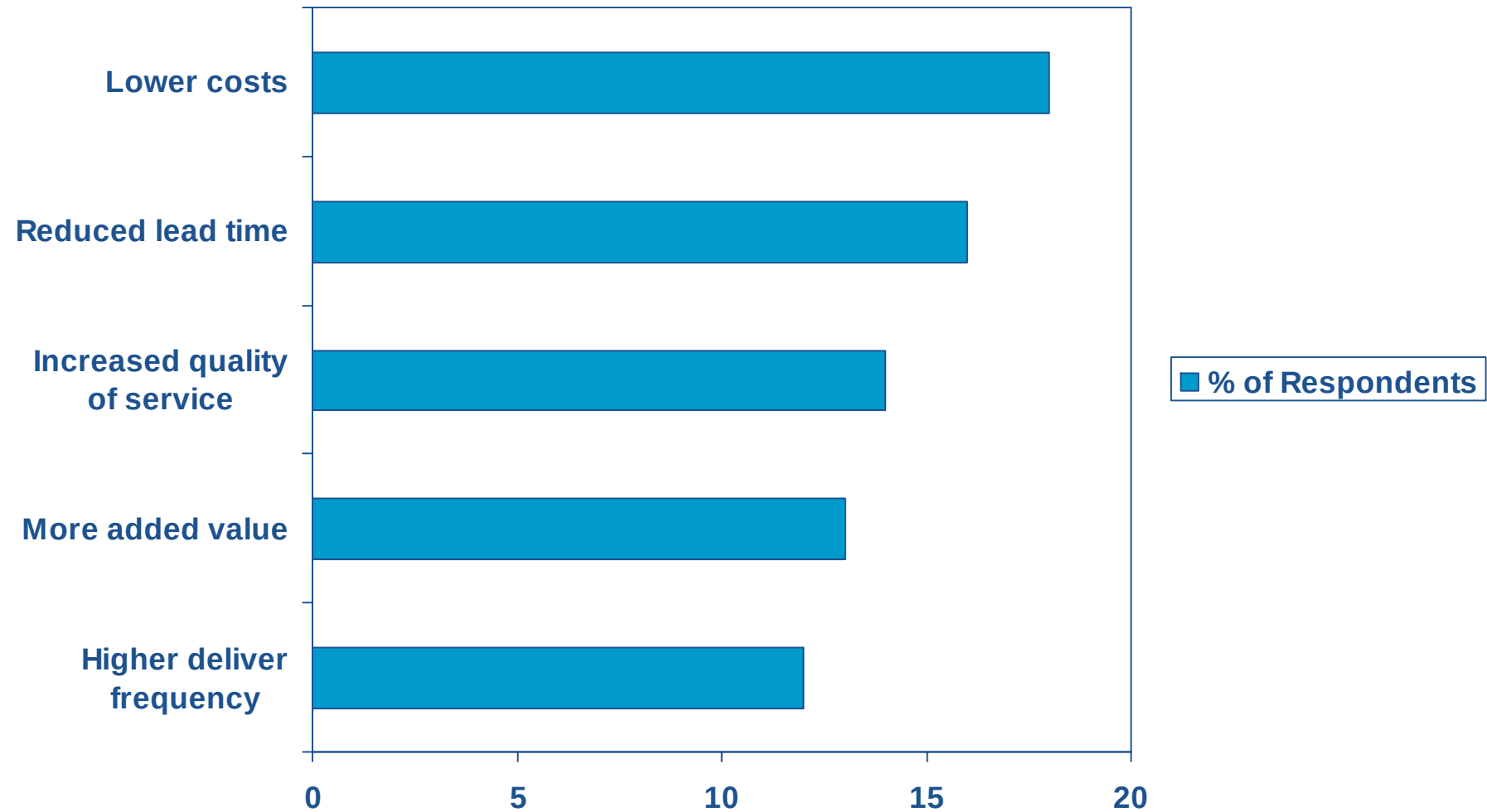
- Execute more smaller transactions
- Handle and store more items
- Provide more customisation & VAS
- Process more returns
- Handle more international orders

Source: Cap Gemini

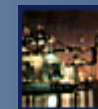




Top 5 expected changes to customer requirements in next 5 years

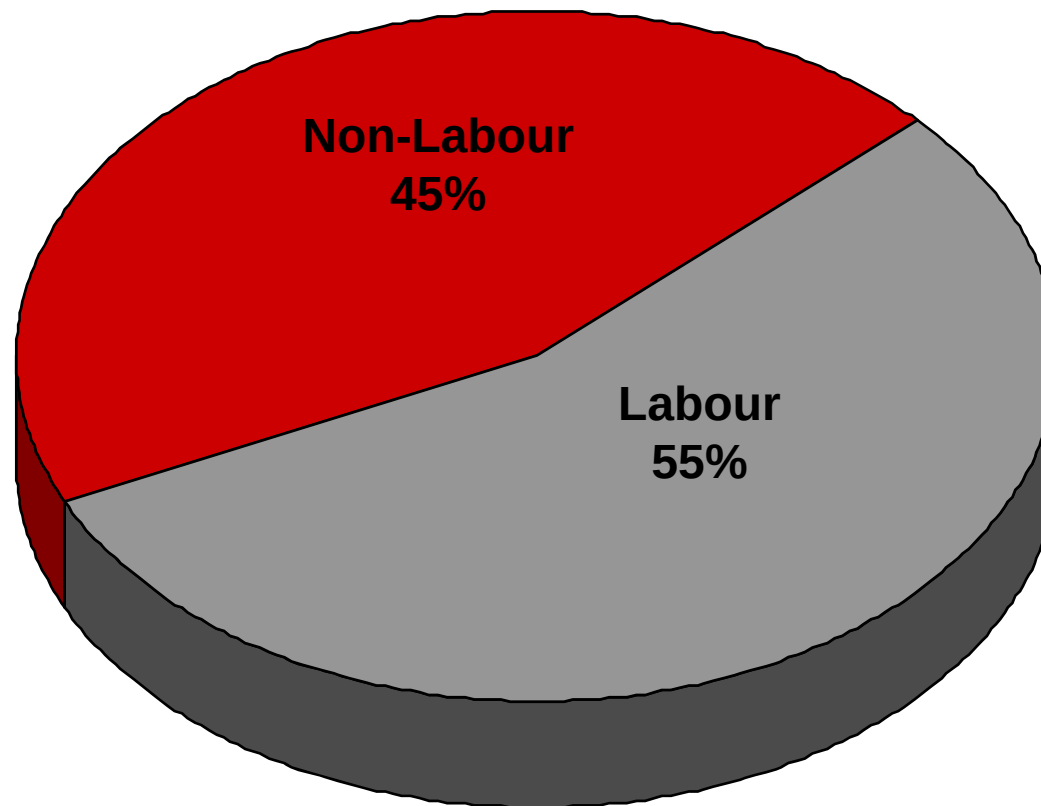


Source: European Logistics Association

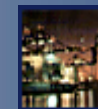




Why focus on workforce management?

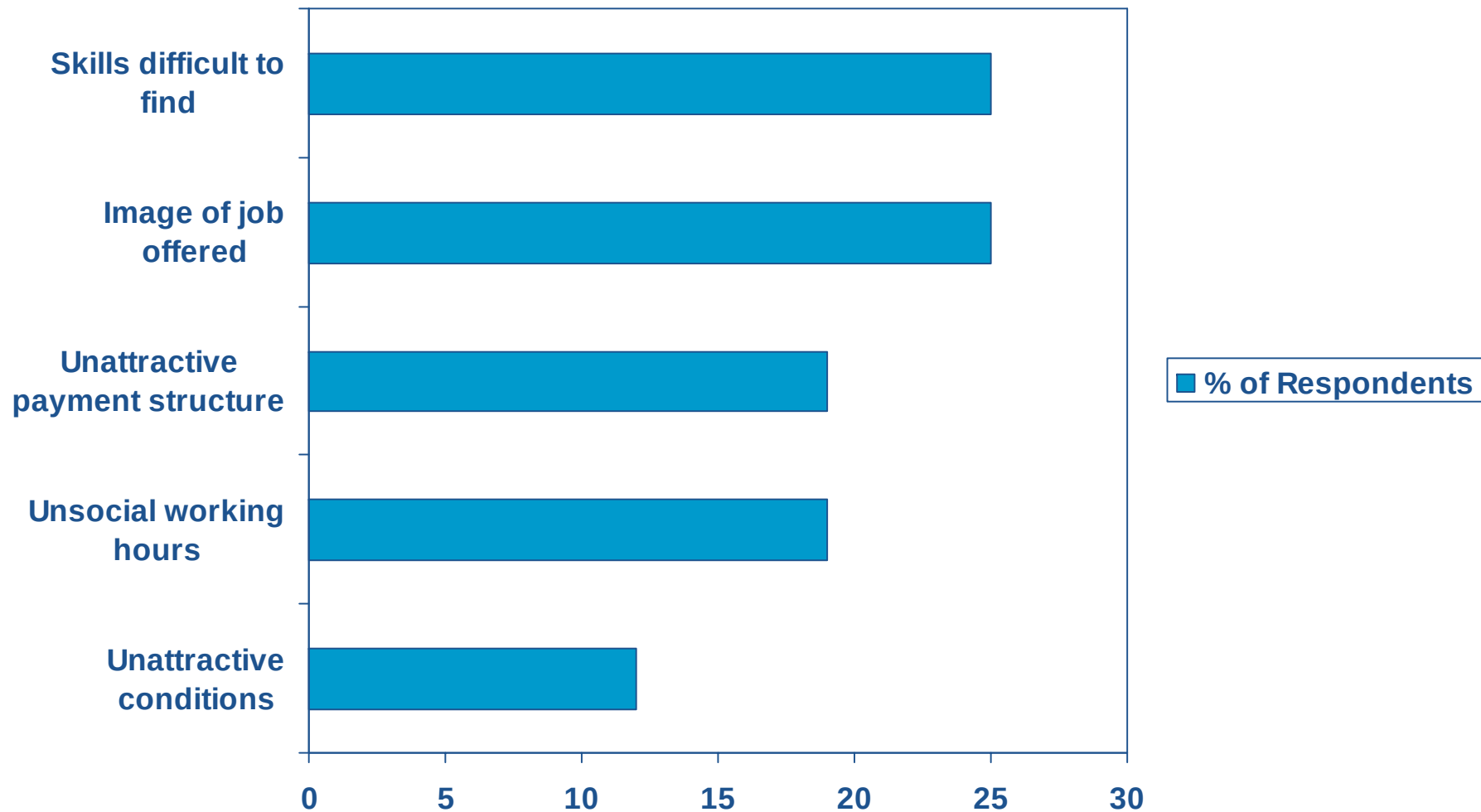


Typical Breakdown of DC Costs





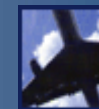
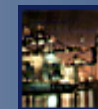
Why companies find it difficult to retain or attract staff



Source: European Logistics Association



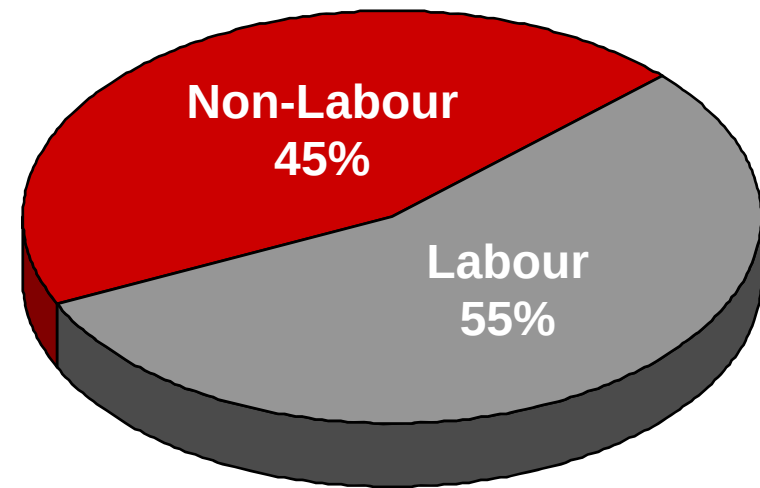
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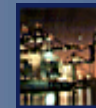


Why focus on workforce management?

- Increasing service demands
- Rising labour costs
- Shortage of quality staff
- Increasing staff expectations



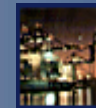
**Typical Breakdown
of DC Costs**





Warehouse v Workforce Management

- **Effective = Doing the right things**
- **Efficient = Doing the right things, right**





Warehouse Management – doing the right things . . .

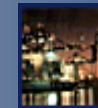
- Inventory placement
- Wave building
- Deadline control
- Pickface replenishment
- Door scheduling
- Kit building
- Counting
- Returns handling



...but not the right things, right

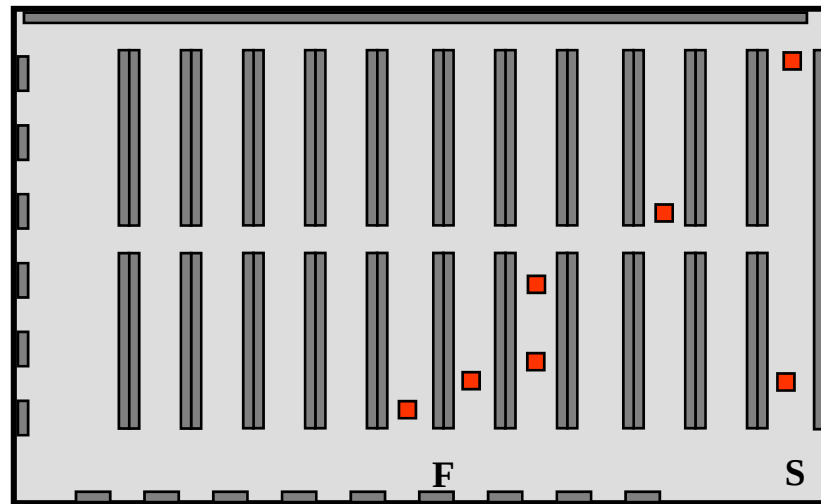


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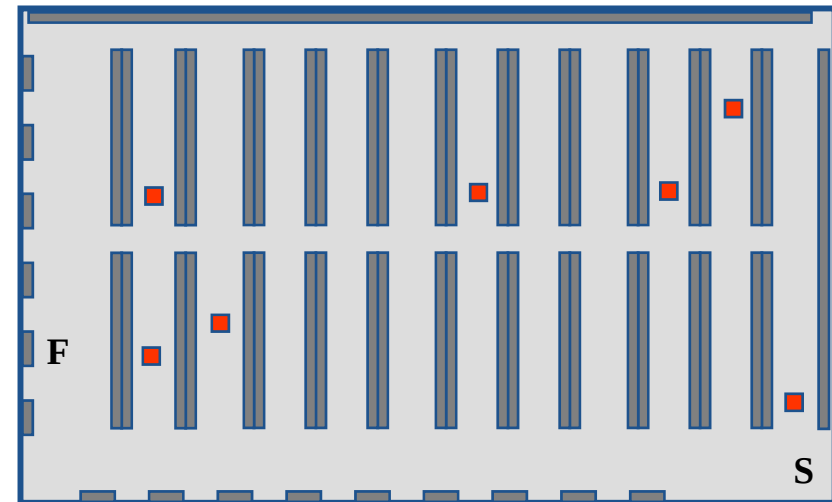




Warehouse Management – doing the right things . . .

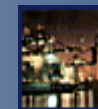


7 Items picked, 170m travelled



7 Items picked, 220m travelled

...but not the right things, right





Pick rate report to put strain on Asda

An independent report raising concerns about pick rates at an Asda depot could have far-reaching implications for the grocery distribution industry.

Last year, an independent ergonomics expert accessed Asda's Wigan depot to assess pick rates after the GMB union said it feared new voice picking technology was exposing workers to unsafe work rates.

It said too much strain was being placed on staff because Asda did not take the weight of items into account when setting increased picking targets after introducing the new system.

A draft report by the expert is being studied by

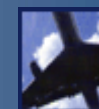
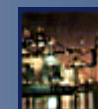


An Asda worker using the controversial voice headset

union health and safety experts before being handed over to Asda. "This report confirms there is an issue," GMB regional organiser Eddie Gaudie told The Grocer. "It's not just Asda that uses this technology so the report will have implications for the whole industry." The report would take months to digest because of this, he added.



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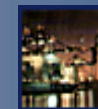


Doing the right things, right ?



- Poor pallet positioning
- Poor ergonomics

- Inefficient storage of steps
- Poor pallet positioning
- Poor ergonomics

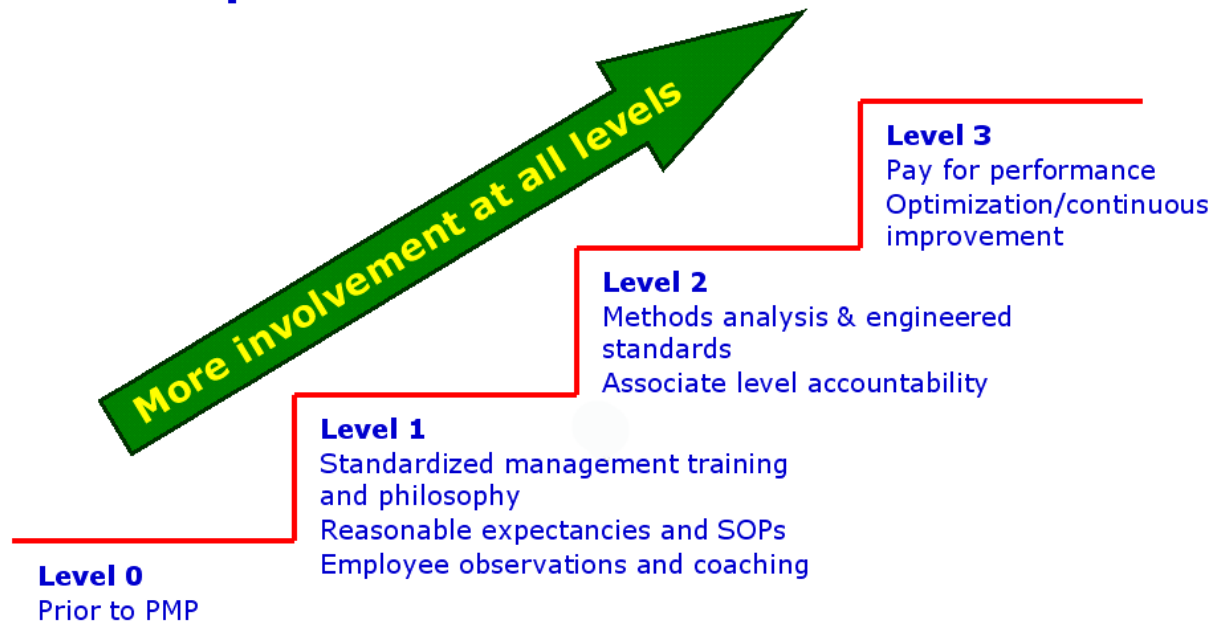




Doing the right things, right ?



PMP Implementation

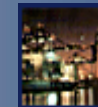


***However – PMP was not sustainable on its own –
tools were needed to measure individual performance***

creating new value in the supply chain



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Typical productivity results

60- 75%

Traditional Unit Per Hour Measures

75 - 90%

Goals, Standards and Feedback

95 - 100%

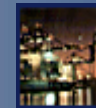
**Preferred Methods™ &
Discrete Standards**

110 - 120%

**Preferred Methods, Discrete
Standards with Incentives**



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Doing the right things, right – The Preferred Method



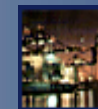
Effort	95%
Utilisation	85%
Skill	90%
Performance	73%

Potential Opportunities

- RDT receiving rather than PC receiving
- Use generic put away labels
- Eliminate writing PO, SKU and quantity for each line item
- Eliminate manual sheet for supplier performance
- Reduce re-handling and re-packing



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Doing the right things, right – The Preferred Method

Preferred Method – Put Away NA

Northampton 1

Preferred Method™ – Put Away NA

1. Equipment Type: Combie

YES

NO

(COMMENTS)

2. Ensure that the combie is properly engaged between the rail-guides before driving down the aisle. Inspect the aisle for overhanging pallets and cartons. Combie should face the P & D locations whilst in the aisle. For aisles 1 & 2, Combie should face away from the P & D locations whilst in the aisle.

YES

NO

(COMMENTS)

3. Create a list of pallets awaiting put away. Remove empty pallets from those locations and place to P & D. Combine empty pallets to a single stack and place to floor in front of P & D.

YES

NO

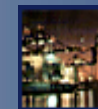
(COMMENTS)

4. Obtain a pallet from the P & D.

YES

NO

(COMMENTS)





A diagram showing a robot's path in a hallway. The hallway has a top wall, a bottom wall, and several rectangular obstacles arranged in two columns. The robot starts at the bottom left, moves right, then up, then right again, navigating around the obstacles. The path is marked by a series of black dots connected by lines, with arrows indicating the direction of movement. The path starts at the bottom left, moves right, then up, then right again, navigating around the obstacles. The path is marked by a series of black dots connected by lines, with arrows indicating the direction of movement.



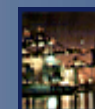


Supervision to facilitation

Summary Report By User and Job Code

Report Date: 03/03/2004 To Date 03/03/2004

Job Code	Perf %	Goal	Measured Direct	Measured Indirect	Unmeasured SignOn Direct	Unmeasured SignOn Indirect	Unmeasured Insert Direct	Unmeasured Insert Indirect	Pd Brk	Total	Unpd Brk	Count	Units	Unit Desc.	Units/Hr	Unm. %	Indirect %	Blended Cost
User: 0228 - Lindquist, Kevin																		
PUT A	53	0.03	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	1	1 Pallets		17	0	0	1.50
REPLEN B	104	1.78	1.71	0.00	0.00	0.00	0.00	0.00	0.00	1.71	0.00	33	33 Pallets		19	0	0	49.50
REPLEN C	95	3.35	3.51	0.00	0.00	0.00	0.00	0.00	0.00	3.51	0.00	72	71 Pallets		20	0	0	108.00
Subtotal: 0228 - Lindquist, Kevin	98	5.15	5.28	0.00	0.00	0.00	0.00	0.00	0.00	5.28	0.00	106	105		20	0	0	159.00
User: 0521 - Menke, Jeff																		
IMISC		0.00	0.00	0.00	0.00	0.35	0.00	0.00	0.00	0.35	0.00	3	0		0	100	100	19.50
PICK CASE	100	4.67	4.65	0.00	0.00	0.00	0.00	0.00	0.00	4.65	0.00	11	939 Cartons		202	0	0	71.50
PICK CONV	92	1.40	1.52	0.00	0.00	0.00	0.00	0.00	0.00	1.52	0.00	3	315 Cartons		207	0	0	19.50
PICK UNIT	120	0.42	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00	1	60 Units		171	0	0	6.50
Subtotal: 0521 - Menke, Jeff	100	6.49	6.52	0.00	0.00	0.35	0.00	0.00	0.00	6.87	0.00	18	1314		202	5	5	117.00
User: 9171 - Kirkland, Ken																		
IMISC		0.00	0.00	0.00	0.00	0.52	0.00	0.00	0.00	0.52	0.00	1	0		0	100	100	6.50
PICK CONV	93	4.40	4.75	0.00	0.00	0.00	0.00	0.00	0.00	4.75	0.00	10	814 Cartons		171	0	0	65.00
PICK UNIT	131	1.20	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.91	0.00	5	132 Units		145	0	0	32.50
Subtotal: 9171 - Kirkland, Ken	99	5.59	5.66	0.00	0.00	0.52	0.00	0.00	0.00	6.18	0.00	16	946		167	8	8	104.00
Grand Total:	99	17.24	17.46	0.00	0.00	0.87	0.00	0.00	0.00	18.33	0.00	140	2365		135	5	5	380.00



}

- Reporting of poor performers
- Highlighting of weak processes
- Measure of performance gap
- Structure for evaluation
- Identification of training needs
- Description of change required
- A fair basis for bonus payments



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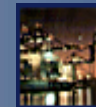




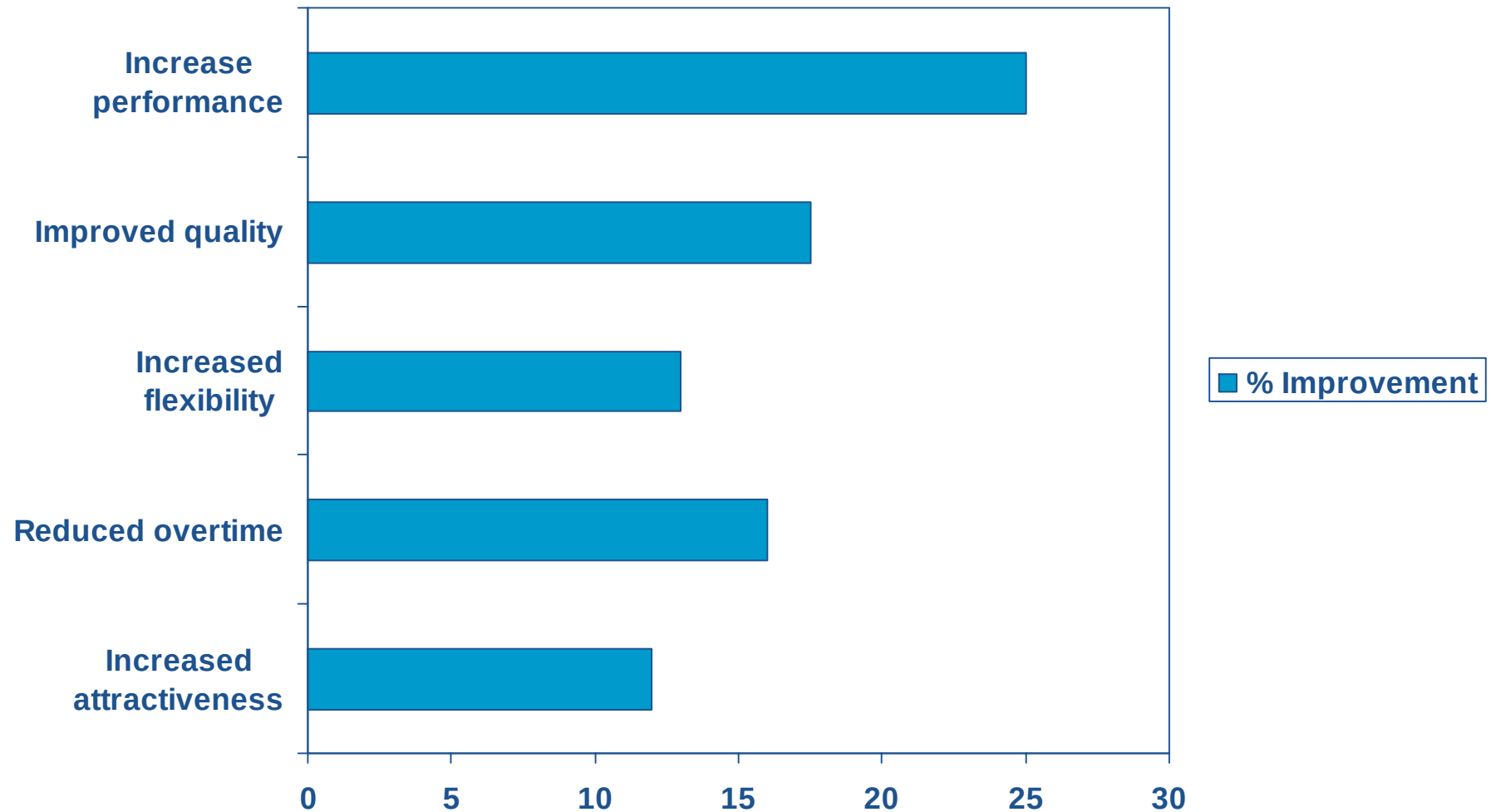
Supervision to facilitation

How We Manage the Workforce at Briggs

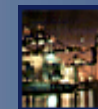
- **Old Style** = Follow Associates around and herd them back to work (not really knowing if they are being productive or not).
- **New Style** = *Associates are responsible for their own performance*; Problems surface very quickly and Facilitators are now 'problem solvers' rather than 'enforcers'.
- **End Result**; More productivity, yes, but now associates and facilitators work together to maximise efficiency.



What is the benefit ? – European Logistics Association



Source: European Logistics Association

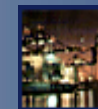




What is the benefit ? – Briggs & Stratton

The Bottom Line...

- **LMS has enabled improved productivity in the 25-30% range across both operations;**
 - This is real, tangible monetary savings now and in the future -- We can now operate with fewer headcount and greater velocity through the DC
 - LMS greatly enhances our visibility to labour cost and time metrics; Continuous Improvement initiatives are now visible at the bottom line level
 - Culture change has enabled a win/win environment focused on the things that matter most to our business and to our customers





What is the benefit ? – Exel (DHL)

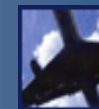
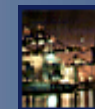


Results

- Proven results at each implementation across industries (Consumer and Automotive)
- Site 1 has been live for over 1 year.
- Site 2 – 5 have been live between 0 and 6 months.
- Savings continue to ramp
- Ready to implement Pay for Performance

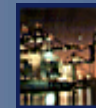
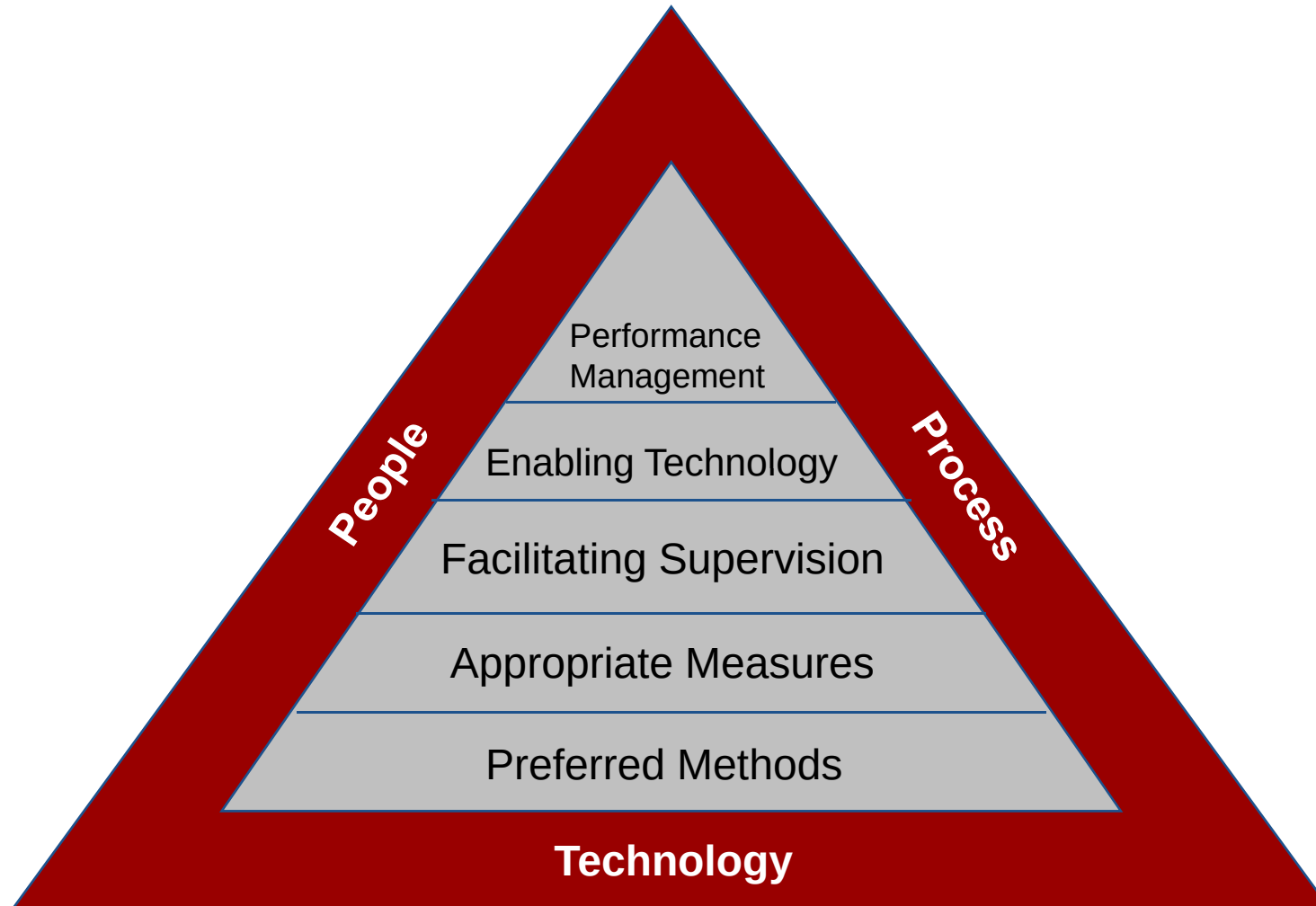
Completed Sites	Current Performance vs. Standard - Var(%)	Cases per Hour vs. Baseline	Cases per Direct Labor Hour vs. Baseline	Cost Per Pallet vs. Baseline	Core Labor to Sales vs. Baseline
Site 1	6%	17.5%	17.3%	NA	-5.4%
Site 2	-16%	2.4%	1.7%	-12.0%	-8.4%
Site 3	-25%	6.8%	20.1%	5.1%	-1.2%
Site 4	-26%	4.0%	5.0%	NA	-9.7%
Site 5	-19%	12.1%	15.5%	-7.1%	-8.9%
Total	-16%	8.6%	11.9%	-4.7%	-6.7%

creating new value in the supply chain





Summary





Effective Workforce Management

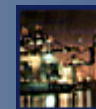
Simon Fahie



QUESTIONS & ANSWERS



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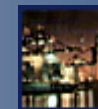
Warehouse Management Systems Forum

Training

Graham Gittins
Operations Director

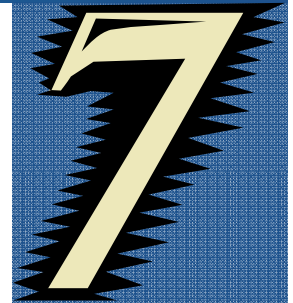


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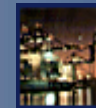




7 Minutes to do

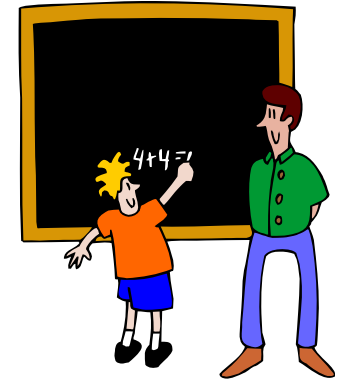


- What - Subject
- When & for how long - Time
- Who & What - Resource
- Where & with What – Environment
- Why – Objectives & Qualification
- How – to get the message across



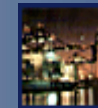


Subjects



Business Requirements

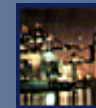
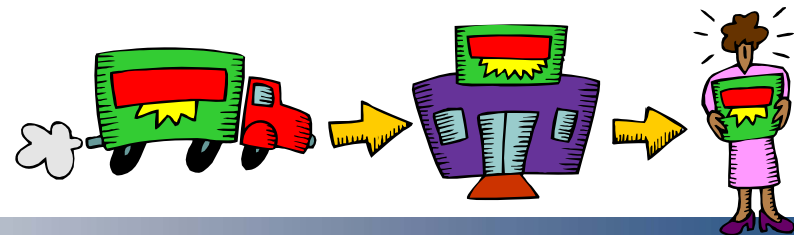
- Standards
 - Data Synchronisation, Materials Handling Equipment, Storage type, Logistics medium
- Technology
 - Radio : Barcode, Voice , RF Tag





Business Process

- Do you know your business ?
 - If Not:
 - How do you know **WHAT** to train?
 - How do you know **WHO** to train?
 - If Yes:
 - Are they documented?
 - Will the Processes change with the System?
 - **WHO** will define?
 - **WHEN** will it be defined?

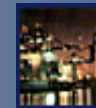




Time



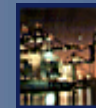
- **How Long?**
 - Longer than you think !
- **Process Change Management**
 - Before : Strategic
 - During : Reactive / Opportunistic
 - After : Increased Risk / Disruptive
- **Training sessions**
 - How Many? – More than you think !
 - Session length?





Resource

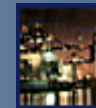
- **Who with what....**
 - Trainers to train others
 - Process Owners
 - Strategic thinkers
 - Training Rooms or “On the Job”
 - Training Software & Hardware





Environment

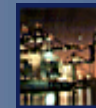
- **How best to learn for you ?**
 - Class Room: Lecture, Hands On, Workshop
 - On The Job: In Hours or After Hours
- **Relaxed atmosphere**
- **Achievable session targets**
- **Don't forget the day job, but focus on the training**
(Mobile phones and interruptions)





Qualification

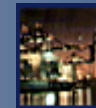
- How do you know when you know what you need to know ?
- Re-enforce what you know by doing it
- Internal or supplier certification
- Review - Keep it up to Date
- Are assumptions still true





Summary

- **Scope**
 - what subject and level are you going to train
- **Empower**
 - give the candidate the knowledge to help themselves and others.
- **Educate**
 - make the trainees understand
Why, **How**, **When**, **Where** etc
- **Enforce**
 - evidence and support that the training has been successful



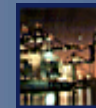


One line to think about

***Don't underestimate the
effort required or the
confusion that's created
with unclear business processes***



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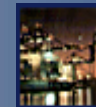


Thank You

Graham Gittins



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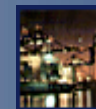


Training (Voice Directed Systems)

Peter Roberts
Var Manager



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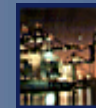




Methodology

Our training is split into 3 sections:

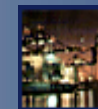
- Administrator training - where we show shift Admin people how to use VoiceMan.
- Super User training - where we show shift Supervisors or the site trainers how to set up users, train them effectively and how to generally maintain the system.
- User training - where we show Users how to use a Talkman and navigate through the task and we supervise the first run of the sites Super Users (trainers) training Users.





Training, the obvious ?

- Get staff on your side
- Take time to explain to your staff
- Take time to listen to your staff
- Don't rely on someone else
- Your voice supplier is the expert
- Privacy



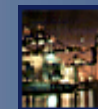


Voice Recognition

The most important part of our training is when we train Voice console to recognise a persons voice

Words first

Numbers second





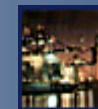
What happens after?

When we leave site – what happens?

Leave prompts

Large posters

Contact names and numbers



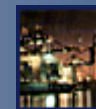


Thank You

Peter Roberts



QUESTIONS & ANSWERS





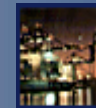
WMS Conference 21st March 2007

Summing Up

Mike Dymond



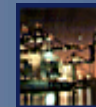
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What has today been about?

Getting the best out of your WMS investment





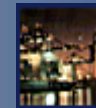
Great Expectations? Or Bleak House

**A final opportunity
for debate**

Panel Discussion



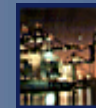
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Our thanks to today's speakers

- Simon Reynish
- David Lucas
- Roy Bridgland - Diane Smith
- Simon Fahie
- Peter Roberts
- Graham Gittins

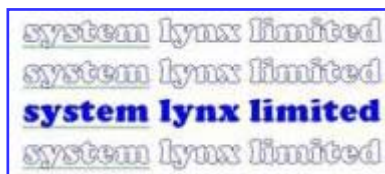




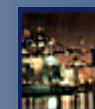
Our thanks to the exhibitors for their continued support of our events



Davies & Robson



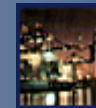
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Raffle Prize Winners



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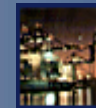


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