

Material Handling Digest

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The latest news from QC Software



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Announcing Our New Website

QC Software is pleased to announce the release of our new and improved website. Our site has been redesigned with a whole new look. You will find it is user-friendly and has a comprehensive learning center dedicated to our products and services. Additionally, our site provides information that helps you determine if a Warehouse Control System (WCS) is the right application for your materials handling and supply chain needs. We invite you to take a look at <http://www.qcsoftware.com> and let us know what you think.

Message from the President

I'm often asked how a business can survive and hopefully thrive in these challenging economic times. The answer is to stick to the basics and apply the same sound business practices that have worked in the past. Provide a good product, develop innovative solutions, and offer excellent support to the customer. Without the first two items you would not be in business.

But what can distinguish one company from another is the service they provide. First, make sure you understand the customer's needs. Then review your customer service policy and practices to see where improvements can be made. Do customers understand your policies? If not, or if they have changed, be sure to review these policies with them to minimize misunderstandings. Review current and past customer issues to find out how long it takes to resolve them and see if they can be proactively handled. Finally, be sure to communicate problems to the customer as soon as possible. Customers appreciate the heads up and have more time to plan for delays.

You may never eliminate customer complaints, but you do want to minimize them and make sure your customers are satisfied so they will continue to buy from you in the future.

8 Key Ways to Reduce Transportation Costs



Fun Fact

In 1769, French engineer and mechanic Nicolas Joseph Cugnot invented the first self-propelled road vehicle. It was a military tractor powered by a steam engine and hauled artillery at a speed of 2.5 mph.

How Smart Are You?

- 1) Who won the 1969 World Series?
- 2) Who was President Eisenhower's vice president?
- 3) How many pieces are there on a chessboard?

The answers will be published in the next newsletter.

- 1) **Review all records to find hidden costs** - Do a comprehensive review to identify freight costs for all domestic and international moves and all transportation methods. When there are multiple suppliers and trading partners, you may not have all the information readily available.
- 2) **Have a qualified consultant perform a freight audit** - An independent review can help you find additional ways to save on transportation costs that you may have overlooked.
- 3) **Evaluate freight costs using analytics** - Understand where, how and when costs are incurred. Assess carrier selection to find more cost-effective solutions. Evaluate service requirements to maintain proper service levels. Make sure to look at all the factors that influence freight costs including routings, shipments, volumes, mode selection, traffic lanes, transit times, etc.
- 4) **Reduce handling and touches** - Lowering the number of touches means lower shipping costs. Streamline your operation and apply best practices to more accurately and efficiently pick, pack and ship your product.
- 5) **Manage your freight program using best practices** - Review the planning, procurement and management processes to identify and adapt best practices.
- 6) **Analyze packaging materials used in your industry** - For many companies, cardboard containers are considered adequate. But in the automotive industry, for example, light, durable and reusable containers made of plastic or steel have been found to be more cost effective.
- 7) **Use carton optimization software** - Utilize software that determines the optimum container size for the amount and type of product to be shipped. Carton optimization can significantly reduce dunnage, material and shipping costs.
- 8) **Join a freight consortium** - This can help you maximize your savings.

QC Software's Green Initiative

Everyone is talking about the green initiative. You can hardly open a newspaper, or turn on the television or radio without hearing about sustainability – minimizing our impact on the environment and conserving our resources for future generations (Green Initiative #1). But it is more than a buzz word. The rising costs of energy, materials, labor, and equipment mean that companies must find ways to become more efficient and save their “green” to stay in business (Green Initiative#2). As companies implement various green solutions, they are realizing several benefits including enhanced customer satisfaction, faster turn-around times, and lower operating costs.

As an innovative and forward thinking company, QC Software takes pride in proactively identifying and implementing green business practices. We help each customer optimize their resources and energy use by providing the tools used to carefully plan the material handling process from start to finish. By maximizing throughput and reducing costly errors, material/labor costs, and inventory loss, our customers have significantly minimized waste and improved the efficiency and profitability of their operations. This is a win-win situation for both the company and the environment!

Some ways QC Software applications help customers with their green initiative:

- **Order Management Software** – our cartonization functionality provides customers with the most efficient packaging solutions for the amount and type of product to be shipped. This results in less dunnage and fewer packages shipped.
- **Inventory Management Software** – allows customers to more accurately plan and manage inventory, thereby optimizing inventory levels and space utilization and reducing inventory loss.

Our customer, USANA Health Sciences, realized their order fulfillment process was inefficient. They were packing small orders in larger boxes because the conveyor was not designed to accommodate smaller packaging. The alternative was for employees to manually re-pack these small orders, which was time consuming and inefficient. QC Software developed a new process for orders that met a defined set of criteria (SKU mix, order size, etc.). These orders were separated from the “regular” order pool and then processed on a dedicated line that was designed for smaller, non-conveyable packaging. The result was improved customer satisfaction and a lower cost per order by reducing dunnage, material costs, and shipping costs. Since the start of 2008, USANA has recycled 160 tons of corrugated cardboard and 13 tons of plastic wrap as a result of its green initiatives.



Fun Fact

Earth Day was founded in 1970 by Gailord Nelson, Wisconsin Senator and environmental activist.

Comments and Suggestions

We are committed to improving the industry and believe we can all learn from each other. If you have any suggestions, comments or questions, we would love to hear from you. You may email us at info@qcsoftware.com