

# Warehouse Management News

August 2010

*The latest news from QC Software*



## Message from the President

The Gulf oil spill reminded me of a safety seminar I attended some years ago. The speaker was someone who worked with hazardous materials and did not completely follow safety procedures one day because he was behind schedule. This resulted in a fire where he received burns over 50% of his body. He discussed his slow recovery, the multiple operations and pain he endured. Citing statistics, he told us that most accidents happen because people are negligent. It was a powerful message.

Everyone must make a continuous effort to maintain a safe work environment. Since a warehouse is dynamic, you should frequently analyze and revise safety procedures and standard operating procedures. Be sure to review them with all managers, employees, and contractors. Procedures that worked last month may be outdated today. Problems or potential problems need to be addressed as soon as possible.

Government records indicate accidents in the private sector have been declining. While this is good news, the Gulf oil spill is a reminder that we must make safety our first priority each and every day. Lives are depending on it. Complacency is not an option.

Rich Hite  
President

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### Affiliations:



## Common Slotting Mistakes

### Need More Info?

For more information on our products, visit our website: [www.qcsoftware.com](http://www.qcsoftware.com)

When you are ready to talk about your application: <http://www.qcsoftware.com/products/apply.html>

Slotting is a balancing act. You have to delicately juggle a number of balls to make sure inventory is placed in the most effective position. This includes the size, type and weight of each SKU, picking frequency, order commonality (items picked together are usually stored together), ergonomics, storage media, special storage requirements (for hazardous materials or food), picking technology, storage layout, shelf life, etc. You should re-evaluate your slotting practices when business needs change, such as the addition of new inventory, seasonal changes, or a rapid growth period.

Since effective slotting will improve throughput and order accuracy, reduce inventory damage, enhance space utilization and lower costs, it would be a good idea to review some common mistakes to avoid:

- 1) Failure to classify inventory as fast, normal or slow moving.
- 2) Inaccurate/incomplete data.
- 3) Failure to balance fast moving SKUs over several aisles to avoid congestion.
- 4) Failure to consider seasonal fluctuations or peak periods.
- 5) Improper storage medium.
- 6) Inadequate storage.
- 7) Improper pick zone design.
- 8) Inability to accommodate changing SKUs or space needs.
- 9) Failure to conduct a slotting analysis on a regular basis.

### Fun Fact

Before rubber was used, people actually used pieces of bread to erase pencil marks.

To facilitate the process, QC Software offers a flexible slotting application as a value-added service. You can quickly configure storage locations based on any number of SKU or location attributes. This allows you to accurately determine the best solution as changes occur. In addition, you can easily identify potential problems with our enhanced graphics. Our slotting application is a dynamic management tool designed to give you complete control of your facility.

Data		Graphic		Stats						
ZoneId	aisle	tier	Bay01	Bay02	Bay03	Bay04	Bay05	Bay06	E	
RACK.1H	8	6	C	C						
RACK.1I	9	1	C	C	C	C	C	C		
RACK.1I	9	2	C	C	C					
RACK.1I	9	3	C	C	C	C	C	C		
RACK.1I	9	4	C	C	C	C	C	C		
RACK.1I	9	5	C	C	C	C	C	C		
RACK.1I	9	6	C	C	C	C	C			
RACK.1J	10	1	A	A	A	A	A	B		
RACK.1J	10	2	A	A	A	A	A	B		

## Material Handling Trends

### How Smart Are You?

- 1) What was the first alcoholic drink developed by ancient civilizations?
- 2) What is the hardest part of the human body?
- 3) What major league baseball team holds the record for the most home runs in a game?

The answers will be published in the next newsletter.

#### Answers (May 2010 issue):

What is the largest breed of dog? **Irish Wolfhound**

What is the name of Pluto's moon? **Charon**

What year did Congress first impose a tax on personal income? **1861**

According to recent surveys taken by industry professionals, manufacturing and warehousing companies are more optimistic about the economy. Compared to 2008, more companies are planning to invest in material handling technology in the next few years in an effort to become more efficient and competitive. Specifically, they are interested in RFID, automated storage, and bar code scanners. As for information technology, companies are emphasizing warehouse control systems to manage their equipment. Managers believe there will be fewer jobs as automation increases.

Since sales have decreased in the past few years, it is not surprising that companies are focused on continuous improvement, productivity, cost containment and faster return on investment. Companies are evaluating their resources to improve throughput. To facilitate the movement of product, companies are emphasizing collaboration with trading partners, which means an increase in cross docking.

Managers are concerned about security issues regarding records and data, probably because more information is shared with supply chain partners. Warehouses, distribution centers and manufacturing plants are now operating at a lower capacity, though this will change as orders increase. As for sustainability, companies will continue to recycle. Many companies also plan to find out if solar panels are feasible, probably due to incentives and new regulations.

By most indications, the economy will continue to improve at a slower pace. An upward trend is certainly good news. So is the optimism.

### ECONOMISTS PREDICT THE FOLLOWING TRENDS FOR THE NEXT DECADE:

- The global population will be younger and more educated.
- Consumer demand will focus on variety, convenience, quality and affordability.
- Automation will increase, resulting in greater productivity with less people.
- Companies will continue to merge and consolidate to remain competitive.
- Manufacturing will be more globalized in an effort to reduce expenses.
- Outsourcing of services will continue to be important to cut costs.
- Companies will need educated employees to manage more sophisticated equipment.
- Electronic commerce will increase.
- Companies will continue green initiatives due to government incentives.

## Featured Partner: Lightning Pick Technologies

Strategic partnerships are important to the success of our company. We have established key partnerships with leading integrators, material handling equipment and technology providers, and others to provide the best solutions for our customers. We choose these companies because of their proven technologies and strong commitment to the industry.

Our partnership with Lightning Pick Technologies has been advantageous for both our company and our customers. Lightning Pick's advanced picking technologies enhance our applications and provide additional cutting-edge solutions in order fulfillment. When used in conjunction with our Order Management System, customers have reported an average order accuracy rate of 99% and up to a 40% increase in productivity.

Lightning Pick Technologies has over 25 years of experience. Their products are fast, accurate, user friendly and work well with most picking techniques. Since their applications are configurable, customers have adapted these systems when floor layouts change, new equipment is installed, or new products are introduced. Lightning Pick's products include Pick to Light, Put to Light, Pack to Light, RF Picking, Voice-Directed Picking and Cart-based Systems.

Rich Hite, President of QC Software, states, "The open design of Lightning Pick's software allows for seamless integration into our product suite. Their product complements QC Software's order fulfillment application and is one of the tools we provide to enhance picking functionality. We feel confident that we can rely on Lightning Pick's innovative solutions as the business environment changes and technology evolves."

To learn more about Lightning Pick Technologies, click on the following link: <http://www.lightningpick.com>

To see a list of all our partners, click on the following link: <http://www.qcsoftware.com/partners/index.html>

## Laugh Out Loud



## 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](mailto:info@qcsoftware.com)

## Final Thought

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."

--Aristotle