

CASE STUDY: USANA Health Sciences

QC Software's Warehouse Control System Takes USANA's Success to the Next Level

With his vision to help people live healthier lives, Dr. Myron Wentz founded USANA Health Sciences in 1992 in Salt Lake City, Utah. USANA is a direct selling company that develops and manufactures high-quality nutritional, weight management, and personal-care products.

USANA has experienced several years of record growth, in part due to the company's innovative marketing distribution program, quality products, dedicated leadership, and commitment to continuous improvement. USANA has expanded internationally and currently operates in 14 markets throughout Asia, the Americas, Australia and Europe. With annual net sales exceeding \$430 million, USANA has become a leader in the industry.



PROJECT HIGHLIGHTS:

Increased order fulfillment capacity 300 percent while reducing the number of employees.

Achieved 99% order accuracy rate.

Accurate cartonization allows orders to be picked directly into shipping cartons.

Dynamic workload balancing.

To support this exponential growth, USANA's management team recognized the need to increase capacity and improve efficiency at their Utah distribution facility. Their manual process was too costly and inefficient, and they had to find new ways to remain competitive in the global economy. After careful consideration, QC Software's Warehouse Control System (WCS) was chosen to manage the facility's order fulfillment operation because it was a proven, cost-effective solution. The goals were to improve material flow and the overall throughput of the material handling system; improve the accuracy of the order fulfillment process; improve productivity; and support future growth and expansion.

Cost-effective management tools with high-level functionality for your warehouse operations

Phase I was completed in August 2008 with the implementation of QC Navigator™ to manage the real-time activities of the equipment and QC OMS™ (Order Management System) to facilitate order fulfillment. The WCS begins planning orders using the cartonization, or cubing, function to optimize the size and quantity of cartons used for order fulfillment. A wave planner screen is then used to group orders together for more efficient picking, based on the delivery date, item size, pick location, shipping destination or other predetermined criteria. Two identical pick lines with pick-to-light capabilities, an automated label printing process known as Print & Apply, barcode scanning, weight verification using an inline scale, and targeted quality control measures were included to streamline order fulfillment.

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USANA is dedicated to implementing green initiatives, and we are proud to be working with a company that has the same goals. We are grateful that QC Software has provided USANA with valuable tools to continue our mission to protect and preserve the environment.

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--Jim Brown
Vice President of Operations

In 2009, as part of their green initiative, USANA looked for additional ways to improve efficiency and reduce their environmental impact. The conveyor system was not designed to accommodate small packaging, so employees had to either manually repack these orders or ship them in larger containers. Since both of these solutions were inefficient, QC Software developed a new process to separate these orders from the regular pool. USANA then added a third line dedicated to smaller, non-conveyable orders, which reduced waste, lowered costs and further enhanced picking efficiency. Packages continued to be shipped in a timely manner without increasing labor costs. Jim Brown, Vice President of Operations, estimates the company saved about 2,188 kilograms, or 2.2 metric tons, of cardboard in the first six months of operation.

Using the pick-to-light system, barcode technology and quality checks, USANA was able to achieve a 99% order accuracy rate.

The 20,000 square foot distribution facility now processes 5,000 - 7,000 orders per day, and has the capability of shipping 21,000 orders every day. Features such as cartonization, wave planning, and a new line dedicated to small orders optimized their operation and lowered costs. After the WCS implementation, order fulfillment was reduced from a 24/7 operation down to two eight-hour shifts for five days per week. Since the system is faster and more efficient, the number of employees needed was cut in half and order capacity increased 300 percent.

USANA's expected growth and commitment to improvement means changes are inevitable. As the business environment changes, they can be confident that QC Software's scalable and configurable applications will meet these challenges and contribute to the future success of the company.

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