



Warehouse Operations Optimization: The Bricz Way

A growing industrial equipment manufacturer partnered with Bricz to assess their current Warehouse and Inventory operations along with providing recommendations for future state processes

The industrial equipment manufacturer, a pioneer in Europe and North America for industrial equipment and components, operates a single facility in the US to cater to its customers nationwide. With an increasing customer base in the US market, the company started losing visibility within their supply chain leading to challenges in inventory and labor management. After seeing their sales suffer significantly, the company decided to engage Bricz to lead an assessment of their Supply Chain and find opportunities to optimize the WM processes.

The Bricz team conducted a strategic review of their current systems, processes, and data to provide actionable recommendations for optimizing their end-to-end operations. The review highlighted the following areas that offered major scope for improvement.

1. Sales
2. Labor efficiency
3. Returns
4. Visibility

Objective

Assess the current state of the Warehouse & Inventory Management process, provide input to re-mediate inventory inaccuracies and improper reporting, and recommend system replacement/upgrade options

Systems

- Dedicated Inventory Storage and Retrieval Shelf System
- Major Sales & Accounting System
- Excel spreadsheets

Results

- Roadmap for graduating to a robust ERP/WMS
- Quick hit opportunities for process improvement
- Better SOPs for business functions



Bricz Analysis & Recommendations

When the manufacturer engaged Bricz, the first order of business was for the team to break down the problems by operational areas. The manufacturer was leveraging an accounting software that doubled up as ERP. The Bricz team conducted detailed process workshops with sales, procurement, warehouse managers, warehouse personnel, and finance teams.

Sales

The manufacturer's sales teams were engaged in a constant struggle to keep customer trust because of lost sales from inventory discrepancies. During the Bricz workshop with the sales team, Bricz consultants established a subset of active SKUs to track and determined up to an 80% variation between inventory on-hand and inventory in the system of record. In addition, the Bricz team unfolded more inventory issues leading to lost sales including invoicing delays, inherent flaws in the on-hand inventory calculation and missed process steps leading to inaccuracies.

Labor Efficiency

Upon identifying the underlying inventory discrepancy leading to lost sales, the Bricz team shifted their focus to understanding the labor execution for storage, retrieval and assembly. The manufacturer had invested in a modern storage and retrieval shelf system that stored bigger product on racks and small parts in cabinets. However, the manufacturer did not invest in a fool proof integrated user experience between the execution system and the automated shelf. This led to a lot of user discretion and very time-consuming storage and retrieval steps. Rather than a methodical process, the warehouse functions were performed with tribal knowledge. With a lack of system direction, the process to store and pick product from locations became a time-consuming process that lacked efficiency.

Returns

A combination of tribal knowledge for storage and retrieval, lack of barcode scan discipline and no system direction for labor led to many mis-picks and mistakes. This, in turn, resulted to several returns. Associates picked the wrong product because like product was stored in adjacent locations. Similarly, complex equipment made of 100s of sub parts would be returned because one part was mis-picked. This resulted in costly re-assembly and shipping back to the manufacturer.

Visibility

Alongside inventory discrepancy, and planning deficiency, the Bricz team also realized the manufacturer lacked visibility to most of the processes in the four walls. There was no feedback mechanism for mis-picks, no visibility to over stock product stored in an alternate location, and no insight on products running low that required replenishment or procurement. This led to the manufacturer continuously fighting challenges in a vicious cycle.

After identifying 22 distinct opportunities for improvement, the Bricz team helped the manufacturer develop a roadmap for implementing a robust ERP/WMS to streamline operations and come out of the constant cycle.

With insight on a myriad of cost-effective ERP/WMS systems, the Bricz team has exceptional skill in helping smaller organizations graduate from a basic accounting/inventory tracking software to a true supply chain execution platform that creates efficiencies.

Interested in learning more? Talk to us at info@bricz.com