

Leading Sporting Goods Retailer Significantly Improves Labor Management Program Across Several Distribution Centers

enVista establishes labor standards, enhances associate satisfaction and improves productivity for sporting goods retailer with labor management consulting services





THE COMPANY

The leading sporting goods retail company has 800+ stores across the U.S., which account for 90 percent of total sales and serves as hubs for its omnichannel platform. The retailer's stores are supported by five distribution centers (DC) and it operates its supply chain structure as an important competitive advantage.

THE OPPORTUNITY

When beginning this project, the retailer was looking to streamline and adopt a more agile engineered labor standards (ELS) development framework for its existing labor management program. A constantly-changing SKU mix, driven by seasonality and regional market differences, meant that DC operations and methods frequently changed. Such an environment required the ability to adapt ELS quickly and accurately and the use of pre-determined standards. Master standard data was a key enabler in this effort. Additionally, the retailer needed to rebuild DC maps to ensure travel accuracy and utilize and optimize all labor management system capabilities. The goal of these changes was to instill operational trust in ELS and increase efficiency and return on investment.

There were several factors that illuminated opportunities for improved engineered labor standards:

- **Changes in processes** – A dynamic SKU mix, an evolving set of DC material handling equipment and a robust omnichannel strategy caused changes to daily processes within the warehouse.
- **Employee engagement** – Fostering a team environment to support higher employee retention was a major goal and

providing clear, while accurate standards of performance was a key building block.

- **Reduction in complexity** – A strategic review of warehouse management user menu options with a goal of reducing redundancies stemming from ad hoc changes over the years required a review of counterpart ELS.
- **Continuous improvement** – The organization's continuous improvement program needed attention to ensure forward organizational momentum.

The retailer selected enVista to be its trusted partner in analyzing and enhancing its engineered labor standards and configuring that new data with the retailer's existing labor management system.

THE SOLUTION

enVista's labor management team project implementation approach is built on four key tasks: Assess, Build, Learn and Execute. Over the span of a year, enVista's consultants went on-site to each of the retailer's five distribution centers to identify opportunities for productivity improvement through lean process improvement audits. Working alongside the retailer's industrial engineering team in support of knowledge transfer goals, audit results were used to update existing ELS and re-configure labor management software. In turn, the ELS updates were the basis for changes to the retailer's preferred work method documents, which are used in employee training, coaching, feedback and counseling programs. The results of this project set the stage for a future goal of leveraging labor management for an employee incentive program.



RESULTS

- The retailer saw several measurable improvements at the end of this project.
- Rebuilt more than 70 labor standards in each of the five distribution centers, for a total of more than 350 labor standards total
- Reduced warehouse management system user options by 50 percent, leveraging dynamic activities and custom units of measure
- Reduced time to update labor standards by 80 percent
- The retailer also saw several other qualitative benefits as a result of this project.
- Cultivated engineered labor standard consistency across the DC network and increased labor management strength
- Increased associate trust in the labor management program with increased consistency in engineered labor standards across distribution centers in the supply chain network
- Identified continuous improvement opportunities
- Refined reporting and dashboarding
- Increased engagement between supervisors and teammates
- Created fair and objective performance metrics in an environment with a variety of product mixes and seasonality
- Facilitated more accurate travel by configuring acceleration, decelerations, loaded and unloaded speeds



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