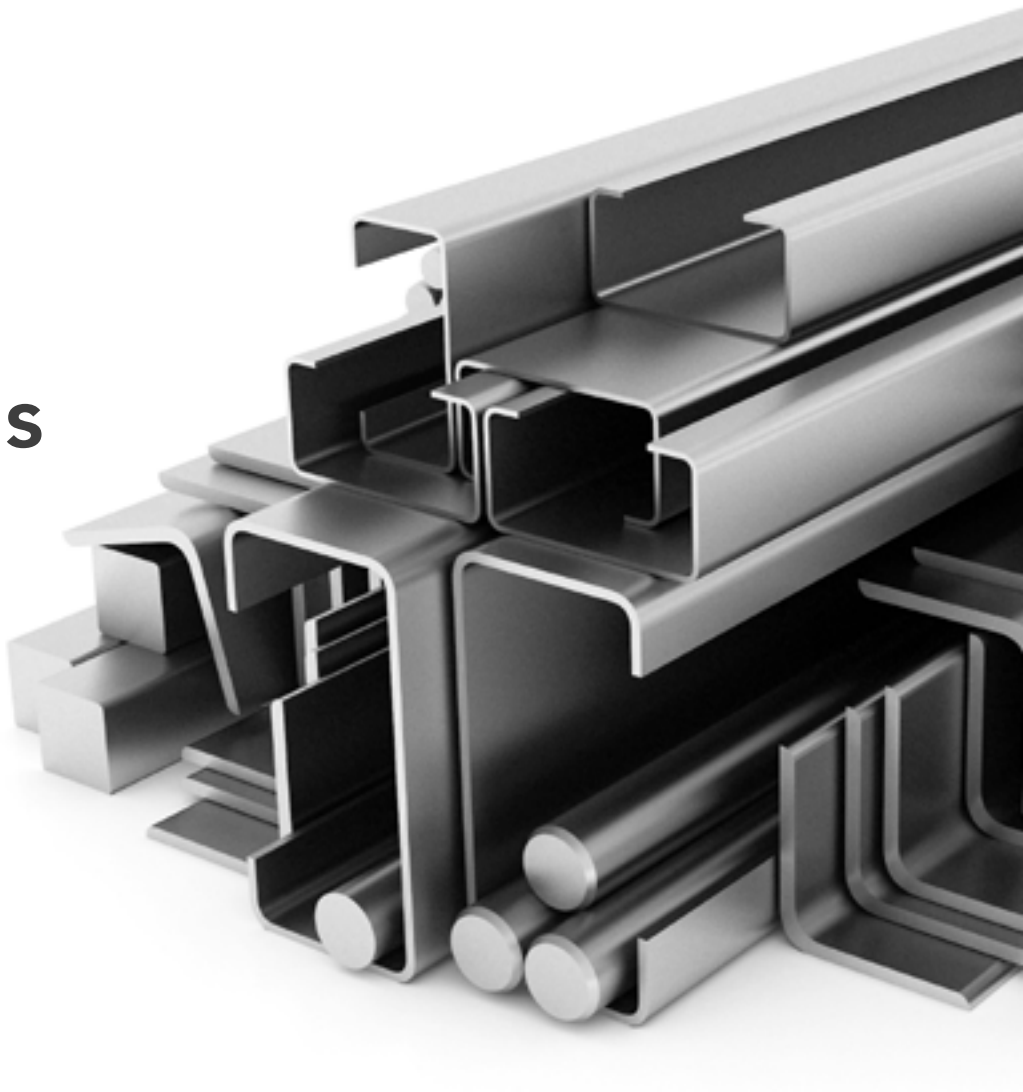
CASE STUDY

enVista Revitalizes Manufacturer's Distribution Operations With Strategic WMS and DC Optimization

Original equipment leader drastically improves inventory management and customer satisfaction with enVista's warehousing services



ABOUT

The international leader in the original equipment market partners with global automotive and industrial manufacturers to design, develop and produce high quality products for light duty, heavy duty, industrial, agricultural, off-highway and recreational vehicles. The manufacturer has more than 40 locations, operating across 20 countries.

OPPORTUNITY

Prior to this project, the manufacturer had consolidated five regional distribution centers (DCs). Additionally, following the consolidation, the company noted a few goals it needed to achieve to ensure operational success for the facility moving forward:

- Reduce its reliance on temporary labor, which was at 90 percent, and create a labor contingency plan
- Instill changes to WMS implementation and operations
- The initial system and operational design accommodated 80 percent of the volume from the manufacturer's top three customers. The company wanted to enhance that to address the remaining 20 percent of volume and the needs of smaller, more profitable customers
- Reduce the backlog of customer orders as well as the need for temporary staff to manage the backlog workload
- Improve inventory picking and shipping accuracy to reduce monthly fees

The company was already in the process of a six-month warehouse management system (WMS) go-live that was not meeting the company's needs and expectations. Because of this, the manufacturer engaged enVista to take over its go-live, enabling its WMS to help the company's facility achieve its four project goals.

SOLUTION

After analyzing the organization's original go-live and the progress that had been made, enVista took a series of decisive actions to address the situation, including assigning the best experts, consultants and contractors for the project. enVista provided an experienced operations team that streamlined the receiving processes, reintroduced 1700 off-site pallets to the facility and worked with operations and HR to reduce staff. enVista also provided an experienced HighJump project team that gained control of the issue resolution process and delivered a radio-frequency picking process that replaced a label/paper-based process.

To pinpoint the root causes of the manufacturer's operational challenges, enVista conducted a comprehensive assessment to thoroughly examine both operational and system-related aspects. This assessment ultimately guided enVista's team in prioritizing the actions that needed to be taken to achieve significant business impact.

With this insight in mind, enVista developed a comprehensive plan aimed at resolving the system-related challenges that were directly impacting inventory accuracy, order fulfillment and overall order precision. Moreover, recognizing the need for a comprehensive approach, enVista created a plan to address broader facets of the operation, encompassing DC operations, order management, inventory control, staffing and facility design. Embracing the principles of Lean practices, these plans were crafted to streamline processes, reduce waste and optimize efficiency throughout the operation.

Finally, enVista's team implemented a kitting process on-site, which eliminated the need for a third-party logistics company.

RESULTS

The results that the client received from this project were significant and included:

- Zero backorders during a five-month period after the project
- All inventory was reintroduced and cycle counted
- The HighJump WMS was stabilized
- Staffing levels were normalized
- Over 150 documented WMS issues were resolved
- Picking and shipping accuracy was significantly improved, reducing monthly fees

In conclusion, enVista's comprehensive approach successfully transformed the manufacturer's distribution operations, yielding results that significantly improved efficiency, accuracy and overall operational success.