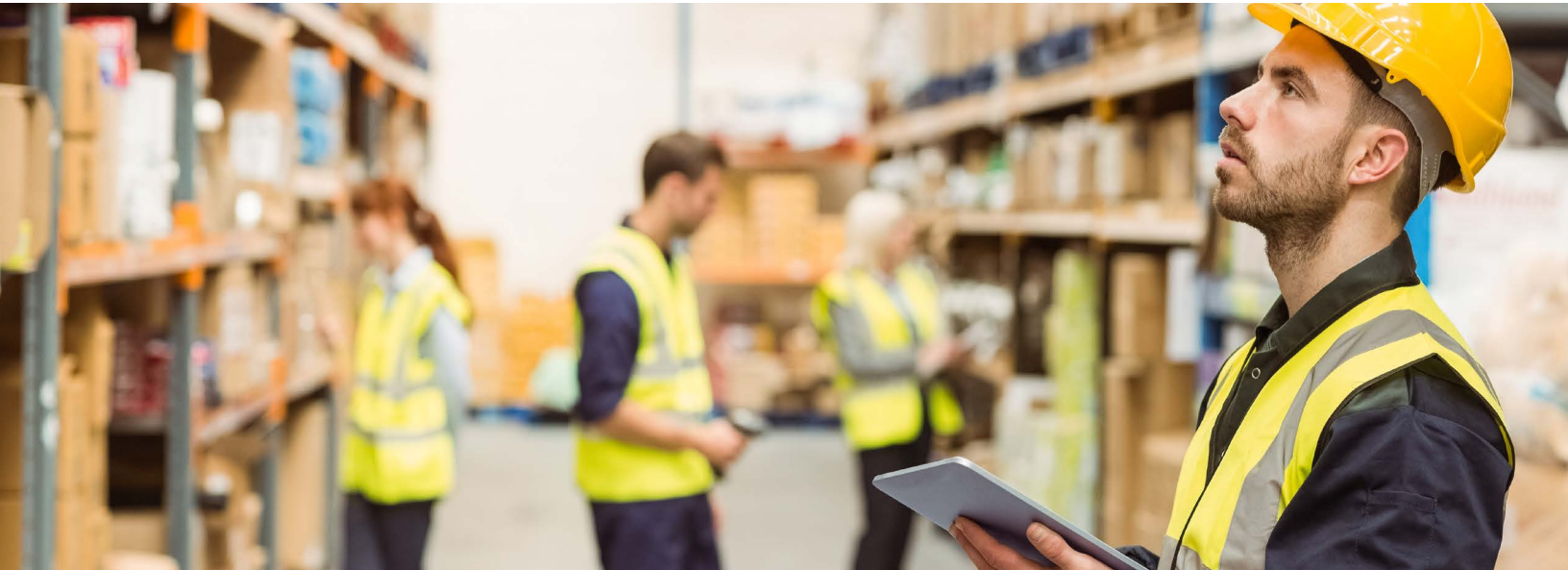


Labor Performance Management



It is inevitable that today's global business environment will continue to create challenges for all enterprise areas. Tackling these issues head-on means ensuring every internal element is operating at full potential.

Eliminating Waste

Labor accounts for a significant portion of operational costs. In order to compete, managers must be proactive, implementing lean processes for optimal labor performance. This means aggressively looking at all business practices to make sure wasteful activities are eliminated and barriers prohibiting total customer satisfaction are removed. Once addressed, companies can quickly realize increased productivity, reduced costs and improved overall efficiency.

Maximizing Performance

At enVista, we enlist our M3 labor optimization methodology (Methods, Metrics and Motivation) to reduce labor costs and increase productivity by focusing on inefficient operations, high payroll and

employee turnover. Putting M3 into action means creating and deploying Lean Process Improvement teams, equipped with manufacturing and distribution best practices, to develop better and more effective methods of improving operations, engineered labor standards and payroll incentives, as well as tracking productivity. Our proven system consists of a tiered menu of services, where each service builds on the next. We customize workforce performance solutions based on clients' needs and implement them at a comfortable pace.

"The team at enVista finds a way to bridge the gap between the art and science of industrial engineering. They took a holistic approach to the process and really focused on the change management."

**– Kent Kostuk, Industrial Engineering Manager
Federated Co-operatives Limited**

Lean Process Improvement Services

Methods

Operational Improvements

Review current processes to identify areas for improvement and opportunities for eliminating waste throughout the distribution channel including waste of motion, travel, processing, waiting/queuing, and inspection.

Measurements

Productivity Tracking

Install and configure productivity tracking software to give clients the control they need to effectively manage labor at the individual level.

Engineered Standards

Develop multi-variable labor standards through time and motion studies that are accurate, fair and specific to each operation.

Labor Performance Management

Measure actual performance against desired results by establishing distribution and manufacturing metrics to evaluate performance and drive continuous improvement. After review, a plan is created to close the gap between those desired and actual results.

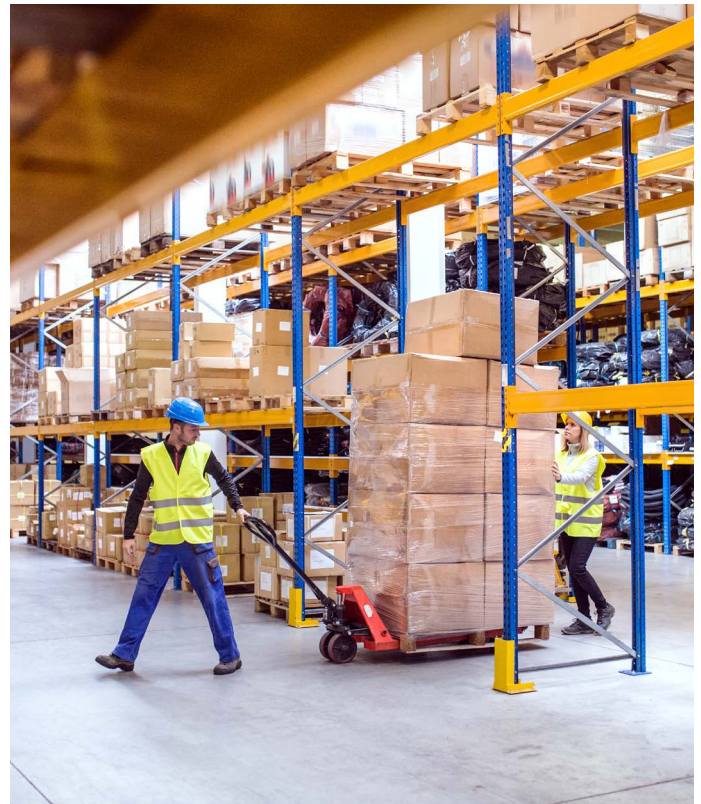
Motivation

Incentives

Motivate employees with a variety of incentive programs including nonmonetary rewards as well as pay-for-performance bonuses.

Optimizing Human Capital

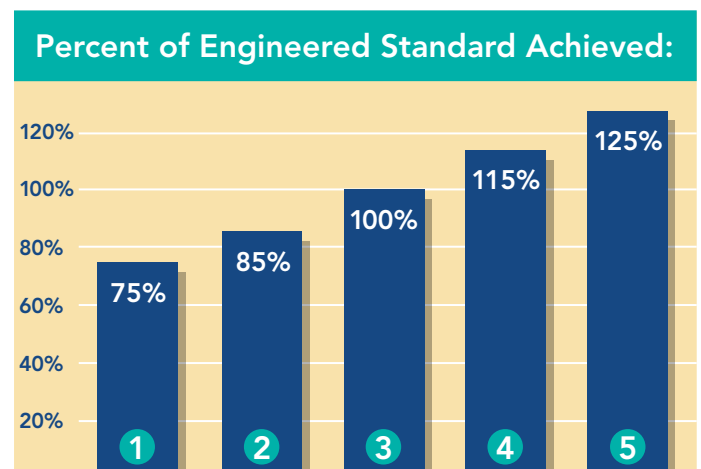
Direct labor can be one of the largest costs across an operation. At enVista, we strive to minimize those costs by optimizing our clients' "Human Capital." Our Lean Process Improvement team approach provides all the tools necessary to measure each manufacturing and warehouse activity, ensuring every workforce is performing at its full potential. Our engineered standards for each function measure actual work completed against the established standard, making it easy to determine where resources need to be allocated



Through our extensive experience and close client collaboration, enVista empowers client teams, optimizes labor performance, reduces human capital costs and enhances competitive advantage.

to increase productivity and visibility, improve service levels and employee retention, and reduce labor costs. Most important though, is our ability to work with employees at all levels to increase buy-in and participation by encouraging trust, open communication, and a spirit of respect and cooperation.

Engineered Performance Management



Performance Management System:

- No reporting and none measured
- Area productivity reporting and historical standards
- Workload forecasting/manpower planning and individual productivity reporting with historical standards
- Individual productivity reporting with engineered standards, computerized productivity reporting
- Incentive compensation

Direct Benefits:

- Delivers a strategic framework for LEAN process improvement
- Reduces labor costs through better planning and scheduling
- Motivates employees with clear goals and immediate feedback
- Trains associates in ergonomically sound, safe methods
- Improves quality metrics
- Increases volume thru-put

Indirect Benefits:

- Improves customer service
- Optimizes use of systems (WMS, LMS) and equipment
- Improves employee morale and focus
- Enhances better communication between employees and management

About enVista

enVista is the leading supply chain and enterprise consulting firm and the premier provider of supply chain technology & strategy services, material handling automation & robotics, Microsoft solutions and IT managed services. With 20+ years of unmatched domain expertise, enVista serves thousands of leading brands. enVista's unique ability to consult, implement and operate across supply chain, IT and enterprise technology solutions allows companies to leverage enVista as a trusted advisor across their enterprises.

Consulting and solutions delivery is in our DNA.

Let's have a conversation.®

info@envistacorp.com

877.684.7700

envistacorp.com



enVista®

When to consider...



Installing LM

- You employ >100 associates
- When you construct a new building or additional space to an existing building
- >50% of your associates are picking and/or packing orders
- You have a large investment in Material Handling Equipment like turret trucks, forklifts, pallet jacks and/or order pickers
- You have <=24 hours from order entry to ship confirmation



Upgrading LM

- When you are considering an incentive pay program
- Every 5 to 10 years; or when your WMS is upgraded
- As technology continues to evolve from paper to RF to Voice to AI & Robotics
- When physical space, new MHE (equipment), automation, or process improvement steps have been implemented
- Moving from dedicated database, application, and report servers to a Software as a Service model (SaaS) of deployment and support



Auditing LM

- Individual Task Performance is <90% or >110% for a sustained period (3 months)
- Overall Facility performance is <85% or >115% for a sustained period (3 months)
- Indirect time is >=20% of the total labor hours
- Overtime is increasing by >10% YoY
- Employee headcount or labor payroll increases by >=10% without corresponding growth in volume