



# Give me an L

If you haven't considered Lean lately, here's why you should. **By Charlie Jacobs**

There are times when a well-placed capital letter can change everything. Nowhere is this difference more pronounced than in the case of the term lean.

Spell it with a small l, and you've got an apt description of the economic times in which we live. But spell it with an uppercase L instead, and you've hit upon one of the most effective ways you can help your company weather these times.

Over the past four years, I've trained hundreds of warehousing professionals in Lean principles. Just as important, I've had the privilege of witnessing the extraordinary things that can happen when they've taken these principles back to their operations and put them into action.

The result has been nearly \$16 million in documented savings – and numerous real-life examples of how this quality improvement tool can work as well for pick lines and loading docks as it does for production lines. Here are a few reasons why I believe that introducing a Lean warehousing initiative could be a capital idea for your company, too.

## **You can Lean on just about anyone.**

When it comes to selecting members for Lean teams, you don't need an all-star lineup of employees with advanced degrees or years of logistics management experience in order to get good results.

Any one of your DC professionals — from your top facility managers to your non-exempt hourly employees — can wind up making a substantial contribution, as can professionals in IT, finance and other functions that intersect with your

warehouses' operations in some way. In fact, some of the best ideas for our facilities' Lean projects have come from folks who spend the majority of their days driving forklifts, working the pick lines or manning the phones. And some of our most successful projects have come from teams that included participants from several organizational departments as well as representatives from our clients and vendors.

Look at Lean as a chance to allow various personnel to shine — and to help your operations do the same. And embrace the opportunity it provides to break down organizational walls, reduce silo thinking and encourage cross-functional excellence.

## **You can Lean just about anything.**

Unlike some process improvement tools, Lean truly can apply to almost any supply chain activity, including several that are often overlooked by other disciplines. I've seen Lean teams rack up substantial savings simply by changing the position of a label printer or the way their operation disposes of its corrugated packaging. And I've watched others achieve similarly positive results by focusing on tactical things such as paper flow or other clerical tasks.

By the same token, I've also worked with teams that have decided to swing for the bleachers — and hit the equivalent of a \$1 million cost savings home run — by choosing to channel their energies into a more strategic issue such as space utilization.

From back-office functions to accounts receivable, there's almost always something related to a DC that can benefit from

a Leaner approach, provided you have Lean-trained teams that are prepared to honestly and openly explore all of the options.

**Lean doesn't take long to learn — or earn its way.**

Although the fact that Lean teams must undergo formal training may not seem like a selling point, consider this: Not only can basic Lean training take place in a very short period of time (as little as two to five days), it also has a highly practical payoff that's inherent in its design.

A major part of each training session involves addressing a real-life issue from each team's sponsoring operation. So if your facility's Lean teams return to work and immediately start to tackle that issue using the tools and plans they worked on during training — and if those plans deliver anything near the average savings that our teams' initial projects yielded — their training will probably pay for itself very quickly. Better yet, it could pay for another team's training instead, and then that team's project savings could pay for another team's training and so on. Our company adopted this pay-it-forward model very early on, and it's allowed the majority of our program to be self-funded.

On another positive note, many Lean projects can take just three to six weeks from start to finish, which means it's not only possible to see some "Quick Wins" shortly after you roll your Lean warehousing program out, it's also possible for your teams to tackle multiple projects within the first year — and have some very impressive savings to show for it.

And should you have some employees who would prefer to have a more extended immersion in Lean that focuses on more complex projects or more advanced tools, you can always provide them with training in more advanced Lean tools at a later date.

The bottom line? Lean is a highly scalable set of tools with the potential to provide almost instantaneous and frequent fiscal relief in an era when most companies need quite a bit of it — without your having to make it a big line item in your company's budget.

**Lean can last (and multiply).**

All Lean projects have a definitive beginning and end. However many of their savings have a considerably longer lifespan. Because Lean tools allow companies to permanently eliminate wasteful practices or non-value-adding functions, they essentially mean companies never have to spend money on those practices or functions again — even though this change in spending may not be officially noted after a certain point. Once you put Lean processes in place, they truly will be gifts that keep on giving.

**Lean adds value.**

Although Lean is primarily about subtracting waste and inefficiency, it has another side to it that's equally important: its tremendous ability to add value and positive energy to many areas of your organization.

For one thing, the fact that you employ Lean — especially if you pass any of the savings from Lean along to your clients — will have a powerful impact on your company's ability to attract and retain business. Time and time again, we've seen our Lean achievements come into play during contract renewals and new business decisions. In addition, we're beginning to see

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questions about how we use Lean and other quality principles crop up more often far more frequently on RFPs, which leads me to believe that one of these days, companies may consider Lean to be a must-have instead of a nice-to-have.

Perhaps most important of all, Lean is a tremendously empowering and encouraging phenomenon. Its whole emphasis is on the achievable, attainable and improvable. And during these difficult economic times, when there are so many negative circumstances that we as professionals can't control it's helpful to be reminded that there are still some things we can affect — and change for the better.

Unlike Lean savings, you may not be able to quantify the positives these three Lean advantages add to your corporate culture. But they're there all the same. And, ultimately, they may just be the most valuable Lean achievements of all.

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## AN EXPERT SAYS...



When implementing a WMS, the most important considerations include careful WMS vendor and product selection, clear goals visible to everyone, purposeful implementation planning and focus on realistic and quantitative results (ROI).

Select a WMS provider that will be a long-term partner for your company and values post-implementation service. They should have a proven record for providing quality attention and support after the sale. They should know their own product inside-out and be a good sounding board for your continual business needs.

Select a WMS with a solid product foundation. The product should be flexible and scalable enough to satisfy your daily business needs and complement your long-term business goals. The product should be proven in demanding industries like food, pharmaceutical and 3PL.

### WMS Functions should include multiple methods for:

- ▶ Yard Management
- ▶ ASN
- ▶ Receiving
- ▶ QC
- ▶ Putaway
- ▶ Kitting & Manufacturing
- ▶ Inventory Control
- ▶ Picking
- ▶ Returns
- ▶ Shipping & Tracking

### Integrated features of the WMS should include:

- ▶ Multi-Company, Multi-Building and Multi-Warehouse
- ▶ Product Date controls configurable for Receipt Date, Production Date, Expiration Date, Shelf-Life and Maturity Hold
- ▶ Product Tracking controls configurable for batch, lot and serial numbers

Implementations are most successful when goals are clearly defined up front and the implementation remains focused on these goals. Work out the plan on paper first and make sure that it makes sense. Remember the old saying "measure twice, cut once." We all know that the bottom line is cost and ROI. The sooner the implementation is up and running, the faster the company will achieve the ROI and reap the cost savings of the WMS.

Finally, don't forget to get the employees excited about the new changes. When the employees are on board with the changes and feel confident with the training, the implementation has nowhere to go but up.

### Common Pitfalls

Common WMS product pitfalls include features and functionality that have been added through acquisitions and are not part of the core product. Another common pitfall is a specialized industry product that only focuses on one business model. These solutions are typically counter-productive and result in poor support of your overall business needs.

Common WMS provider selection pitfalls include RFPs (Request for Proposals) that are typically tailored to consultants or specific WMS providers. They ignore your business needs and automatically exclude ideal WMS solutions. Another common WMS selection pitfall is the provider who outsources most, if not all, of their product development, customization and support.

**JESSIE MILLER, PRESIDENT/CEO** of Interlink Technologies, which is consistently ranked in the Top 100 Technology Providers and has specialized in WMS solutions since 1986. Interlink's turn-key solution includes WHSE-LINK Software, Hardware, Project Management, Implementation & Training, and Customer Support. For more information, [www.THINKINTERLINK.COM](http://www.THINKINTERLINK.COM).