

Answering The DC Labor Challenge With Voice and Mobile Work Execution

Presented by:

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MAKE YOUR BUSINESS
 **FUTUREPROOF.**



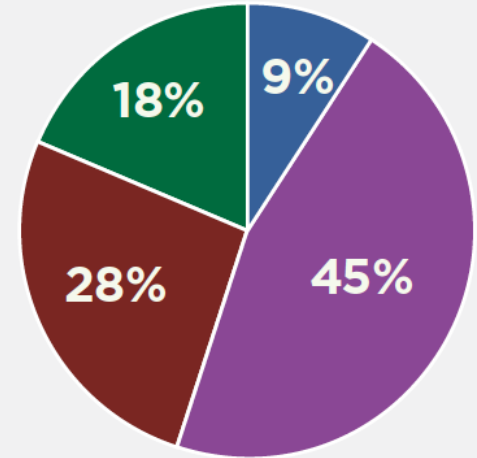
Agenda

- Our Format: A Discussion
- DC Labor Challenges And Mobile Work Execution
- Introduction To Empire Merchants and Resnick Distributors
 - Business and Operational Overview
 - Mobile/Voice Technology In The DC
- Discussion and Q&A

DC Labor Challenges

46% of DCs have increased wages more than 5%, compared to average US wage growth of 2.3%

- Less than 5%
- 5 to 10%
- Greater than 10%
- No change



WHY IS IT HARDER TO FIND WORKERS IN YOUR AREA?

39%

New Amazon DC In My Area

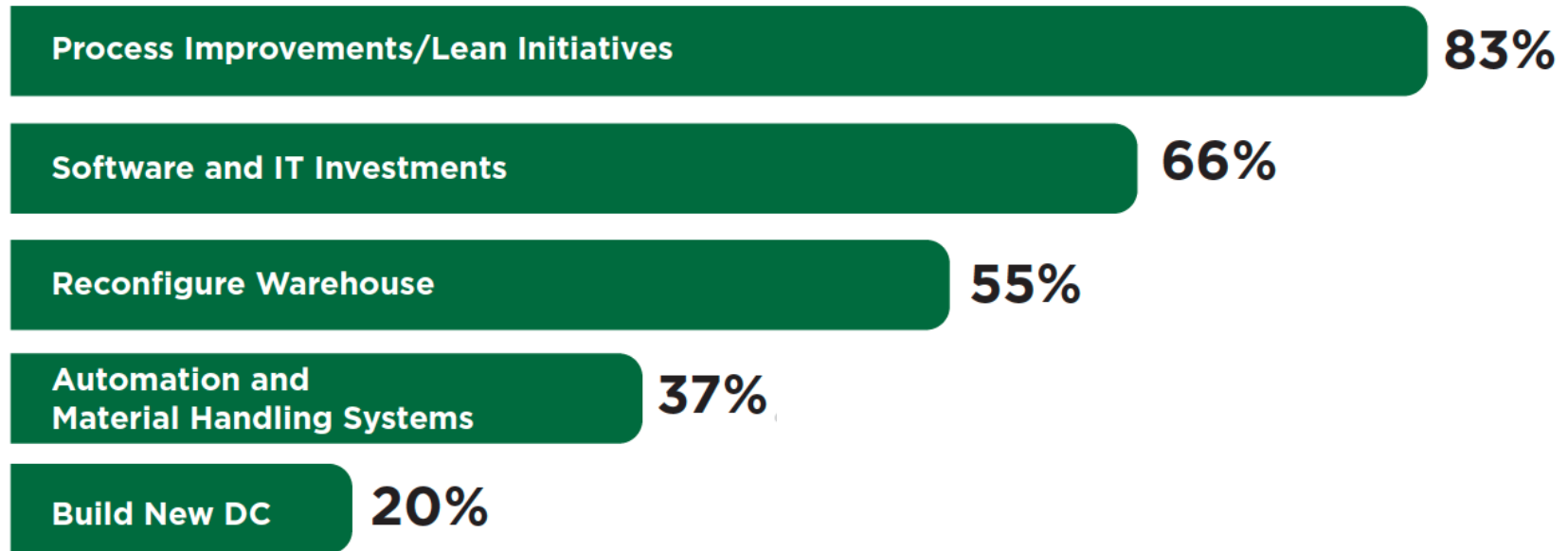
52%

Other New DCs In My Area

63%

Competition From Non-DC Employers

How DCs Are Addressing Labor Challenges



How Mobile Work Execution Meets The Need

- Optimize Hands-on Processes
 - Configurable work planning and execution
 - Flexible, user-friendly voice-directed applications
 - Real-time management reporting and control
- Supplements WMS, LMS, other IT systems
- Complements Material Handling Automation

VOICE AND MOBILE WORK EXECUTION AT EMPIRE MERCHANTS AND RESNICK DISTRIBUTORS



About Empire Merchants North

- Founded 2007 through merger of Colony Liquor and Service Liquor – companies date from end of prohibition
- Two DCs serving 9,000 customers in Upstate NY
 - Cossackie 254,00 square feet
 - Lyons 240,000 square feet
 - 2 Cross Docking facilities
 - Recently installed SAP ERP (replaced legacy)



Key Business and Operational Issues

- Regulated, three-tier distribution system
- Product proliferation: 8,300 active SKU's with large SKU increases from bourbon, whiskey, and craft spirit segments.
- Shorter delivery times, increased customer service demands
- Slow growth market, but rising costs
- Union labor



Voice and Mobile Work Execution

- Cocksackie
 - Voice-Directed Bottle Picking Since 2006
 - Upgraded to next-generation system on smartphones in 2017
 - Integrated QC/Audit
 - Management Dashboards: Reporting and alerts
- Future Plans
 - Implementing case-pick in Cocksackie
 - Installing bottle pick in Lyons



Results

- Productivity increased from ~100 bph on paper based picking system to 385 bph today voice directed
- Improved morale and productivity with smartphones and wireless headsets
- Maintained outstanding accuracy, 99.92% fulfillment accuracy



About Resnick Distributors

- Third-generation convenience store distributor
- Service 1,500 chain and independent retailers in the NE
- Single DC in NJ
 - 100,000 ft
 - Freezer, cooler and ambient
 - PowerHouse/WMS from QSSI



Business and Operational Trends

- Diverse products, customers, and order types
 - Single store, concessions, wholesale, fundraising
- Growing but highly competitive market
- Stable union workforce



Mobile Solution At Resnick

- Voice-Directed Picking
 - Multiple picking styles (case, each) and temp zones
 - Integrated QC/Audit
- Real-time Management Dashboards
 - Productivity reporting
 - Labor and exception alerts



Results

- 80% reduction in overtime and 30% reduction in labor costs
- Reduced errors 60%
- Improved management insight and control

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