Answering The DC Labor Challenge With Voice and Mobile Work Execution

Presented by:
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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%: 18%
- 5 to 10%: 45%
- Greater than 10%: 28%
- No change: 9%

Why is it harder to find workers in your area?

- New Amazon DC in my area: 39%
- Other new DCs in my area: 52%
- Competition from non-DC employers: 63%
How DCs Are Addressing Labor Challenges

- Process Improvements/Lean Initiatives: 83%
- Software and IT Investments: 66%
- Reconfigure Warehouse: 55%
- Automation and Material Handling Systems: 37%
- Build New DC: 20%
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
  - Coxsackie 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

- Coxsackie
  - 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 Coxsackie
  - 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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