From Vision to Decision: The Tipping point in Warehouse Automation

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Typical Supply Chain – Today’s Headlines

Transportation

- Transportation distance
- Cube utilization

- Fuel cost
- Equipment (fleet) cost

Deliver value in each step of the supply chain

- Labor – cost / availability
- Ergonomic work environment

- Change / growth DC’s
- Cost of inventory (DOI level)

Service level

- Picking accuracy
- Store / aisle friendly delivery

- On time delivery
- Product availability
The Vision

- The total cost of the entire process
  Where can we lower cost to be competitive
  Where can we eliminate unnecessary process in the supply chain

- The Quality and availability of work force
  Can we get the right people in future to get the job done?

- Higher quality, better service
  What can we do to offer a better service?
Starting Points

- High Operating cost
- Warehouse Capacity:
  - case volume
  - sku flexibility
- Completely manual picking process:
  - get the right labor for the job
  - 10 tons of weight lifted daily
- Warehouse efficiency vs. store needs
Would Automation be a better way

- More efficiency
- Higher Service quality
- Proper reliable technology, no guinea pig
- Additional benefits within the supply chain
- Major up front investment
- Automation and Retrofit a conflict?
The criteria for Automation

Some important questions:

Where can we utilize automation best?

Where are predictable, impacts to the supply chain in the coming years?

What is my highest cost, in the supply chain?

What can we improve productivity best?

The order selection process
The Decision Process

- Significant Investment vs. Savings
- Cost per Case Calculation
- Minimize the Dependence on Labor and ever Increasing Wages and Health Care Cost
- Imperative Impacts to the Entire Supply Chain
- A Warehouse Optimized for Logistics Efficiency
The Solution

Technology

Automated Pallet Building with mixed SKU’s
No Pick slots
Simple, standard technology, proper system

Partner

WITRON Integrated Logistics Corporation
One Integrated Solution
Full responsibility
Fully automated storage and picking process using standard automation technology throughout the design.
Example store friendly pallet

Pallet built in sequence based on unloading of product in the store aisle
Summary of Success

✓ Warehouse / Transportation
  Efficient Picking without Touch
  Less Damage
  Better Pallets (more cube, stable, weight)

✓ Stores / Customers
  Less Truck Delivery
  Better Back Store Management
  Store Friendly Pallets.

Projected ROI Achieved!
QUESTIONS