INCREASING PRODUCTIVITY THROUGH YOUR SUPPLY CHAIN

MOVING WHAT MATTERS

RESOURCE EFFICIENCY AND COST CONTROL

EMPOWERING YOUR PEOPLE

HARNESSING TECHNOLOGY POTENTIAL
Many organizations still manage their warehouses and distribution as pure cost centers. That means companies need to keep the overhead of these essential functions as low as they can. Without the wherewithal to achieve outstanding productivity and efficiency as well as cutting costs, it is difficult for warehouse and distribution operations to add value to companies and help them stand out in their supply chain networks. In addition, logistics workforces often lack the tools to perform at optimal effectiveness, which can lead to higher operational margins. Forward-looking business and supply chain managers look for solutions that help them transform operations and the way people work for maximal business impact without draining their budgets. They understand that effective supply chain management can be a powerful differentiator for companies. It can help organizations become more agile, compete more strongly, and implement Lean and other initiatives successfully. What’s more, it can re-cast the role of supply chain operations to contribute to profits instead of overhead.
CASE 7: Resource Efficiency and Cost Control

**Issue**

Following a traditional business model, a company managed its warehouses and distribution operations as cost centers that incurred ever-increasing overhead as the business matured. These operations did not serve to strengthen the company’s value proposition for its supply chain partners. While managers and teams involved with warehouses, logistics, and distribution had to work as effectively as they could, company leadership was unable to commit to providing them with the right tools to succeed.

**Problem**

For the CEO and executive leadership, the company’s supply chain operations had become a delaying factor in driving innovation and growing productive partner and customer relationships. The CFO and finance team agonized over the high cost of maintaining and managing warehouses, logistics operations, and distribution, given all the resources and systems they required. The supply chain director and her team of managers found it impossible to manage the distribution, warehouses, and logistics for best results and keep costs at a healthy, even level.

**Remedy**

The company decided to use innovative technology to pursue greater effectiveness, resource-efficiency, and cost control in its supply chain operations. A deployment and integration of Microsoft Dynamics AX 2012 and ColumbusSCS (Supply Chain Solution) was completed within the company’s budget, and took less time than expected. ColumbusSCS gave the company a comprehensive, sophisticated set of tools to make warehouse, inventory, and distribution management processes effective while controlling their cost and resource impact. The Solutions make it possible to incorporate handheld terminals and forklift devices, and to integrate other resources such as voice picking to make picking and other tasks more reliable and less time-consuming. They also allow the company to introduce wide-ranging automation of routine processes, including advanced packaging and handling of items, cartons, and pallets. And, standardized integrations with materials handling equipment and voice picking help to reduce the costs of handling goods, enable workers to spend less time on their tasks, and optimize the storage of goods.
Company executives’ mindset regarding logistics, distribution, and warehouse operations has changed. They are becoming used to considering their supply chain operations as critical business activities that help the company compete and thrive in an extremely cost-efficient manner. The contributions that warehouse, logistics, and distribution activities make to the business far outweigh the expense and resource overhead they demand. The CEO and general manager now can shift focus to innovating efficiently, creating greater value in relationships with business partners and increasing customer satisfaction and retention. The finance team is thrilled to see supply chain expenses stay at the same level, which means they are actually going down if you factor in inflation and rising costs of resources. Supply chain, logistics, and warehouse managers and supervisors find it easier to manage their people and processes with a view toward unprecedented quality and resource efficiency.
CASE 8: Empowering People

Issue

With increased supply chain traffic, a large group of employees for a company worked very hard to receive and put away goods, perform picking quickly and accurately, pack orders in time, consolidate shipments, and keep track of purchase orders and cargoes. However, the company’s supply chain operations had been designed at a different time in the life of the business. It became foreseeable that one day they would be so far behind that they might jeopardize customer relationships.

Problem

The managers of logistics, distribution, and warehouse operations were unable to reach for the best levels of productivity and efficiency, because they were too busy making sure that all routine tasks of meeting customer commitments took place as they needed to. They addressed issues one at a time, not holistically. And, without tools to make their efforts more successful and consistent, workers always scrambled to catch up with increasing workloads.

Remedy

Since having deployed ColumbusSCS (Supply Chain Solution), the company uses a plethora of capabilities to make warehouse, logistics, and distribution activities simpler and more effective. For example, Delivery Rules, Wave Planning, and Task Management give managers the tools to plan the outbound flow of goods in a reliable manner and to assign tasks to workers based on parameters they can establish. Advanced Packing and Handling Management remove any confusion and minimize the rate of errors in handling goods and in configuring items with multiple dimensions in cartons, pallets, or other packaging units. Warehouse workers replaced conventional paper-based picking with Radio Frequency (RF) Picking. In addition to picking, they now use RF portable devices and RF-enabled forklift screens to perform receiving, put-away, internal transport, counting, packing and shipping tasks. Inbound Cargo offers an easy way to create a single cargo entity with different purchase orders.
Benefits

Warehouse and distribution managers now have confidence in the company’s ability to deliver the goods to customers in a reliable and timely manner. Instead of making sure that warehouse, logistics, and distribution operations function at a sustainable level, they manage by exception and can act on opportunities to introduce additional productivity improvements. Thanks to Task Management, teams can perform their tasks at the right time, starting with the highest priorities. Frontline workers take great pride in their new tools and increased effectiveness. By using RF Picking alone, they generated an increase in the productivity of warehouse operations of close to 15 percent, compared to the previous paper-based practice. They also achieved noticeable reductions in the time they take to package, repackage, and identify goods.
After a few years of rapid growth, a company owned a number of software systems to manage the business and its supply chain. Communications and information exchange with supply chain partners did not contribute to the effectiveness and solidity of these important relationships. The IT organization reactively addressed technology issues as they arose, but was hampered in enabling people and processes in the supply chain to function at optimal effectiveness.

IT managers strained their resources in supporting multiple, disparate systems and in creating workarounds to bring information from one into the others. Employees, in turn, needed to spend significant time learning before they could navigate these systems successfully. For IT, working with various vendors to resolve any concerns tended to be cumbersome, because it was challenging to get them to take ownership of the company’s issues. Eventually, the CIO and CFO learned that the costs of technology ownership had increased without a commensurate return in productive results.

Following the implementation and integration of Microsoft Dynamics AX 2012 and ColumbusSCS (Supply Chain Solution), technology managers gained the ability to perform efficient, consistent enterprise application integration across networks by using Supply Chain Integration. Employing a standardized, proven integration framework, they can include the company’s extended value chain and its complex business unit structures in a unified solution for business and supply chain management. Electronic Document Interchange (EDI) Studio makes it easy for IT to facilitate communications among value chain stakeholders. Connectivity Studio supports reliable, safe data exchanges between the ERP and the materials handling and route planning systems. Employees in the executive suite, business offices, and supply chain operations became comfortable and effective in using their new, intuitive technology tools promptly after a short familiarization.
Benefits

Because of more efficient communication and information exchanges with supply chain partners, it is easier for the company to resolve supply chain issues and plan ahead in an agile, competitive manner. The IT group is now in a position to deliver integrations with minimal resource overhead, making extended use of existing investments in skills and technologies. And, after a non-disruptive software implementation, employee productivity went up. All of these factors help the CIO and IT managers reduce the cost of technology ownership. In addition, they simplified management of the business infrastructure by engaging with a single vendor for software, support, system upgrades, and insight into upcoming innovations and the direction of technology.
Optimizing the Value Chain and Increasing Customer Satisfaction

ColumbusSCS (Supply Chain Solution) gives companies a way to transform warehouse and distribution operations for best quality and efficiency. Supply chain activities can now function at a different level. They no longer have to be cost centers that devour valuable resources. Instead, they can contribute to companies’ success and profitability. Fast to learn and highly intuitive to use, ColumbusSCS supports warehouse, logistics, and distribution employees with a rich set of capabilities that advance greater productivity across all processes. With comprehensive automation and the ability to connect with other logistics systems, ColumbusSCS makes it possible to reduce the cost, accelerate the momentum, and boost the resource-efficiency of operations. For companies, these are compelling advantages, but customers also stand to benefit from excitingly prompt, accountable service and better economy. ColumbusSCS extends Microsoft Dynamics AX 2012, the leading ERP system known for its ability to enable greater value from existing systems, versatility, and productivity enablement.

The companies we discuss in our cases use several different solutions from ColumbusSCS:

- **Warehouse Management**, including Delivery Rules, Wave Planning, Task Management, and Advanced Packaging and Handling
- **Supply Chain Integration**, including Connectivity Studio and EDI Studio

For more information about ColumbusSCS, visit www.columbusglobal.com.
RapidValue is a business process modeling tool built inside Microsoft Dynamics AX to help you deliver more value from your ERP implementation. Columbus has taken industry best practice processes, from our experience of over 6,000 implementations, and built them directly into the solution.

Around 80% of business processes within an industry are standard from one organization to the next. We have defined and visualized these processes, which enables us to focus on the areas which are your competitive differentiators. This helps you streamline your business processes across the organization for efficiency, speed and to adopt best practices.

When combined with the SureStep+ implementation methodology it ensures that you achieve a complete end to end solution with a faster and smoother implementation, increased ROI, lower cost of ownership and documented processes.

Columbus RapidValue
ERP WITH BEST PRACTICES BUILT IN

Once you know how...
The Columbus SCS Real World Scenario Series

Volume 1
Cases 1 through 3

Volume 2
Cases 4 through 6

Volume 3
Cases 7 through 9

For more information on Columbus, our clients’ experiences and our solutions, please visit www.columbusglobal.com

ABOUT COLUMBUS:
Columbus is the preferred business partner for ambitious companies worldwide within the food, retail and manufacturing industries. We exceed 20 years of experience and 6,000 successful business cases, and we’re proud to offer our customers solid industry know-how, high performance solutions and global reach.

‘Columbus’ is a part of the registered trademark ‘Columbus IT’