

At a Glance

- **Industry:** Publishers
- **Application:** Warehouse Re-engineering
- **Results:** Identification of various issues, efficiency gains and staff reduction



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Case Study



Warehouse Re-engineering

Kingsway Communication are one of the UKs leading Christian publishers, providing books, CDs, DVDs and stationery to the UK book trade, Christian communities and a growing market supplying direct to the consumer. A major 3PL had failed, leaving Kingsway without any form of distribution earlier in the year and a strategic decision was made by the Kingsway board to invest in an in-house distribution system at Eastbourne in East Sussex.

OPS Logistics Consultancy Ltd was commissioned to conduct a high level strategic review of the operational processes being used, using a logistics audit to assess each process. The logistics audit consists of various tools including a critical path analysis, system analysis and ratio analysis, which clearly evaluates process flows and identifies risks to the operation.

The resulting logistics audit and re-engineering has identified:

- **Stock integrity issues**
A number of issues were raised concerning the input of stock from the 3PL as to the accuracy of stockholding, resulting in stock-outs, and the inaccuracies of the replenishment cycle(s). **Action:** The introduction of scanning and an immediate perpetual inventory system were implemented.
- **Layout and packing area congestion**
Observation clearly identified the lack of ergonomic flow of packed product to the despatch area. The packing stations were congested and pack efficiencies low, with packing materials inappropriately located around the warehouse. **Action:** Complete re-engineering of the pack area, with the introduction of a conveyor system with pack stations adjacent, to give a more focused process for despatch.
- **Warehouse administration**
The warehouse administration was re-structured with all document processes being controlled by one operation, rather than the fragmented processing of picking and despatch documentation by the warehouse operatives. **Action:** Warehouse administration team created and trained to process all picking, replenishment and despatch documentation, driving efficiencies into the despatch process.
- **Insufficient picking locations**
The product base had grown considerably with the use of multi-product picking bins, reducing the pick face and increasing the level of replenishment to unrealistic levels. **Action:** Additional picking bins were introduced enabling fast moving stock to have a much larger pick face, reducing replenishment and making the pick more efficient.

Bill Owen, Kingsway Communications Limited, Finance Director was delighted with the outcome of the logistics audit, *“Our distribution operation is now back on track and more flexible to support the publishing activities of Kingsway.”*