

## **SAPICS 2015: People Over Pallets**

### *How to double your warehouse productivity in a dash*

Productivity of workers in South African warehouses is in some cases believed to be as little as a third of that of their overseas counterparts. This, together with a big increase in labour costs, high fixed costs, labour instability and supplier unreliability makes warehousing – which is one of the most important links in the supply chain – also its most vulnerable.

“There are however much that warehouse operators can do to improve their productivity,” says Martin Bailey, SAPICS board member and chairman at Industrial Logistic Systems.

Bailey will present a workshop entitled 20 Steps to Productivity Improvement in Warehouses at the SAPICS 2015\* conference, taking place from 31 May - 2 June at Sun City.

#### ***Increasing productivity***

“Worldwide, labour is often the biggest risk when it comes to running an efficient operation,” says Bailey. “But, by implementing some very practical systems and processes, it’s possible to double – and even triple – one’s productivity in a very short space of time.”

##### **- Education and training**

According to Bailey, warehousing still suffers from a poor image, causing companies to neglect its people when it comes to education and training. “This is changing as companies start realising that every supply chain component needs equal attention,” he says. For this reason, he emphasises the importance of education and training in improving productivity.

##### **- Measurement & incentive schemes**

“With the correct management tools in place, it’s possible for SA warehouses to become globally competitive,” says Bailey, referring to practical tools such as measurement.

Once one knows how much workers are doing (or not), one can then incentivize them to reach targets. “A major SA supermarket chain does this so well that most warehouse staff skip lunch and push to work overtime in order to earn more money!”

##### **- Automation**

A major trend abroad is warehouse automation. “The cost of automation has decreased dramatically in recent years. And, with the promise of improved productivity and reduced labour costs (by as much as 90%), it has become a viable option for many.”

#### ***Becoming more customer-focused***

Maintaining a ‘people over pallets’ philosophy, Bailey says becoming more customer-focused is another way of increasing the overall effectiveness of the supply chain.

“Since the warehouse is often the final interface between the vendor and the customer, it just makes sense to use this opportunity to deliver better service along with goods,” he

says.

In a case study that will be examined during Bailey's workshop, he refers to an SA retailer that has greatly improved its efficiency by ensuring that products leave the warehouse in a sale-ready format, so they simply need to be wheeled down the aisles at their destination.

"Such innovations come from simply making the effort to understand customer needs, right down to what kinds of trucks their warehouses can receive."

Another major global trend that Bailey will discuss is e-commerce. He says that what happens in warehouses today is increasingly being dictated by end consumers. "We used to deliver truck-loads, but now we deliver single items in a shorter space of time than before. For this one must have excellent IT systems and well-trained people," he says.

"In the end, it becomes clear that the success of today's warehouse operations depends more on the calibre of its people and their commitment to great customer service than simply the number of packages they're able to store and dispatch," Bailey concludes.