

TBL8 CASE STUDY:



Fortune 250 Distribution Center Turnaround

INTRODUCTION

TBL8 Logistics sought to enhance warehouse productivity and picking accuracy to improve a Fortune 250 client's overall efficiency and quality. The case study delves into the challenges encountered, solutions devised, and outcomes achieved in this endeavor. It aims to provide valuable insights for other organizations grappling with similar warehouse management issues.

BACKGROUND

Challenges Faced

- Inefficient picking and loading processes leading to delays
- Poor inventory visibility resulting in stockouts and overage products
- Lack of auditing procedures leading to inaccurate loading and receiving
- Lack of quality handling procedures leading to increased product damage

SOLUTIONS IMPLEMENTED

Base + Pay Model Implementation

- Pay Model:
 - Employees Paid on Base + Commission basis
 - \$100 for each day worked
 - \$20 per truck loaded
 - \$10 per truck loaded
 - \$.06 per case picked

Process Optimization

- Revamped Audit Process:
 - Supervisor and forklift operator review all product codes and quantities going on truck
- Receiving Quality Standards:
 - 360 walk around on all pallets received
- Operational Work Diagnostics on SOP's:
 - Reviewing SOP's with operators, when mistake is found in process retrain or improve SOP

OUTCOMES ACHIEVED

Key Performance Indicators (KPIs)

- Cycle Time: 35% Improvement
 - Prior Year 2.19 hours vs TBL8's First Year 1.42 hours
- In transit Damage: 74% Improvement
 - Prior Year 2.63% vs TBL8's First Year 0.66%
- Throughput: 30% Improvement
 - Prior Year 71.56% vs TBL8's First Year 92.90%
- Shipment Accuracy: 95% reduction in misshipments
 - Prior Year 87.06% vs TBL8's First Year 99.42%
- Volume: 37% Increase
 - Prior Year 15.4MM units vs TBL8's First Year 21.1MM units

Cost Savings

- Cost Per Case to client: 15 % reduction
 - Prior Year \$.20 vs TBL8's First Year \$.17
- Overage Product Loss: 88% reduction
 - Prior Year \$29K vs TBL8's First Year \$3.5K
- Product Breakage: 44% reduction
 - Prior Year \$73K vs TBL8's First Year \$41K

CONCLUSION

TBL8 Logistics successfully transformed its warehouse operations through the adoption of the base + pay model for employees as well as implementation of new process optimization strategies. The outcomes achieved not only improved operational efficiency but also contributed to cost savings and enhanced customer satisfaction. This case study serves as a valuable reference for organizations seeking to optimize their warehouse management practices and achieve sustainable growth.



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