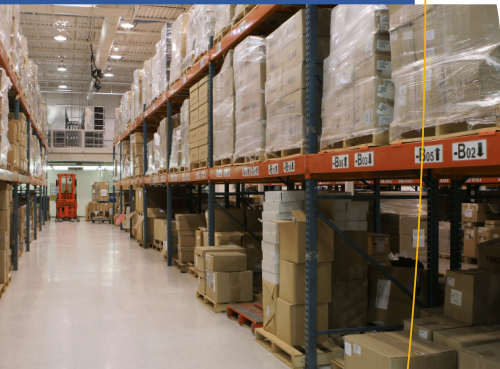


Picking: The Ultimate Cost Driver

Having the right approach for Order Fulfillment Process and Technology within a facility will depend on different Product Flow alternatives both in the Supply Chain and in the Facility. Typically there are many more pick transactions in a warehouse than putaway's which is why choosing the right picking process and technology has a large impact on the fulfillment of orders on-time.



Understanding your operation needs and utilizing the correct Order Fulfillment process is critical. These processes have a direct impact on:

- Operational costs
- Inventory Accuracy
- Customer service
- Inventory turns
- Labor productivity

Order picking is one of the most costly and critical material handling activities. Understanding your operational needs will satisfy customer requirements with the right product at the right time for the right price. There are a number of factors that will impact the decision on which Order Fulfillment and Technology approach to utilize. These factors include:

- Types of product (Each, Case, Pallet)
- Physical product characteristics (soft versus hard, weight, shape)
- Facility design / flow

The main justification factors in deciding which Order Fulfillment process best fits your operational and customer needs includes:

- Improve inventory turns
- Reduce labor cost
- Increase labor productivity
- Increase order fill rates and inventory accuracy

There are a number of factors that will determine the optimal Order Fulfillment approach and how orders are picked and goods flow through the supply chain.

Are you shipping via:

- Regional / Central distribution
- Hub & spoke
- Direct to customer

Alternative flow paths for a product type through a facility Flow through

- Cross dock
- Break bulk
- Pick & ship

Technology

- Manual
- Pick to light
- Full automation

enVista will help you determine the best picking solution, facility flow path and technology for your operation through:

- Effective inventory analysis – grouping product velocity and movement rates
- ABC analysis – classification of goods held in inventory according to sales volume used to determine stock locations within the warehouse
- Experience and expertise

Understanding your order fulfillment process, inventory requirements and order profile will result in an optimal solution for an operation which will lead to an increased utilization of resources while reducing overall costs and improving supply chain efficiencies.

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