

DISTRIBUTOR SATISFIES SEASONAL RUSH ORDERS

WHOLESALE DISTRIBUTOR

UNITED STATES



industry

DISTRIBUTION

applications

SHIPPING/RECEIVING

situation

This customer site is the wholesale distribution division for a manufacturer of refrigeration, heating and air conditioning equipment. The division supplies replacement parts to a network of dealers who sell the parts to heating, refrigeration and air conditioning contractors throughout the country. Because demand for heating and cooling equipment varies with the seasons, staffing at the division's main 1-million square foot warehouse varies, but it usually peaks around 85 warehouse employees.

critical issue

The customer feared it was losing a competitive market edge due to slow and sloppy shipments of replacement parts. For example, if a grocery store experiences a failure in its refrigerating or cooling systems, the store could potentially lose hundreds of thousands of dollars in perishable foods while waiting two or three days for an important replacement part to arrive. Typically, lead times on replacement parts of more than 24 hours are unacceptable, and the distribution division was often failing to meet that standard, sometimes because of mis-placed or lost rush orders. Also, during annual inventory, the company saw variances of 5% to 8% between replacement parts on the shelves and accounting's inventory records.

reasons

Part numbers, locations, and shipment quantities were visually verified by workers, who would write down the information on paper. These forms were later data-keyed into the company's mainframe computer system. This labor-intensive, error-prone system with built-in lag times simply was not efficient enough to accommodate the distribution warehouse's rush orders, last-minute changes and high inventory turnover.

vision & capabilities

The site's MIS Director wanted a bar code data collection system which would interface with their newly-written J.D. Edwards software and IBM AS/400 mainframe computer. He wanted warehouse workers to be able to scan part numbers, locations, and quantities and have them immediately validated by the computer system so that the worker could be warned if the wrong part or quantity was being selected. He also wanted a mechanism for the warehouse office to immediately communicate with workers on the warehouse floor to tell them to pick certain parts to fulfill an emergency order. Also, the distribution warehouse needed a broad selection of bar code scanning hardware to accommodate 45 forklifts, a flow belt hand-picking area, receiving, and final packing/shipping.

intermec solution

Intermec met the distribution warehouse needs with a 2.4 GHz radio frequency (RF) bar code system that covers the entire 1-million square foot warehouse. The site uses three versions of Intermec's JANUS™ series to meet their data collection needs: 1) twenty-five units of JR2010 Hand Held Computers; 2) five units of JR2020 Hand Held Computers with built-in laser scanners; and 3) forty units of the JG2050 Vehicle Mount Computer to be used on forklifts.

benefits

The distribution warehouse anticipates that the new system will pay for itself within 16 months, primarily by streamlining data collection and entry procedures. More importantly, they are now able to prioritize critical rush orders.