



WERC Certification Awarded Kenco's Whirlpool/Orlando Facility

The Orlando (Florida) DC operated by Kenco Logistic Services for Whirlpool Corporation has been recognized as a WERC Certified Warehouse.

The designation from the Warehousing Education and Research Council, the professional association exclusively focused on warehouse management and its role in the supply chain, certifies a warehouse facility's capabilities and its ability to competently perform core warehousing functions.

To conduct the certification audit, an independent third-party auditor inspected Kenco's Whirlpool/Orlando distribution center and conducted a process assessment, while benchmarking and grading the warehouse operations against recognized industry best practice standards.

These standards are contained in WERC's *Warehousing & Fulfillment Process & Best Practices Guide* that outlines the five levels of warehouse process competencies (ranging from "poor" to "best practice") for the eight common warehouse processes (receiving and inspection, material handling, slotting, storage and inventory control, warehouse management systems, shipping documentation, picking and packing, and load consolidation and shipping).

Kenco's Whirlpool/Orlando Distribution Center is located in Orlando. The employees perform key operations such as receiving, storage, product customization and reverse logistics, while compiling impressive KPIs, including 99.56 percent inventory accuracy, 99.4 percent picking accuracy, and 99.4 percent shipping accuracy.

Road to certification

Kenco Logistic Services is a family-owned, privately-held third-party logistics provider that manages over 100 facilities and 25-million square feet of warehouse space in 30 states and Canada. It presently manages six sites for Whirlpool. Kenco Logistics Services, headquartered in Chattanooga, Tennessee, delivers integrated logistics solutions throughout North America, providing value-added distribution, public warehousing, comprehensive transportation services and intelligent information technology.

"Kenco is dedicated to operational excellence," maintains Andy Smith, chief operating officer, Kenco. "Therefore, we sought certification from WERC as a means of validating what we believe to be a successful operation, and also of gaining recognition for that performance from a recognized, independent, and authoritative source." He added: "WERC is recognized as a valued resource for identifying best practices, and its certification process gives us a benchmark to strive for. Most times continuous improvement is not identified because you don't know what the best method is, however their certification process gives you that and allows you to do a gap analysis."

Smith emphasized: "We have strong programs to drive performance in 5 key areas: 1) safety/security, 2) quality management system via ISO 9001:2000, 3) a commitment to financial management control by using the following tools: P&L, ABC modeling, work measurement and accountability, business profile analysis and management, 4) dedication to a strong communication process, 5) passion for training and educating our workforce."

Kenco's Orlando team created a flowchart to illustrate the entire operation from receipt to shipment, summarizing how the operation works. And the regular tri-weekly staff meetings enable management to "keep a pulse" on the operation and review performance levels, inventory and departmental needs.

The auditor was "very impressed" with the web-based yard management system that was built in-house. "This system utilizes labels and scanners to provide real-time feedback on location, status and history of all trailers on the lot," describes Smith. Another area that impressed the auditor was the site's returns process. "We use tablet computers to receive product at the dock," he explains. "This allowed the site to improve the process and also remove a full-time position, resulting in a savings of \$36,000 per year."

Drive for improvement

The Whirlpool/Orlando distribution center is managed under the Quality Management System of ISO9000: 2000. "We have certified ISO auditors on our corporate staff, and they literally are out auditing facilities every day for compliance to ISO quality management principles," he says. "As a result, all of our processes are documented; so when we see gaps in a process, the team must go through the normal change control procedures we have in ISO to re-document processes and close these gaps."

For example, one specific observation was directed at the dock receiving process. Prior to the audit DC employees would unload, scan and then put away product. The site is now in the process of

changing the procedure, where the staging step is removed and the product is unloaded directly to stow (direct-to-stow methodology). This revised procedure saves about 20 to 30 minutes per load.

The outbound process is also undergoing change. The objective is to reduce the cycle time and the amount of time a trailer stays at the dock. By changing the outbound process from stage, scan and load, to scan and load, significant time savings are realized. The old process took 5 to 6 hours; now it takes 1.5 hours.

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Another opportunity reference concerned the facility's warehouse management system, and for the site to "explore" RFID technology as a potential solution. "We operate Kenco's legacy WMS in Orlando and we do share and make recommendations on changes based on Kaizen events from our Lean methodologies or systems reviews."

Tablet Computers in the DC

Kenco is actively pursuing the purchase of tablet computers for warehouse leads so they can access workforce productivity reports and other data and information electronically.

"On a daily basis there's a fairly large amount of information flowing to our associates on the activities that they're impacting, or that they need to understand to better gauge and drive any changes or continuous improvements that may be required," Smith maintains. "By providing supervisors with tablets to streamline KPI data sharing and allowing them to access reports in real time, they can make decisions much more effectively and quickly that can positively impact productivity and other metrics over which they have control," he explains.

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Tablet computers are not new to Kenco. They are an essential element in the site’s returns process

and are also used for training and re-training employees. “We use the tablet computers in our new hire training and our onboarding for associates,” he describes. “The tablet computers visually ‘show’ the process, the flow charts, and all the written procedures for tasks that associates should be performing. It’s also valuable as an educational tool for re-training, to foster the right behaviors,” he explains.

“We also use the tablets in our observation-based processes where we work with our associates and observe them complying with the requirements for the task(s) they are performing,” Smith notes. “The message here is to drive continuous improvement and performance as described in our written procedures or from our Lean and Kaizen initiatives and towards best practice development.”

Continue the quest for best practices

What is being done at the Orlando site is not being done in isolation. The Kenco operations vice president hosts a monthly call with all general managers to facilitate communication across Kenco’s network of Whirlpool sites, where among the topics of conversation, best practices are shared and discussed.

Communication is critical

Smith mentions two. The first is the Whirlpool Franchise Model, which is an initiative to foster consistency of best practices among the facilities that operate the same systems and/or have the same processes. “It took us about two years, along with our site general managers and our industrial engineers, to go through all of our facilities and by using ISO and Lean procedures to break down all of the processes and to develop the ‘franchise model’ best practice for each,” he explains. “We then integrated the best practices in all of the facilities operating the same systems and/or processes.”

The other best practice is kind of a “fun” thing with a serious lesson. It’s the Clamp Truck Rodeo. “Safety is our key concern where we’re stacking product five- and six-high with heavy equipment,” he describes. “We work hard to educate and train our staffs on how to properly operate the clamp trucks in proximity to people, rack and shelving structures and other building equipment and assets on the floor.”

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The “fun” part of the program is the rodeo competition where the operators display their talents and skills

performing the various drills and exercises. “It encourages using the correct procedures, practices and behaviors, while making it fun for the team, and even perhaps rewarding a skilled performer with a trip to the national competition,” Smith adds.

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Smith continues: “It’s also a validation of what we have always felt about the way we run our facility and do our jobs--that we do it all well. But we’ve also learned more about true best practices for operational areas in the warehouse from the WERC certification process which we will use as another tool to help us identify gaps in our processes and as an opportunity to continue to make additional improvements in our drive towards maintaining our operational excellence.”

WERC’s certification audit process has enabled Kenco personnel to focus on its operation and find opportunities for improvement. “The process also has helped site management to reflect on where the site is today and where they want it to go in the future,” he explains.

“Following the Franchise Model, we are now taking the certification standards and our learnings from the audit, and posting them on our intranet for other Kenco facilities to understand the true best practices for warehouse processes and to enable them to benchmark the WERC data for compliance and understanding of gaps in processes.”

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