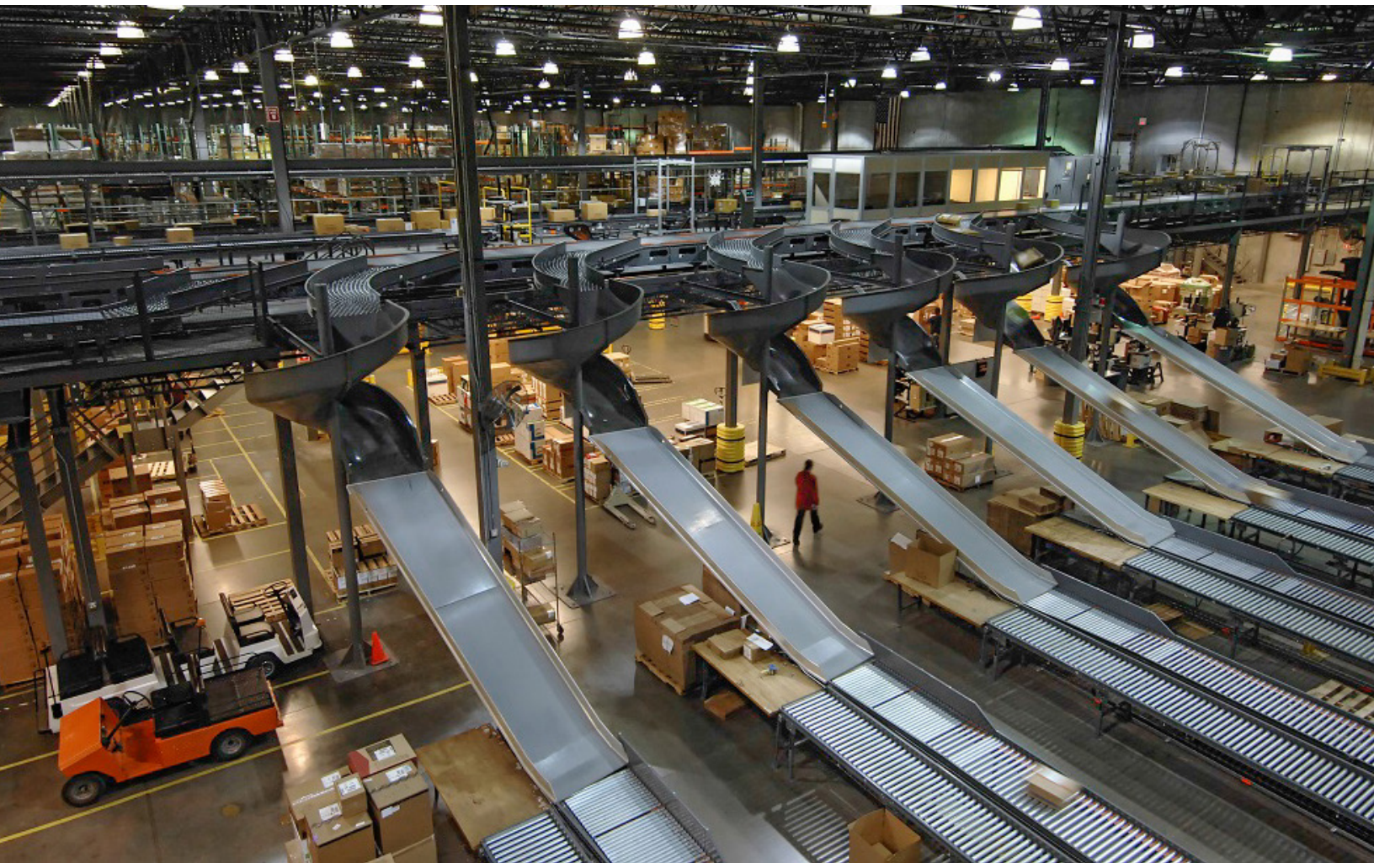
Internal Logistics Management Best Practices

NEW TECHNOLOGIES & AUTOMATION

FINDING THE RIGHT FIT



What is the right technology investment given the current state of your organization's internal logistics operation, and what areas should you target for improvement? Understanding what goes into making the right decisions is key to moving forward.

Canon
CANON BUSINESS PROCESS SERVICES

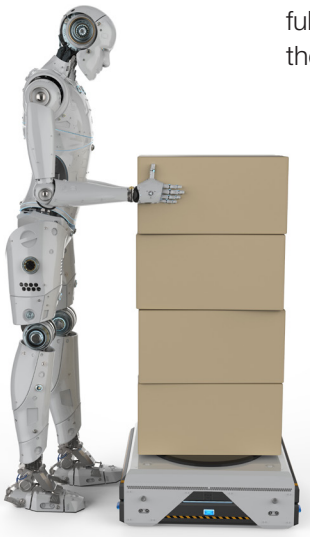
Logistics MANAGEMENT

AS AUTOMATION CONTINUES TO PROLIFERATE in the manufacturing facility across all industries are asking themselves what technology they really need, how much to invest in it, and what to expect in return. Driven by the booming e-commerce sector, the need for omni-channel thinking, a tight labor market, and ever-changing customer demands, shippers need complete, turnkey solutions that help them work smarter, better and faster.

Achieving those goals isn't always easy in a world where fulfillment problems have traditionally been resolved with superficial solutions. One popular option was to throw more labor at the issue, hoping that having additional hands would ultimately solve it.

In today's labor market that's no longer an affordable option. "We're in a business environment where—when you have a flat tire—the answer isn't to just try and pedal faster," says Jeremy Wisdom, a logistics, operations and supply chain consultant/solutions analyst for Canon Business Process Services (Canon). "You have to replace the tire."

For manufacturing facility owners, that means finding a model of efficiency that not only runs smoothly and accommodates customers' needs, but that's also productive and profitable. Getting that balance right is difficult for companies whose core competencies don't encompass warehousing, fulfillment, and distribution. Given this scenario, how can you begin filling the gaps and solving critical challenges?



In this white paper, we explore the challenges companies face when automating, explain why there's no need to rip-and-replace existing systems, and show how Canon is helping organizations implement advanced technology in the most painless, affordable manner possible.

WANTED:
PROCESS CONSOLIDATION & EFFICIENCY

Investing in automation technology can be daunting for any company that hasn't already kicked off its own automation and robotics journey. The technology hardware and software options available on the market are plentiful, and choosing among them takes time, effort and resources.

In most cases, companies seek out solutions that will help them consolidate activities within the manufacturing facility's four walls, says Wisdom, while also making the operation more efficient overall. "Technology is starting to transform how we do business, especially in this 'need it now' atmosphere," says Wisdom. "On a personal level, it's now so easy to get the stuff we want —not necessarily the stuff we need—delivered quickly to our doorsteps by any number of e-commerce vendors. This ability affects the everyday actions in how a business operates."

"There's a ton of software available right now...but getting the right 'fit' for your operation, and then making sure the technology is optimized and that you're getting everything out of it, isn't easy."

— Jeremy Wisdom

That mindset shift is pushing more B2B companies to rethink the way they manage fulfillment and distribution, both of which have come to the forefront of the supply chain as customers demand same-day and next-day deliveries. The same customers also want to be able to order from their mobile phones and then use those devices to track their products as they move from point A to point B. The problem is that the enterprise resource planning (ERP) and age-old supply chain software that many companies have in place can't scale up to meet those needs.

"We focus on quick, easy-to-adopt systems that enable easy process data collection," says Wisdom, noting that many companies are still using manual warehouse management systems based on paper, pens and clipboards. When they're ready to automate, many of those companies spend an inordinate amount of time and money investing in the wrong technology tools and software.

"There's a ton of software available right now," Wisdom points out, "but getting the right 'fit' for your operation, and then making sure the technology is optimized and that you're getting everything out of it, isn't easy." As a starting point, many companies turn to "napkin-based planning." Put simply, they look at a process, get an idea down on a napkin, consider whether it will work, and then implement the plan—all without ever considering the true root causes of their most pressing challenges.

THE MANUFACTURING FACILITY: NO LONGER STANDING ALONE

Historically, the manufacturing facility has been seen as a stand-alone entity where products go in one door and then magically move out of another one, out to the customer. Thanks to the boom in e-commerce and omni-channel distribution, the facility is now viewed as a vital link in the supply chain. Knowing this, more companies are grabbing onto whatever the "latest and greatest" technology is on the market, and then hoping that it helps them meet these changing market demands.

Unfortunately, this flawed approach has produced a lot of failed implementations and money drains at a time when most organizations are trying to do more with less. This strategy also finds companies investing in technology that never reaches its full potential.

"They've invested so much money in that system; they're not going to replace it... We don't want to force them to change, but we do want to get their data and put it on a platform that we can use to do forecasting and optimize their operations."

— Jeremy Wisdom

Using analytics tools, Canon can effectively pair customer problems with solutions that actually work. And the good news is that infusing automation into a facility doesn't mean ripping and replacing old systems. In fact, one shipper had an older system still in use today.

"They've invested so much money in that system; they're not going to replace it," Wisdom explains. "We don't want to force them to change, but we do want to get their data and put it on a platform that we can use to do forecasting and optimize their operations."

To do that, Canon uses bolt-on warehouse management systems (WMS), transportation management systems (TMS), or dock scheduling tools that can be integrated into the shipper's current procedures.

Using a site assessment tool, the Canon team does an initial facility walk-through. Asking questions along the way, the team examines manufacturing plant setup, flow patterns, worker activity, and other key points. "We discuss the high-level problems, and then go into a deep dive to ferret out the process variations, mispicks, cycle counts, and write-offs," says Wis-dom.

Other key questions posed include: What is your return to vendors? Do you have an order policy? Are there damages? What do your customers complain about most? "We take all of that information and put it into a matrix," says Wisdom. "Then we develop an analysis of how that specific facility can save money and improve efficiencies."

ASSESSMENT:
PEOPLE, PROCESSES, TECHNOLOGY

To help shippers get the most out of their automation and robotics investments, Canon thoroughly assesses the company's people, pro-cesses, and technology. "People are the main drivers in the internal logistics management environment, " says Wisdom, whose team assesses how tasks are being performed, what challenges employees are encountering, and what areas could be streamlined and "leaned out" to achieve better results.

Recently, Wisdom worked with a shipper that had recently installed a large automation system that was sitting stagnant and unused. "No one had been trained on it, and employees didn't have the right access to it," Wisdom recalls. In such cases, Canon does a thorough assessment of the operations and comes up with a well-rounded project-based plan for tackling key challenges like non-usage.

"We look at everything from a holistic standpoint because we don't just want to fix one area, only to have something go wrong downstream... It's about looking exactly at what the problem is, and then driving solutions."

— Jeremy Wisdom

Next, Canon helps companies better understand exactly what type of automation, robotics, or other technologies they need to be able to run a more efficient fulfillment organization. An e-commerce facility that has to be able to do very fast pick, pack and ship may gravitate toward using wearables, never really knowing another piece of worker technology might work better for it.

Another company may assume that its current conveyor system is fitting the bill, when a reorganization of the cells or a smaller pick-path function would enable significant productivity improvements. "We look at everything from a holistic standpoint because we don't just want to fix one area, only to have something go wrong downstream," says Wisdom. "It's about looking exactly at what the problem is, and then driving solutions."

SPECIAL FOCUS:
PICKING, PACKING & MATERIAL FLOW

As managers work to overcome their most pressing challenges and find what technology can help them do that, their individual heroics are still saving the day and helping operations work through one problem at a time.

"It's really still about working harder and/or more hours to get things done versus actually fixing the problems," says Wisdom. "A better approach is to have a second set of eyes come in and to do an assessment, look for cost-saving opportunities and find the most logical places to automate."

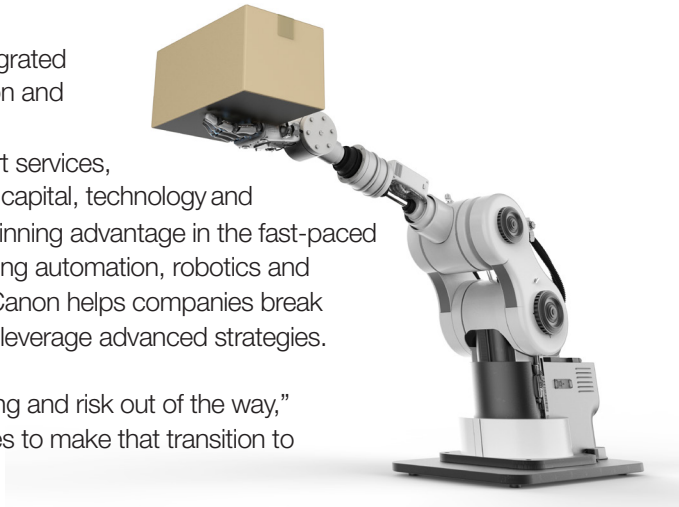
"It's really still about working harder and/or more hours to get things done versus actually fixing the problems... A better approach is to have a second set of eyes come in and to do an assessment, look for cost-saving opportunities and find the most logical places to automate."

— *Jeremy Wisdom*

This "deep dive" approach helps Canon determine the company's specific wants and needs, and to determine a long-term vision on how it can provide the best people, processes and technology available. The Canon team goes beyond the basics and scours the company's data for clues about its operations, potential areas of inefficiency, and opportunities for improvement.

In some cases, the main focus of that exercise might be picking, packing and material flow. In other instances, it's on reverse logistics, safety and the transactional structure. "We look at how the facility is operated, how it's structured, what the flow is like, and any telltale signs of an operation that's not optimized," Wisdom explains, "or otherwise not living up to its potential."

Knowing that manufacturing facilities are struggling to keep up with the de-mands of the modern business environment with limited resources, Wisdom says that by introducing companies to qualified, screened technology vendors—and then serving as a trusted partner both during and after implementation—Canon helps companies work through their biggest fulfillment problems.



By providing a comprehensive, integrated solution that incorporates distribution and inventory management, workforce management, and business support services, Canon provides the assets, human capital, technology and processes that give companies a winning advantage in the fast-paced fulfillment environment. And by adding automation, robotics and artificial intelligence (AI) to the mix, Canon helps companies break through their "manual" barriers and leverage advanced strategies.

"We take a lot of the decision-making and risk out of the way," says Wisdom, "and allow companies to make that transition to some-thing greater."

IMPROVE YOUR PLANT'S PERFORMANCE WITH CANON

Canon is an integrated materials and logistics services provider that offers a groundbreaking approach to optimizing your manufacturing facility performance. Our expertise in acquiring and retaining manufacturing logistics associates, optimizing technology, and managing a tailored onsite solution to improve efficiency is unparalleled. This approach sets us apart from staffing agencies and 3PLs and enables us to deliver performance excellence. It all starts with an onsite business assessment and then advances to a comprehensive roadmap to take your operation to a higher level. Call us at 888-623-2668 to set up an onsite assessment today.

ABOUT CANON BUSINESS PROCESS SERVICES

Canon Business Process Services leverages advanced technologies and services to deliver agility, exceptional workplace experiences and improved business performance. We achieve these results by applying our workforce management capabilities, Six Sigma methodologies and implementation expertise. With professionals across the U.S. and in the Philippines, we have been named a Global Outsourcing 100 leader by IAOP for 18 straight years. Canon Business Process Services is a wholly owned subsidiary of Canon U.S.A., Inc. Learn more at cbps.canon.com and follow us on Twitter @CanonBPO.

CONTACT US

261 MADISON AVENUE, THIRD FLOOR
NEW YORK, NY 10016
888-623-2668

©2024 Canon Business Process Services. All rights reserved.

This white-paper was created by Peerless Media LLC. Images are licensed by Getty Images and used by Peerless Media with permission from Getty Images. The text is copyright of Canon.