

WAREHOUSE MANAGEMENT BEST PRACTICES:

Maximize Productivity and Efficiency with the Right Warehouse Culture



Canon's integrated approach to warehouse and distribution center management helps companies future-proof their operation by retaining valued employees, creating operational efficiencies, and improving financial performance.

Directly linked to better employee engagement, higher operational productivity, and enhanced profitability, positive work cultures are critical to organizational success. For warehouse and distribution facility leaders grappling with labor constraints, supply chain shortages, high employee turnover, and double-digit increases in e-commerce volumes, the need for a strong warehouse culture has never been greater.

Companies that recognize this are seeking out new ways to optimize their warehouse cultures at a time when employees have a plethora of job opportunities before them. These are just some of the factors driving new management mindsets in warehouses and distribution facilities across the country.

To work through these challenges, companies are deploying integrated warehouse management services that enhance the financial performance and operations for critical business units, including production, procurement, sales, and human resources.

"Today's warehouses are complex operations where companies have to manage people, technology, and processes in a very fast and efficient manner," says Joe Tague, Canon's director, business services. "These activities are also intertwined with procurement, production, manufacturing, human resources, and other business units."

The need for strong corporate culture doesn't end at the loading dock. It flows through the entire fulfillment center and then cascades into many other organizational departments and functions. "Labor is a major problem right now in the warehousing sector, where companies that optimize their cultures have higher retention rates and sustainability," says Tague, "both of which are critical success factors in today's business environment."

Using an integrated approach to warehouse and distribution facilities, companies can tie all these entities together creating synergies and savings, financial opportunities, and new levels of success. Jeremy Wisdom, senior solutions consultant, warehouse and distribution at Canon, sees this as a new way of approaching warehousing, fulfillment, and the movement of material through the supply chain.

"Warehouse culture goes beyond just shipping and receiving to support a company's vision and where it wants to go," says Wisdom. "It expands well beyond the traditional mindset of warehouse operations and encompasses a truly integrated, holistic approach."

This white paper explores these trends and explains how an agile, optimized warehouse culture can help companies tackle their biggest challenges while also helping them remain agile, future-proof their operations and prepare for what is ahead.

TARGETING UNDERLYING CAUSES, DEVELOPING LONG-TERM SOLUTIONS

A special focus within Canon's integrated warehouse management offering is warehouse culture optimization. This new approach was created to address the issues raised by warehouse leaders.

And while third-party logistics providers (3PLs) offer process and technology support, most require companies to fit their processes to the 3PL's methods, and typically at their facilities. By giving up this control, companies miss out on opportunities to target underlying causes and identify long-term solutions on their own terms, in their facility aligned with their vision and corporate objectives.

With warehouse culture optimization, Canon reexamines the value of the warehouse, starting with the transportation element that's bringing products to the facility, continuing to the receiving doors, and then moving over to the putaway processes. Then, it looks at the value that these processes—and the people that support them—deliver to the entire operation.

"We want to get a 'big picture' view of exactly how the warehouse supports the entire organization," says Wisdom. "This is important because it's not just about doing a great job in the warehouse; it's about how all of the activities that take place in there are directly linked to supporting the company's core business."

This is where culture comes into play. Defined as a set of shared values, goals, attitudes, and practices that characterize an organization, culture makes everyone feel as if they are vital cogs in a larger, more important wheel. So, where a picker may be responsible for filling X number of boxes a day, or a forklift driver may load X number of tractor trailers each week, all those steps contribute to their organization's overall success.



"The warehouse of the past was a place where products were received, fulfilled, and shipped back out. Just how those activities intertwined with the company's larger operations was basically an afterthought," says Tague. "That mindset has changed, and people need to know that they are integral parts of their companies' business models in today's warehousing and logistics environment." It is an approach to labor management and productivity that maximizes both efficiency and employee satisfaction.

DRIVING FINANCIAL AND OPERATIONAL SUCCESS

The benefits of an optimized warehouse culture go beyond just creating a “feel good” atmosphere where people want to come to work every day. While culture is a significant driver of employee retention and engagement, there are many more reasons why companies use Canon’s warehouse culture optimization services.

“Employee morale is extremely important, but there are also major business benefits that come from optimizing a warehouse culture,” says James Flora, solutions consultant, warehouse and distribution at Canon.

Some of those wins include better customer satisfaction metrics, a safer work environment, and a workforce that is committed to continuous improvement.

“By building a continuous improvement culture, employees become active problem solvers,” Flora adds. “Instead of employees begrudgingly using a process or tool that is not working well, they are empowered to launch an improvement initiative to solve the problem. These initiatives can increase an employee’s job satisfaction while also advancing the business forward.”



There are also clear financial benefits associated with an optimized warehouse culture, starting with the fact that it’s getting more expensive to find, hire, and retain good employees in today’s labor market.

Every time a new hire leaves the job within a week or two of starting, it negatively impacts a company’s bottom line. By infusing a positive work culture into the warehouse—a place where this hasn’t historically been done—Canon helps organizations minimize these and other HR-related expenses.

An optimized warehouse culture also supports customers, many of whom are ordering online and creating direct connections with the people who take, pick, pack, and ship their orders daily. When customers are happy, the organization’s bottom line goes up exponentially. When those buyers are disappointed by a mis-picked order, poorly packed box, or late shipment, the exact opposite happens.

PUTTING THE CUSTOMER FIRST

When kicking off new engagements with customers, Flora says the customer is usually at the center of Canon's discussions about warehouse culture optimization. "With our approach, there's a major focus on seeing things through the customer's eyes and adding as much value to the customer as possible," he explains. "This ultimately grows the business."

With a focus on continuous improvement, warehouse culture optimization isn't just a "set it and forget it" exercise. According to Wisdom, Canon's warehouse culture optimization approach focuses on not just continuous improvement initiatives, but true progress day over day and month over month.

Material movement and logistics is an ever-changing environment, which means that solutions must be flexible and constantly evaluated. Canon's team of resources align this progress with client goals and vision by constantly assessing material movement support to and from critical business units, as well as core business processes such as manufacturing and production.



"We want to know how the warehouse is supporting the business' core operation," notes Wisdom, "and then work to enhance that using a flexible approach that's centered on consistent progress."

A tailored solution delivered onsite at the client's location, Canon goes beyond the typical 3PL offering and factors the company's operational and business requirements into the equation. This creates superior levels of collaboration and integration and maximizes synergies that wouldn't be possible if the tasks were outsourced to an offsite third-party.

Canon's warehouse culture optimization approach also creates valuable, untapped links between a company's fulfillment operations and its procurement, manufacturing, HR, and other business units.

Once in place, these newfound synergies help support overall organizational success and profitability gains. Canon also leverages data to measure the current operation's success and to help its clients make more strategic decisions regarding investments, expansions, hiring, and transitions.

"We integrate with our clients' cultures onsite, where our subject matter experts, consultants, Six Sigma black belts, and safety teams all integrate with their operations," says Flora. "Our resources become their resources."

KEEP THEM WITH CULTURE

All the hiring and recruiting tactics in the world won't pay off if employees don't stick around long enough to get through their initiation periods. By engaging a partner that takes an integrated approach to logistics and materials management, organizations get a comprehensive, tailored blueprint for achieving excellence in warehouse staffing management, business process workflow, and technology.

"Warehouse work can be strenuous and often requires non-standard hours," Tague points out. "With the current labor market, finding people to fill and stay in these positions is tougher than ever." Combine these realities with the massive uptick in e-commerce orders, supply chain shortages and lingering effects of the pandemic, the need for optimized warehouse cultures becomes increasingly evident.

Of course, culture is always important, but in an extremely competitive labor market—and for a rapidly-growing industry like warehousing—employee retention has turned into a major success factor.

"If you don't have employees, you can't get the work done," Flora concludes. "People want to enjoy their work environments, take pride in their work, and know that what they're doing contributes to a larger purpose. So, while a paycheck may initially attract employees, it's the corporate culture that keeps them."



ABOUT CANON BUSINESS PROCESS SERVICES (CANON)

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 15 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.

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