NEWCASTLE SYSTEMS

THE RECEIVING REVOLUTION

OPTIMIZING YOUR WAREHOUSE'S STARTING POINT

INTRODUCTION

Did you know most warehouse inventory errors start in receiving? If you make a mistake in the receiving area, it can have a 10-fold effect on the rest of the warehouse process.

The number one piece of advice experts have when it comes to warehouse optimization is that optimizing receiving is the first most important step to optimizing the warehouse.

Many warehouse layouts diminish the size and importance of receiving at a great detriment to their entire operation. Think of all the activities receiving does. They add labels, count the items and reconcile them with the manufacturer's packing list. They break down pallets. They accommodate back orders, they report manufacturers shipping errors.

All this activity needs to be supported and optimized. By focusing on reducing receiving errors and inefficiencies you will improve the flow of your entire warehouse.

THE STARTING POINT

Like most logistics operations, yours might point to “Receiving” as the main starting point in your operation. Either because it is a process that often starts much earlier than others with the overnight arrival of trucks delivering product from all parts of the country, or simply because the point of which products/materials enter your facility is the starting point which all your other processes rely on.

Unlike other processes at thousands of other businesses, the Receiving process for most businesses looks pretty similar:

1. Large truck or container is backed up to the receiving bay

2. Contents are emptied onto the receiving area floor by forklift (pallets), or by hand or extendable conveyor (individual cartons and boxes).

3. Whole pallets or boxes are labeled separately with barcodes to assign location to put away and other information relevant to business.

4. Repeat.

HOW FORTUNE 100 COMPANIES DO IT

When doing a step-by-step analysis of the typical receiving process, there is often one common denominator that many businesses share that is either directly or indirectly linked to all of the above problems: **walking**.

While this is not going to be an unhealthy advisement against walking, what we've learned from working with some of the most sophisticated operators in the warehouse industry is that "**Extra steps** equals higher costs. Period".

So how do we either 1) reduce the total steps or 2) re-direct them to be more productive? The solution comes from the simple issue of printer location.

Most excess walking is the result of team members needing to walk back and forth from the receiving docks to wherever the printer is located that has been set up for printing the labels used for the incoming shipments.

In an operation where thousands of cartons are coming into a facility on a daily basis, printing and retrieving labels for those cartons one pallet or even one truckload at a time generates **hundreds or even thousands of extra steps**.

STOP WASTING MONEY ON INEFFICIENCIES AND BOTTLENECKS

For one of the most consistent and simple processes in the logistics world, there are still so many ways that it might not be optimized and costs your business money due to any number of inefficiencies or bottlenecks.

Some of the most common problems businesses have in the Receiving area include:

a. Receiving docks are backed up, leaving trucks idling outside waiting for an open bay

b. Pallets are moved or put away prematurely by forklift operators creating inventory gaps

c. Workers expend extra hours walking back and forth across the warehouse finding and matching up labels to incoming product.

d. Docks are under-utilized due to the slow process of putting away incoming product (i.e. they could be freed up for shipping, etc.).

A SOLUTION SPECIFIC TO WAREHOUSE NEEDS

So, the first simple idea is “Why not add a printer to the Receiving area?” This only works if you have a small operation with just a few bays for Receiving. Anything larger, and someone is still walking. Instead, putting the printer on wheels and providing the team with a fully operational mobile workstation will not only bring the printer right to the work, but will also add to improvements in accuracy, real-time changes and adjustments, and better in-process management.

While there are plenty of home-made “McGuyveresque” examples of off-the-shelf carts and batteries used to facilitate the idea of making a workstation mobile, professionally crafted options designed and accessorized specifically for your industry and application will be a better investment for your process metrics and for your team’s ergonomic health.

A PRODUCT TO MAXIMIZE YOUR ROI

A product that is designed to optimize your investment will generally include:

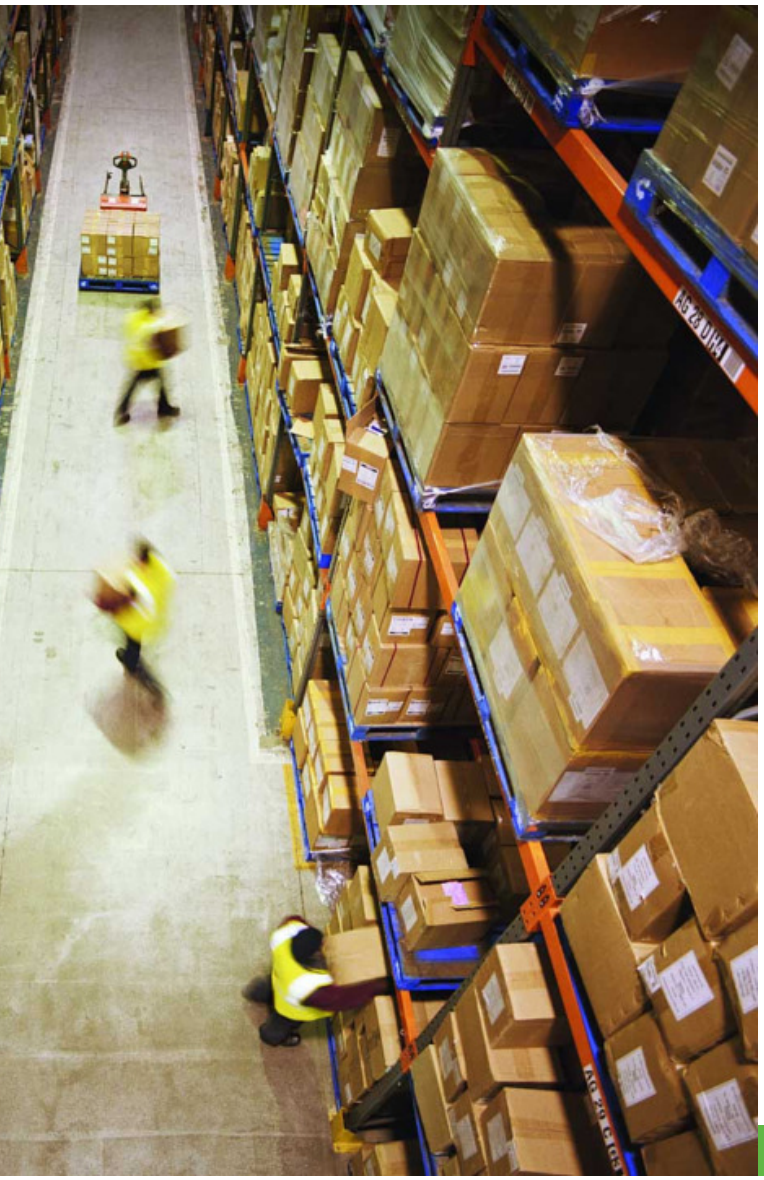
1. **A heavy-duty cart** built to not only take the inevitable bumps and scrapes that come from working in and around all kinds of heavy equipment and shelving, but will also protect your workstation equipment worth thousands of dollars.

2. **An ergonomic design** that ensure employees of any size or strength can easily manipulate the workstation without much effort.

3. **A re-chargeable power source** that can effectively run your workstation at full capacity for an entire shift AND be durable enough not to need frequent replacement.

4. **Options to customize** the configuration to accommodate any of the potential tools you might have associated with your workstation included high-capacity thermal printers, handheld scanners, monitors and even more unique items like dimensional scanners.

THE IMPORTANCE OF QUALITY



Plastic carts can crack or even shatter easily, metal carts that lack specific features to protect your printers, laptops and other valuable equipment like handheld scanners, and carts that lack the ergonomic designs that normally reduce fatigue and potential stress injuries to employees should be avoided.

Likewise, use of batteries not specifically designed for the rigors of a warehouse or manufacturing facility (i.e. frontline medical cart batteries), won't provide the durability and ROI of a well-crafted, technologically advanced, warehouse specific battery.

HOW MUCH IMPACT DOES A MOBILE RECEIVING PROCESS HAVE?

How companies increase their numbers by optimizing receiving:

1. California's largest supplier of fresh berries offloads 18 truckloads of produce every day in a single facility. Mobile receiving stations reduced the processing time for each truck from 45 minutes to 30 minutes. That is a total of 4.5 hours per day – translating into **a savings of about $22,000** per year.

2. A Top 100 US Retailer increased their intake from 16.6 to 27.1 cases per hour, a 63% increase, which subsequently **reduced overtime by 75%** and providing a payback of less than six months after investing in a mobile receiving process.

3. Other operations with high volumes of receiving have achieved up to 65% higher velocity and/or up to **$5,000 of savings per position** per year And with the increase in velocity, the cost of making trucks wait for an open bay, which can result in charges for detention that could exceed $200/hour.

THE DEFINITIVE CASE BY THE DATA

Our recent “lean” time-study illustrates not only the minutes saved by moving to mobile workstations, but the unnecessary process steps that are currently part of the typical legacy receiving process:

YOUR CURRENT PROCESS STEPS AS BROKEN DOWN BY “NECESSARY”, “VALUE-ADDED” AND “WASTEFUL”

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Your Power to Productivity

Receiving Work Study

Current Process

STEP	TASK	TIME (seconds)	VALUE
1	Lift Gate/Pull Paperwork	20	=
2	Walk to PC/ Waiting	150	⊘
3	Scan Barcode	5	+
4	Lookup PO Info	10	=
5	Print PO	10	⊘
6	Walk Back to Load	120	⊘
7	Inspect QC/Verify Items & Qty	360	+
8	Walk Back to PC/ Waiting	150	⊘
9	Print Labels	60	+
10	Walk Back to Load	120	⊘
11	Apply Labels for Putaway	120	+
12	Find Material Handler for Putaway	120	⊘

TOTAL TIME: 20.75 Minutes

= Necessary Tasks + Value Added Tasks ⊘ Wasted Tasks

Your Current Process With Existing Wasteful Process Steps...

IDENTIFY AND ELIMINATE WASTEFUL STEPS WITH A MOBILE WORKSTATION

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Receiving Work Study

Current Process

STEP	TASK	TIME (seconds)	VALUE
1	Lift Gate/Pull Paperwork	20	=
2	~~Walk to PC/ Waiting~~	~~150~~	⊘
3	Scan Barcode	5	+
4	Lookup PO Info	10	=
5	~~Print PO~~	~~10~~	⊘
6	~~Walk Back to Load~~	~~120~~	⊘
7	Inspect QC/Verify Items & Qty	360	+
8	~~Walk Back to PC/ Waiting~~	~~150~~	⊘
9	Print Labels	60	+
10	~~Walk Back to Load~~	~~120~~	⊘
11	Apply Labels for Putaway	120	+
12	~~Find Material Handler for Putaway~~	~~120~~	⊘

TOTAL TIME: 20.75 Minutes

= Necessary Tasks + Value Added Tasks ⊘ Wasted Tasks

Eliminate Wasteful Process Steps with a Mobile Workstation...

ACHIEVE MEASURABLE GAINS OF OVER 50% WITH NEW “LEAN” PROCESS

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Your Power to Productivity

Receiving Work Study

New Process – Reduced Steps

STEP	TASK	TIME (seconds)	VALUE
1	Lift Gate/Pull Paperwork	20	=
2	Scan Barcode	5	+
3	Lookup PO Info	10	=
4	Inspect QC/Verify Items	360	+
5	Print Labels	60	+
6	Apply Labels for Putaway	120	+
7	Alert Material Handler via Walkie/Visual Cue to Pick Up Load for Putaway	20	+

TIME 9.91 min vs. 20.75 min 52%

TOTAL TIME: 9.91 Minutes

= Necessary Tasks + Value Added Tasks

Total Process Time Reduced by Over Half, Process Simplified...

THE POWER TO MOVE YOUR WORKPLACE

If you are looking to increase efficiency in your warehouse you can utilize this **Free Mobility Audit** to determine how many minutes are wasted in your receiving area.

After calculating your minutes wasted you can easily calculate ROI with our **ROI calculator** to determine how quickly you would start saving after your workstation investment.

ABOUT NEWCASTLE SYSTEMS

Newcastle Systems is committed to providing innovative solutions that help make Auto-ID technology and other hardware truly mobile and information more readily available across an enterprise.

Loss of productivity and inefficiencies such as wasted steps to the printer on a fixed desk, inaccurate inventory counts, improper labeling, time delays, manual processing and incorrect shipments are just some of the challenges that are alleviated with a mobile powered workstation.

74 Ward Hill Avenue, Haverhill, MA 01835 USA
781-935-3450