INGRAM MICRO MOVES AT PEAK SPEED WITH NEW PRODUCTIVITY

Ingram Micro's Mira Loma facility wanted greater security and accountability for its critical devices.

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>
> — **Cindy Baughman, Senior Operations Manager**

For third-party logistics (3PL) providers, the most basic measure of success is moving more orders faster, and for less costs, than customers can do themselves. That's why the most successful 3PLs make continuous improvement a priority to drive out waste and improve efficiencies in every area of their business.

Ingram Micro is a global leader in technology and supply chain solutions, providing 3PL services for technology brands around the world. Ingram Micro's Mira Loma, California distribution center is often used as a testing ground for Lean initiatives. When its 800,000-square-foot Micro Drive facility was being reconfigured to make room for a new customer, Senior Operations Manager Cindy Baughman saw an opportunity to improve how the company managed its sizable investment in RF and pick-to-voice devices.

A Greater Need for Accountability and Cost Control

Like many distribution centers (DCs), Ingram Micro stored handheld devices in a cage. It was staffed by an attendant on the first shift and part of the second shift – however, it was unattended on third shift. As associates came to work, they would line up and the attendant would hand out devices one by one. They were expected to return them to the cage at the end of the shift.

However, the process was unreliable. Devices were lost, and damage sometimes went unreported. And in the fast-paced 3PL environment, these inefficiencies could affect productivity and profitability.

Choosing Fool-Proof Asset Management

As Baughman and her team looked for a smarter way to manage roughly 300 RF scanners and 90 pick-to-voice units, their research led them to Apex Supply Chain Technologies® and its AXCESS™ 6100 Automated Locker Solutions.

Ingram Micro implemented 14 systems, located in three different areas of the DC. This places handhelds near their point of use to increase efficiency and productivity, with added capacity to handle peak season staffing.

In addition, having 14 lockers means 14 employees can now check-out devices at the same time, eliminating the old "check-out bottleneck," and saving valuable time for every associate. Those minutes are significant across a workforce of more than 400 associates. In fact, streamlining the process is expected to help Ingram Micro recover about 8,600 associate hours in the first year*, and move the cage attendants to more high-value tasks.

According to Baughman, "We needed a solution that was cost effective, provided reporting, offered associate accountability and was user-friendly. Apex gives us that."

Part of what won them over was the solution's 24/7 visibility and reporting through the Apex Trajectory Cloud™ platform. Managers can now easily see who checked out each device and when it's due back, for all three shifts. Additionally, the self-serve lockers free up managers to focus on more value-add tasks.

WHY MANUAL SOLUTIONS FAIL

Traditionally, distribution centers have managed critical scanners and pick-to-voice equipment with manual systems like cabinets, cages or shelves, often controlled by a manager. But those systems have never been foolproof and often result in lost productivity and high costs. Here's why:

» **Little accountability**
Employees get careless or forgetful with devices and fail to return them after their shift.

» **Lost manager time**
When devices go missing, managers must search for them instead of focusing on value-added tasks.

» **Slow shift starts**
Manual systems often create a distribution bottleneck that

requires employees to stand in line, resulting in lost productivity.

» **Non-productive employee time**
While employees are waiting for lost devices, they may be assigned to non-productive tasks like sweeping or organizing shelves.

» **Excessive spares cost**
Since 100% of devices are rarely available, DCs

frequently purchase more spares than actually needed, resulting in higher asset acquisition costs.

» **High repair and replacement costs**
Lack of accountability leads to added damage and loss, resulting in high repair and replacement costs.

Easy Implementation, Quick Adoption

Baughman appreciated how quickly Apex got the asset management program up and running. "The installation and set-up process was super smooth. The team at Apex were absolute rock stars. They helped us every step of the way," she said.

More importantly, associates quickly got the hang of it. They also like knowing that when they arrive, their equipment will be there, according to associate Mario Chavez.

"You go straight to the locker, you swipe your badge…within a few seconds you're on your way to do your job," said Chavez.

A Faster Way to Isolate Problems

The Trajectory Cloud software also makes it much simpler for management to keep track of devices. If any item is checked out for more than 12 hours, Trajectory Cloud sends an alert to specific leaders letting them know it's overdue, and who last checked it out. They can use this alert to talk to the supervisors, the manager and the associate to hold them accountable.

> Now we know exactly who has what asset, what time they checked it out, what time they checked it back in and what the status was when they returned it.

— Cindy Baughman

REAL RESULTS
Faster Shift Starts, Increased Performance

8,600 HOURS/YEAR
ASSOCIATE HOURS RECOVERED*
» 25 min/week x 400 associates

NEARLY 100%
DEVICE RETURN RATE

$227,000
EMPLOYEE WAGES REALLOCATED*

*Ingram Micro estimated annual savings

productivity, device repairs, device returns and more. Over time, they expect to see lower asset acquisition costs, as well.

It's a classic continuous improvement lifecycle that's helping Ingram Micro improve profitability and ultimately provide even more value to its customers.

"We have to have low costs," notes Baughman. "By having associates starting their work quickly and efficiently we can be more productive and maintain that competitive edge with our customers," she said.

"Now we know exactly who has what asset, what time they checked it out, what time they checked it back in and what the status was when they returned it."

As a result of the improved visibility, nearly 100% of assets are now returned after each shift and kept securely in the lockers, resulting in a significant decrease in damaged equipment.

Continuing Results, Continuous Improvement

Since installing its Apex Asset Management Solution, Ingram Micro has seen valuable improvements across key metrics – associate

To learn more about Asset Management Solutions from Apex Supply Chain Technologies, visit ApexSupplyChain.com/AssetManagement, email us at info@apexsupplychain.com, or call 1.800.229.7912 to visit our Customer Experience Center.

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