

# Solutions Study



## **Solution:** Take Over Existing Warehouse Operation

### **Situation**

The Customer's existing 700,000 s.f. distribution center in Columbus, Ohio was suffering from poor performance, no leadership, high costs and a union environment under another third party logistics provider. This vendor had a longterm relationship with the Customer, but had not moved forward as the business changed to ensure customer satisfaction. A change had to be made to improve customer satisfaction levels and costs to the company and to their customers. The selected vendor would have to meet several objectives:



- **Staff with a non-union workforce**
- **Increase productivity to an acceptable level**
- **Negotiate and manage much needed building improvements**
- **Increase space utilization in a prime location in the network**
- **Improve service levels to acceptable performance**
- **Improve "ease of doing business" requirement with Customer**
- **Provide leadership for long-term sustainability**



### **Strategy**

After a full RFP and proposal process, Aspen was awarded the business in early November. Aspen immediately assembled a team to manage the transition which had a GO LIVE date of January 1st. The team developed a detailed action plan to include all the tasks to be completed including hiring training, system revision, MHE purchasing and service requirements

The strategy we followed was:

- **Sell associates on Aspen's philosophy and culture and deliver our promises to them to break the union. The existing union contract was much less than we already did for our associates normally**
- **Modify the Warehouse Management System logic to manage the work flow more efficiently.**
- **Evaluate and change the material handling equipment and building services to a lower cost solution.**
- **Ensure all performance metrics were being tracked and communicated.**
- **Upgrade working conditions to create a fun working environment.**



# ASPEN

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### **Results**

The transition of business from one vendor to another was smooth and successful. Many of the associates from the previous vendor were selected by Aspen and chose to leave the other vendor and join our non-union team. Productivity levels were met and exceeded within the first 30 days of implementation. Aspen worked with the landlord to make improvements to the facility including dock door replacement, new roof, floor repairs, painting, office overhaul and new lighting. The end of year comparison between 2001 and 2002 showed impressive results:



- **22% reduction in total costs**
- **7% reduction in Labor rates**
- **11% increase in pounds per hour**
- **20% increase in cases per hour**
- **33% reduction in Headcount**
- **8% increase in inventory accuracy to 99%**

Aspen is a top 100 third party logistics firm who has been in business for over 30 years and operates approximately 3 million square feet of modern refrigerated and ambient warehouse facilities along with their own fleet of trucks. Aspen specializes in a variety of value-added services, including co-packing, pick pack, just-in-time inventory management and time sensitive custom deliveries. Aspen is a specialist in the retail and healthcare supply chain and understanding the details involved with shipping to major retailers and grocery chains.

# ASPEN

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