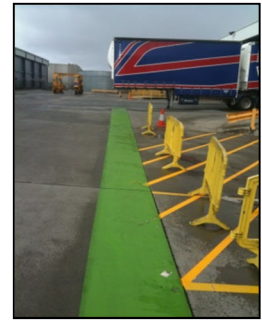
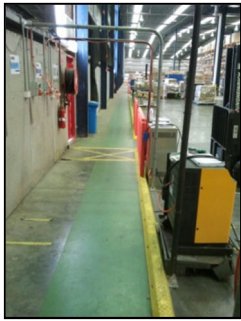


The Power of Lean – A Case Study in Lean Logistics Implementation

SPOTLIGHT

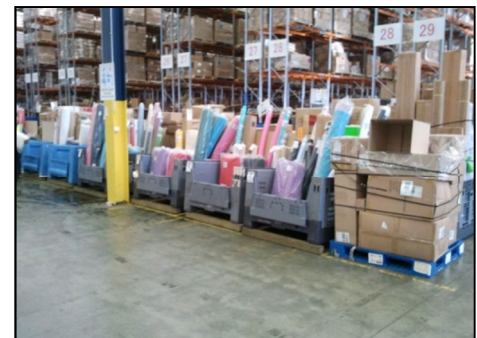
ANACONDA the adventure starts here

Vative Certified Lean Training Programs have brought about significant operational improvements throughout Spotlight and Anaconda warehouse operations. Over the last 12 months Spotlight has undergone some major changes in their operations, i.e. the introduction of a new Warehouse Management System and the integration of Anaconda warehouse. 26 Full time employees participated in the Vative Lean Logistics Certified Training program. As part of this program a number of formal project teams implemented major lean improvement projects centred on 5S, warehouse material flow and the introduction of standardised processes.



Project 1; The Introduction of Cross Dock operations;

Previously, Spotlight contracted 3PL providers, who would process orders previously picked at Spotlight Warehouses into state and then store locations. The objective of this project was to all picking, sorting and routing in house to better control of the overall “dock to dock” quality, delivery and cost, reduce lead time to retail stores, improve throughput capacity, reduce overall warehouse handling cost, eliminate cost of transportation to 3PL sites, reduce double handling and associated risk of damage to goods. This resulted in an overall saving of \$60k/ week in operational cost.



Project 2 ; Material Handling and Picking Process Rationalisation:

Previously, Spotlight warehouse pickers needed to travel long distances to pick up empty pallets. This would be required for every pick-run and multiple times over the course of the working shift. Compounding this problem, Picking Fork Lifts were located on the other side of the warehouse, opposite where empty pallets were stored. This required pickers to travel the entire length of the warehouse empty and after collecting empty pallets, the pickers would travel back to start of pick path, as much as 300 meters of FL travel before the first pick was made. Analysis showed that 16 pickers took approximately 3 min/trip to pick up empty pallet across the warehouse, for each picking slip. The Solution was to introduce 3 centrally located automated pallet storage modules to store empty pallets. Reduction of “wasted” travel time resulted in a saving of approximately \$1,130,000 P/A.

Project 3: Consumables/Inventory Management:

Project aim was to introduce a centralised 2 bin Kanban replenishment system for consumables (i.e. cardboard materials, packing materials, labels etc). Currently Spotlight holds on average 4 -6 weeks of packaging materials in stock, this is stored in different locations across the warehouse. Outcome was the management of inventory to pre-determined quantities (min/max) through Kanban, eliminate the risk of “stock-outs”, reduces cost of holding inventory, time spent by operators “looking/finding” packing material. Savings equated to approximately \$500k/year.