Materials Handling – Distribution Centre/Warehouse Planning.

Any number of things can go wrong when you start a new project in your Distribution Centre/Warehouse. Here are the nine hurdles that usually stand between you and the finish line

No one plans for failure. After all, reputations have been made and careers ruined, based on the results of a new materials handling system. Yet, not all projects are successful.

We've identified these nine most common hurdles to achieving "appropriate" results.

1. Planning: Planning gets off track in three ways:
   - A system is designed for the way things used to be and not the way they are projected to be upon completion.
   - A system is designed to handle average volumes and not peak volumes.
   - Too many systems are designed to handle every exception. "The most productive systems handle the majority of operations (~80% by volume) with work-around planned contingencies to cover the rest".

2. Accountability: A successful engagement needs a leader with control over the resources to get the job done. The corollary is that the person in charge also has to have the experience and expertise to get that job done.

3. Go Live: Rigorous acceptance testing is critical to materials handling success. Yet staged testing is often the first step jettisoned when a project falls behind schedule.

4. People: Automated technology is more complex than a manual system. Yet, systems are often operated by people whose last job was behind a fast food counter. "Line operators aren't adequately trained and supervisors are interested in protecting the status quo, which leads to a resistance to change.

5. Managing expectations: Management needs a realistic assessment up front of what a new system will do and, more importantly, what it won't do. And when new systems meet the metrics set out during the planning stage that information needs to be reported back to management. "If Distribution Centre and Warehouse managers don't tell management what they've accomplished (or constraints on accomplishing), management will presume they haven't done anything (or that they're coping when they really aren't).

6. Budget conformance: A realistic budget, with funding for long-term maintenance, energy consumption, upgrades and labour, also includes:
   - Money for contingencies
   - Funding for IT requirements
   - An understanding of the lifecycle cost of a system

7. Compliance: Ensuring that the changes are reflected in upgrading essential (fire safety) services (sprinkler, ventilation/smoke control, first aid facilities, evacuation planning and preparedness) and OH&S issues (signage, site and equipment hazard assessment

8. Documentation: Ensuring that the changes are reflected in Operations & Maintenance Manuals, Drawings and commissioning data.

9. Schedule conformance: Meeting schedule deadlines is important, but not if it means eliminating crucial steps that can result in down-time later on. "Cutting out or degrading things that you know are needed like testing, ramp-up and compliance just doesn't work".

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