DC Management Best Practices

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J. Paul Dittmann, Ph.D.
Executive Director, Global Supply Chain Institute
University of Tennessee
jdittman@utk.edu

Sean Coakley
Senior Vice President
Kenco Group, Inc.
sean.coakley@kencogroup.com
Kenco Background

- Private, woman-owned company established in 1950
- Vertically integrated third-party logistics provider
- $520+ million in revenue (10.3% CAGR)
- 31 million sq ft in 90+ locations in North America (8th largest 3PL)
- $80 billion of retail value managed through facilities
- 4,800+ employees

Kenco Logistics Services
Integrated logistics solutions

Kenco Transportation Services
Asset & Non-asset transportation solutions

Kenco Material Handling Solutions
Equipment and maintenance services

JDK Real Estate
Locate, build, equip and manage commercial properties

Kenco Management Services
Subject matter experts that drive consistency of execution across the network

Confidential & Proprietary

Kenco Background

- Over 90 Facilities and 31 million SF
- Customer Dedicated and Multi-Client Facilities
- Ambient, Temp-Controlled, Food-Grade, and FDA-Regulated
- Lean Six Sigma Operating Methodology
- Integrated Value-Added Services: Packaging, Light Manufacturing, Kitting, Returns Management, Postponement, and B2C Order Fulfillment
- Transportation Presence in 40+ Facilities

Confidential & Proprietary
"The significant problems we face cannot be solved at the same level of thinking we were at when we created them.” - Albert Einstein

Third-party Logistics providers’ core competency is the development of Processes, Technology and People required to design, execute and improve distribution networks.

- 72% of Shippers are increasing the use of 3PLs
  (Source: 2014 18th Annual Third-Party Logistics Study)

3PL’s must provide a methodology to Standardize, Measure, and Improve distribution center operations (warehousing operating systems).
Best Practices From 3PL Perspective

- Know the profile
- Consolidate inventory to serve all channels
- Weigh flexibility vs. automation
- Recognize the direct and indirect value of good people
- Look at dependencies beyond the 4 walls

The ABCs of DCs

- Receiving
- Picking / Order Fulfillment / Shipping
- Lean Warehousing
- Cross-Docking
- Metrics and Planning
- Warehouse Information Systems
- Warehouse Layout and Space Optimization
- Warehouse Network Optimization
- Safety and Security
- People
- Sustainability

Distribution Center Evaluation Tool