

# Gearing Up FOR THE Holidays

BY JERRY LIST

Retailers have their fingers crossed that consumer spending will weather recent economic uncertainty and rebound for the upcoming holiday season. While resurgent spending is certainly welcome news, it will put even the most efficient supply chain to the test.

With Halloween, Thanksgiving and Christmas occurring in rapid succession, savvy retailers must take steps now to prepare for an onslaught of business

and have the agility to shift directions quickly and seamlessly as one holiday morphs into the next. Below are some obvious but nonetheless critical steps that should be addressed immediately.

### Make a Plan

Do you know which item(s) are expected to be in high demand? Experience and past reports will help indicate which products are traditionally in high demand. But be warned that even the most tried-and-true products have a lifecycle and their



popularity will eventually wane. What's the next big thing - this year's hot new item? What level of demand is marketing projecting? If you haven't already done so, it's time to get this information and stock up.

Flexibility is the key. Boxing heavy-weight champion Mike Tyson could not have put it better: "Everyone has a plan 'till they get punched in the mouth." No matter how meticulous your plan, be ready to shift gears at a moment's notice. What if your New England warehouse gets hit with a freak early-season blizzard? What if your conveyor system decides to take a holiday break itself? How quickly can you respond to a rush on an unexpectedly hot item?

Create back-up plans for everything. From unexpected shutdowns to illness of a critical staff member, now is the time to plan for any and every scenario. Consider cross-training staff so that operations will continue to run seamlessly in the face of an unexpected absence. This includes you. Make sure that you can perform all the duties of your staff and that someone is capable of handling yours as well.

## Check Inventory

OK, you know which item(s) are expected to be flying off of the shelves. Now is the time to check inventory and consider increasing cycle counting. If you count two times a day, consider bumping that up to three. This will help ensure that anticipated hot items are always available. Make sure that inventory is moved from the dock into picking and storage locations. This will minimize replenishments while ensuring that supply always keeps pace with demand. The last thing you want is to have to go looking for items and add chaos.

## Staff Productivity

The dreaded holiday staffing. Like a trip to the dentist, you put it off hoping that things will magically work out. Now it's time to get real and begin hiring and



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training temporary pickers and other staff. Distribution-floor efficiency offers the single biggest return on investment. The faster and better you can get staff up to speed on the usage of scanners, voice, pick-to-light and other picking tools, the more productive they will be. Start planning for multiple shifts and create schedules that intermingle temps with experienced personnel.

What items are damaged most during picking or shipping? How should these items be placed in totes or packaged? These are things that your experienced staff should know, but what about your new crop of temps? Make sure they are trained on all facets of the job as to avoid lessons learned the hard way.

Some reports indicate that picking accounts for 51 percent of the time it takes to process an order. Order fulfillment can be challenging enough during normal months of operation, but with the temporary staff, added workload and

stress of the holidays, speed and accuracy is absolutely critical. To increase speed, consider implementing batch picking to eliminate bottlenecks. Direct labeling is also a way to bypass the manifest station and move orders directly to carriers.

## Minimize Risk

Preventive maintenance now will go a long way to ensure that your equipment will be able to handle the demands of longer and harder hours of operation. Make sure conveyors, forklifts, scanners, headsets and so on are cleaned, inspected and updated.

Also, check your inventory of replacement parts, everything from belts and pulleys to batteries. With everything going on, you might be surprised how often this gets overlooked.

Now is also the time to make plans to purchase or rent extra picking devices (scanners, headsets, etc.). You'll need to equip added staff and have a reserve of these on hand.

While you're at it, it couldn't hurt to remind your IT department to do a check on their end. Have them take a look at hardware and software systems to be sure that equipment is in good working order and software is up to date.



## Reconfigure Layouts

Now is the time to slot hot items to make order fulfillment more efficient and avoid bottlenecks. This could involve a reconfiguration of floor space to maximize floor space, creating more room for popular items in the best locations and/or creating multiple pick locations for hot items.

During non-peak times, you may have consolidated your warehouse to maximize pick time. Now you should begin preparing that extra space you might have been holding in reserve. Areas can simply be enlarged with additional shelving or may need to be created from scratch by relocating less

popular items. Storage alternatives should likewise be evaluated at this time. Begin converting available space and, if necessary, make that call to rent temporary/modular units for outside of the warehouse.

## Prepare for Shipping

Evaluate expected shipping volumes and coordinate with carriers for extra trailers, pick-ups and so on. In 2015, dimensional rating was a hot topic, as FedEx and UPS changed how they rate the cost of shipping to using both carton dimensions as well as weight. Make sure that you are shipping items in the smallest cartons possible (this is where

a cartonization process can help) and that you have plenty of shipping boxes, envelopes, etc., on hand.

The holiday season is just upon us, and now you need to be prepared. It's never too early to begin inspecting equipment, considering a more efficient floor layout and training/cross-training staff. Actions you take today will go a long way in making the upcoming rush run as smoothly as possible, and you might even be able to relax and enjoy the holidays a little yourself. 📦

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