

Is Your Warehouse Overwhelmed With The Influx of "Cats & Dogs"?!



Walk into any convenience store and you will come face-to-face with a cooler packed with rows of products that you may have never seen before. America's thirst for variety has translated into a multi-billion dollar business in the fastest growing craft beer, energy drink and flavored water categories. While retailers struggle to clear shelf space to house this ever growing population of beverage products, the impact of such SKU proliferation is most profoundly felt on the warehouse floors.

The long list of "cats and dogs" SKUs, while account for a relatively small daily volume, pose special operational challenges. These challenges are typically manageable as long as the population of the slow moving SKUs is relatively small. As this population grows, however, the challenges and costs associated with handling of such products increase in an exponential manner.

Most distribution operations incorporate a combination of storage and picking techniques to address their ever growing SKU population. Regardless of the remedy, the slow moving SKU population often causes inefficient storage utilization, inefficiencies and congestion in picking and unproductive and costly replenishment activities.

An alternative to the traditional options for handling the slow moving SKUs is to take advantage of HK Systems' Dynamic Pick Face System. With this system, in lieu of dedicating inventory to specific pick slots, the slow moving SKUs required to fulfill the day's orders are automatically moved to a dynamic set of pick slots on a daily basis. This approach keeps the large volume of slow moving SKUs out of the way and dedicates the allocated pick space to the small subset that is required for that day.

HK Systems' Dynamic Pick Face System provides an attractive value proposition for operations with high numbers of slow moving SKUs. Benefits include:

- Placement of slow moving products in an out of the way dense storage media
- Maximizes vertical space
- Eliminates labor required to replenish pick face
- Provides access to large number of SKUs in the least amount of space
- Provides significant pick efficiency by minimizing travel time/distance during the picking operation
- Accommodates a wide range of picking options including bottle picking

As labor costs, transportation costs and complex customer demands continue to take their toll on an organization's bottom line, distributors will be forced to look for alternative solutions. Distributors who adopt the more comprehensive automated options will inevitably be better positioned to grow their business and deal with the challenges that are effecting the industry, while realizing the highest returns on their investment.

For more information on HK Systems' Beverage Distribution Solutions or Dynamic Pick Face System, visit www.hksystems.com/bds or call 1.800.HKSYSTEMS.



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