



5 BEST PRACTICES FOR PIECE PICKING

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This paper is designed to give you a high level overview of some of the best things that you should consider if you have an order fulfillment operation that requires a lot of piece picking.

We've worked with both small and large order fulfillment operations. We understand, and think you'll agree, that piece picking is typically more complex and costly than case or full pallet picking. Piece picking usually means more handling and more variables (i.e. conveyors, totes, pick carts, cartons, paper tickets, slots, pick bays, and etc.).

So what might you do to ensure that you optimize your piece picking order fulfillment operation? Here are a few tips that may save you a lot of time and money.

5 BEST PRACTICES FOR PIECE PICKING

1

FOCUS ON PRODUCTIVITY

The fastest way to increase productivity is to cut down on 1) walking and 2) well...some would say, “reduce touches”, but does cutting down on the number of times an item is handled increase productivity?

- a) **Minimize travel distance and the time spent walking the pick path.** Your best order pickers innately attempt to pick more than one order at a time. Give them the tools to do what they already want to do. Industry studies prove that walking the pick path for each order requires between 67% and 80% of total picking time. They know their rates will be higher if they spend more time picking and less time walking.
- b) **Instead of reducing touches, it may be better to increase the number of touches.** First, let’s begin by asking “What is a touch?” Simply defined, it’s the picking time plus the time required to move to the next picking assignment. Traditional wisdom suggests “reduce the number of touches”. But...there are picking systems that increase the number of touches and in doing so, increase productivity. The point is, analyze your touches. If you can increase productivity by increasing the number of touches, you’ll reduce costs.

2

FOCUS ON ACCURACY

While product dollars may be higher at one company than another, accuracy is always important and should be measured. No matter what the product cost, low levels of picking accuracy can be very costly. Accuracy affects two things:

- a) **Labor Costs.** It is much cheaper to have the items correctly picked and shipped than to have a mispick. Mispicks can cost 5 to 10 times the original cost of picking the item. Consider the time it takes for your administration team to take the call, complete an RMA, receive the item, check the item for quality before putting it back into inventory... all this in addition to re-picking the correct item and reshipping it back to the customer!
- b) **Customer Satisfaction.** If accuracy is high, then you’ve probably got happy customers. If accuracy is low, you not only face unsatisfied customers and the loss of an existing customer, but you could actually be losing a lot more potential customers. With the internet making everything so transparent, a few negative reviews may mean a lot of lost potential customers. Accuracy should be measured through customer feedback and inventory of goods.

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3

SYSTEMATIZE THE PICKING PROCESS

It's important to spend a little time to experience and understand the entire picking process. Once you've understood the steps that your operators go through on a daily basis, you will clearly understand what's needed for a better system. In order to improve the entire order fulfillment process for your operation, here are a few tips:

- Conduct a walk-through of your system
 - Ensure that the check system works.
 - See if operators check-mark the items on the list.
- Determine whether quantities are clearly listed and easy to read.
- Evaluate whether the order picker is following procedural processes.
- Does the existing system minimize picking errors?
- See if your system has a point where the order picker can check his/her work. If so, how close to the picking process does the check point reside?

4

TECHNOLOGY FOR OPTIMAL RESULTS

There are many order fulfillment solutions in today's marketplace that may help improve order picking productivity and accuracy. The key question, which one is right for your company?

The answer is "it depends", although all piece picking operations pick each's, the right technology depends on how you do things. In some cases, pick-to-light is the perfect solution, while in other situations; voice directed picking, carousels, bar code scan technologies, or one of a number of others is more ideal. ***In many cases, a "mix" of these technologies may prove to be best to help you optimize productivity and accuracy.***

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5

WEB BASED PERFORMANCE REPORTING SYSTEM

Answers to questions vital to any order fulfillment operation focussed on a competitive advantage to the competition are:

- What is the status of the product?
- How about the order?
- When was the item picked?
- Has it been prepared for shipment?

These answers are oftentimes difficult to assess. However, a good order fulfillment reporting system will provide managers with information that quickly identify actual and potential problems and opportunities for improving both order status and efficiency. Additionally, management should be able to view graphical and table reports based upon date/time range filters on picking performance for either picking zones and/or individual pickers.

Measures should include statistics such as:

- number of pick tickets
- picking hours
- number of pick lines
- quantity ordered
- quantity picked
- average seconds per pick line
- average seconds per unit to pick

SUMMARY

While every piece picking operation is different, it is important to realize that the optimization process for your order fulfillment operation is not a one time thing, it requires continuous effort to ensure that you are maximizing the full potential of your operation, its people, and technologies available to you.

NextGen customers have gained improved picking rates with virtually 100% accuracy. Labor reduction with the order fulfillment solutions we represent can be as high as 40% to 50%, savings that customers enjoy year after year.

For more information on order picking systems offered through NextGen, visit our website at www.nextgensystems.com or call us at 1-. We look forward to serving the growing needs of your order picking fulfillment operation and help you gain the competitive advantage

The following types of warehouse operations typically qualify:

- E-commerce & Mail-Order
- Apparel & Footwear
- Automotive & Other Parts Depots
- Stock replenishment using POS data
- Food, Grocery & Beverage
- Pharmaceutical
- Health & Beauty
- Retail
- Vending
- Returned Goods & Reverse Logistics
- Consumer Goods Manufacturing
- Value-Added & Customized Products to Order

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ABOUT THE AUTHOR

Rick Froehlich

“Unless there’s a business case, our customers are wasting their time,” is Rick’s no-nonsense approach to innovative picking solutions. Rick has been focused on cost effective, innovative picking solutions for over 30 years and has been instrumental in helping clients realize savings, increase productivity, improve order accuracy, and hire/retain the best workers. During his tenure, he co-founded Option III and Velociti Alliance, materials handling solutions companies; and he is the founder of PowerPick International and NextGen DC Systems. In the distribution solutions world, he is known for his integrity, loyalty, and exceptional performance. Rick graduated from Nebraska Wesleyan University with a BS in Business Administration/Accounting.

About NextGen DC Systems

NextGen DC Systems develops a *“Return on Investment Business Case”* by helping you with DC Operations, Fulfillment, Technology and Equipment that are integrated with your current business model. We come to you with a "clean sheet of paper" and explore what you have going on, what you want to change, and help you develop a strategy. NextGen is positioned to provide full DC Consulting Services, Design, Distribution and Warehouse Software, Integration Solutions, and Material Handling Equipment through a network of strategic alliances who truly fit the standards of our company.”