

Honeywell

5 WAYS TO IMPROVE ACCURACY IN YOUR MEDIUM-SIZED DC



Introduction



Maximizing warehouse and distribution center (DC) utilization as well as consistently maintaining peak performance are common goals shared by DC operators. One could imagine it simply starts with identifying and evaluating one's unique business requirements and addressing the most common challenges with solutions that will deliver the required outcomes. However, with the pace of change in such an environment, it can be challenging for DC operators to consistently deliver positive performance figures against key metrics.



Accuracy: Perhaps the Most Significant DC Challenge

134

Number of
mispicks per week
in average DC

\$400,000

Amount the average
DC loses each year
due to mispicks



Accuracy is among the most significant issues facing DCs today. It's no surprise that accuracy occupied two of the top 12 challenges for 2018 per the Warehousing Education and Research Council (WERC) report, including inventory count accuracy and order picking accuracy by location.

The benefit of accuracy and the cost of inaccuracy are both measurable. For example, DCs report that on average, they experience 134 mispicks per week. This relates to an annual cost of over \$400,000 directly related to mistakes, which does not include the potential customer loss.

Industry studies have found the labor cost of a mispick to average \$35 and range upwards to \$100-plus. This includes repicking labor to go and get the right item, reshipping costs, returns-handling costs, administration for credit cards, and more. These figures become exponentially higher and costlier when one moves into ecommerce.

Ecommerce customers show less loyalty when they experience mispicks and have to return items they did not order. Over 80% of customers would seriously consider switching to a different supplier.

Per Honeywell research, *"It could cost 10 times as much to bring an incorrect order back as to send it."*

One of the chief culprits for such errors begins with analog or paper-based methods for everyday tasks and workflows. Roughly 25% of North American DCs use this methodology, which is highly prone to errors in every step of the process. Analog and paper-based methods also severely impair receiving, inventory counting, picking, and packing workflows.

DC trends in 2018 show that paper is being taken out of the equation by employing automation and technology solutions – digital transformation. These solutions span radio frequency (RF) scanners, light and voice-directed picking, mobile computers, and cloud-based services to drive significant efficiency and accuracy improvements.

5 Ways to Improve Accuracy

The range of needs for medium-sized DCs can vary greatly but accurate delivery and zero mispicks are common to all.

The issue of accuracy is causing DCs to rethink the way they operate. DCs are connecting smarter solutions to people and processes as a first step to digital transformation, enabling them to collect and analyze information from every part of DC operations. This will ensure real-time decisions, accurate picking, and on-time delivery for customers.

This starts with a unified software and hardware platform solution designed not only to simplify warehouse execution, but also provide DCs with the agility and scalability they need.

Within these larger square footage operations, Honeywell can assist in connecting workers with connected devices, improving visibility to fulfillment activities, and ultimately, reducing mispicks to improve accuracy.



Here are the 5 ways we can do this and how:

1. HONEYWELL'S UNIFIED SOFTWARE AND HARDWARE PLATFORM FOR MOBILE

COMPUTING provides the flexibility, extended secured lifecycle, and ruggedness for organizations to effectively manage critical DC tasks. These mobile and vehicle-mounted solutions feature advanced imaging technologies that capture data quickly on the first scan, thereby increasing speed, accuracy, productivity, and visibility to help reduce "dock-to-stock" cycle times.

For example, **MOBILE COMPUTERS THAT PROVIDE 1D AND 2D IMAGING** scan product and label information as well as capture additional data. They are ~25% more productive and ~50% more accurate than paper/manual-based methods. They ensure quality control and vendor compliance, and quantity received information is captured in real-time.

Mobile computers
with scanners
are approximately

25%

more productive
and approximately

50%

more accurate
than paper/manual-
based methods



2. HONEYWELL WEARABLE SOLUTIONS. A growing number of companies have turned to hands-free computing solutions to streamline operations and improve productivity. The Honeywell Wearable Mini Mobile solution provides a hands-free solution that delivers greater increases in productivity and improved ergonomics over handheld devices. Results include gaining speed throughputs that save up to 5 seconds per scan. These devices reduce the need for multiple paired devices, saving acquisition and support costs. They also include smart battery technology to power workers through a full shift.



3. HONEYWELL VOICE-DIRECTED SOLUTIONS ARE USED BY NEARLY ONE MILLION MOBILE WORKERS EVERY DAY. They are proven to increase productivity by up to 35% and increase accuracy to 99.99%+ in a variety of tasks throughout the warehouse. In addition, workforce productivity increases up to 50% overall. Voice is available in over 35 languages and has been proven to dramatically reduce training and on-boarding time, especially in peak seasons with highly transient workforces.

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4. VEHICLE-MOUNTED COMPUTER SOLUTIONS. Our vehicle-mounted computer solutions turn forklift- and vehicle-based workflows into information technology platforms. Roughly, 25% of the average DC's labor is spent on receiving and put-away tasks. Equipping your forklifts with technologies – such as computers, barcode scanners, printers, radio-frequency identification (RFID), voice, and software – can reduce material-handling costs, optimize order fulfillment rates, and increase inventory accuracy with real-time tracking.



- 5. MATERIAL HANDLING.** Automated material-handling solutions from Honeywell Intelligrated optimize processes, increase efficiency, and give businesses a competitive edge. Honeywell Intelligrated designs, manufactures, integrates, and installs complete material-handling automation solutions. Medium-sized DCs engage Intelligrated as they consider future facility layouts (or retrofits of existing facilities) to maximize use of space and ensure logical layouts. This can help drive the ability to increase volumes in current DCs. In a building without much outward expansion capability, this can help support growth and buy some time before new facilities need to be considered.



Improve DC Accuracy with Honeywell Solutions

Improve your DC operation's accuracy. Contact us today.

Our expert assessment teams will partner with you to understand your unique business requirements and identify where opportunities exist to optimize your workflows and increase efficiencies within today's competitive climate.

At Honeywell, we work with thousands of distribution centers of all sizes, across a wide variety of industries worldwide. We bring a deep foundational understanding of the businesses we serve, backed with expert research and data that identifies the real, specific needs of today's DC.

With over 130 years of on-the-ground experience, Honeywell is uniquely equipped to help you solve the problems that your business faces every day, see improved results, and be a trusted partner to help you reach and exceed your goals.

For more information

www.honeywellaidc.com

Honeywell Safety and Productivity Solutions

9680 Old Bailes Road
Fort Mill, SC 29707
800-582-4263
www.honeywell.com

DC Improve Accuracy White Paper | Rev A | 05/19
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