

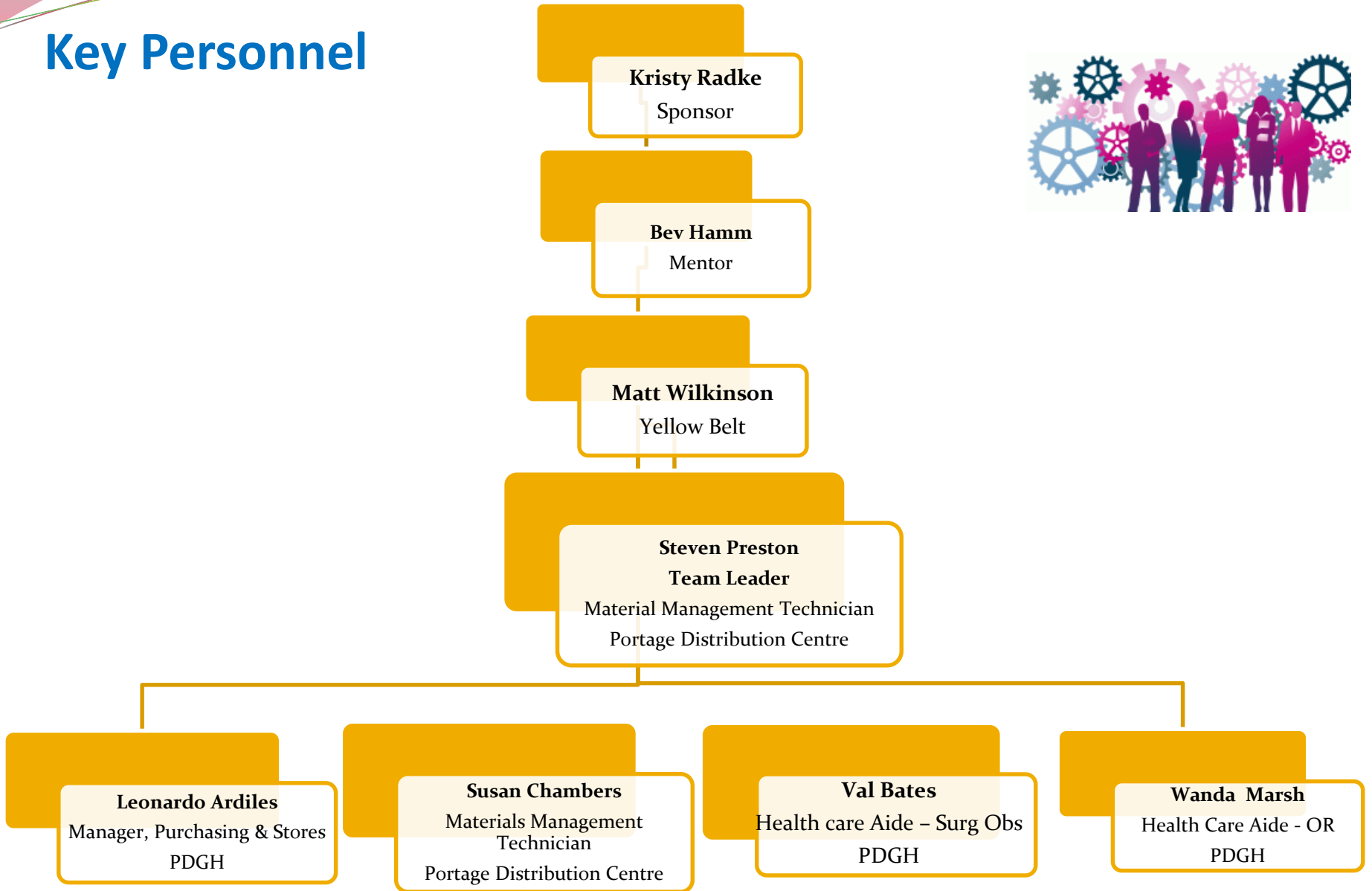
Logistics & Supply Chain Management



LEAN MEAN PROBLEM SOLVING TEAM

Portage Distribution Centre

Key Personnel



Voice of the Customer

- Accuracy
- Timing
- Knowledge & Guidance
- Information
- Customer Service – With a smile 😊
- Patience & Understanding
- Accountability
- Results

Current Challenges

- Is the Purchase Requisition Complete?
- Interruptions to the daily operations within the department.
- Inventory Accuracy
- Vendor Confirmations

- Is the GL Code Correct?
- Return to Requester
- Is there sufficient stock
- Communication of Discontinuation of products
- Communicate ETA to Customers
- Time to process a Purchase Order
- Supplying products to other Distribution Centres.

Problem Statement

- Insufficient communication and space challenges lead to extra processing and inventory issues, which causes loss of productivity and frustration for customers and staff

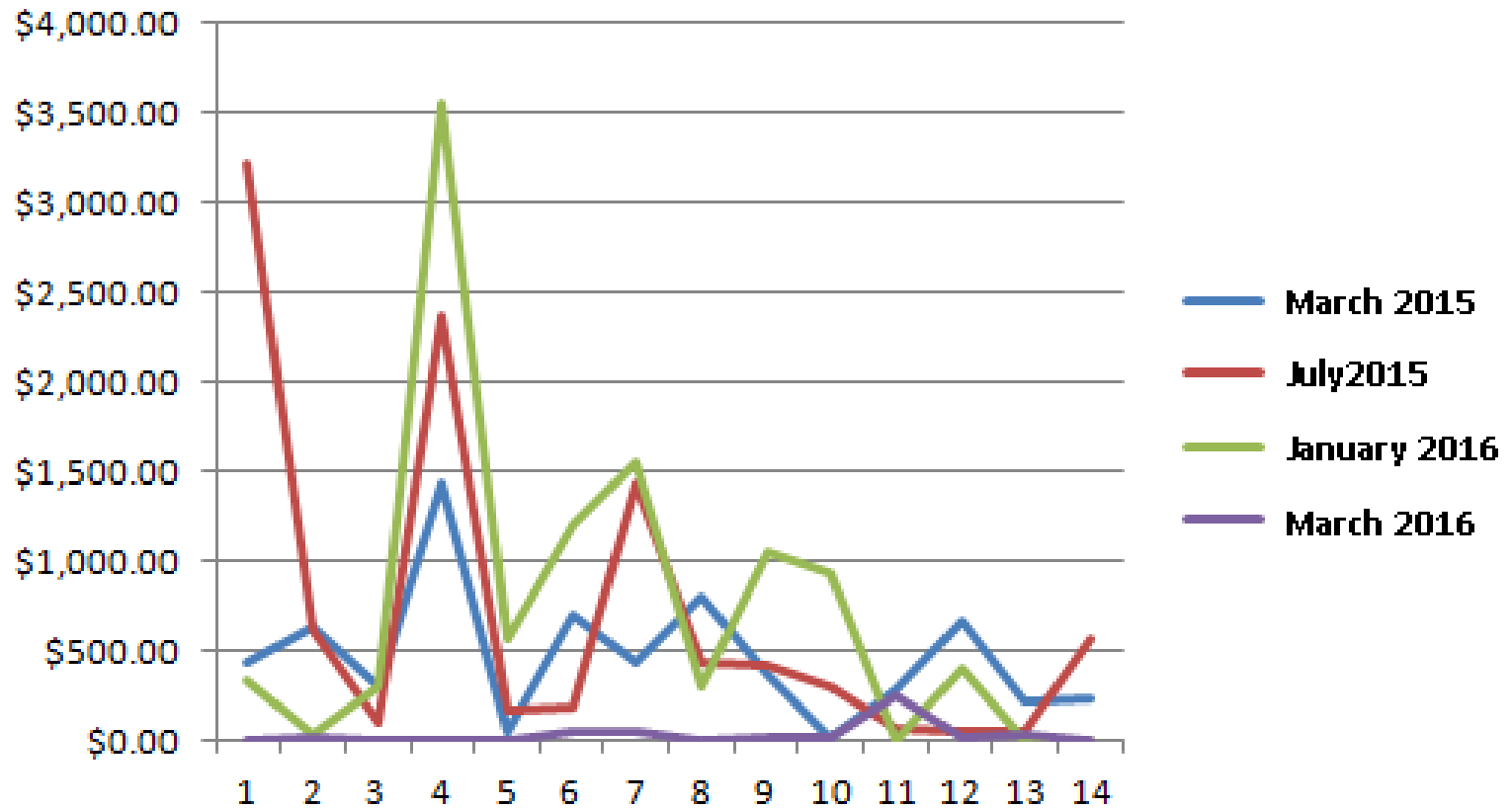


Measure

- Cycle Counts – Each Distribution Centre performs up to 5 full cycle counts per year. This helps to keep the number of inventory adjustments to a minimum and also prevents the Distribution Centres from having to close for 2 days at the end of the Financial Year in order to perform an Inventory count. We will look at the historical cycle counts to measure past performance.

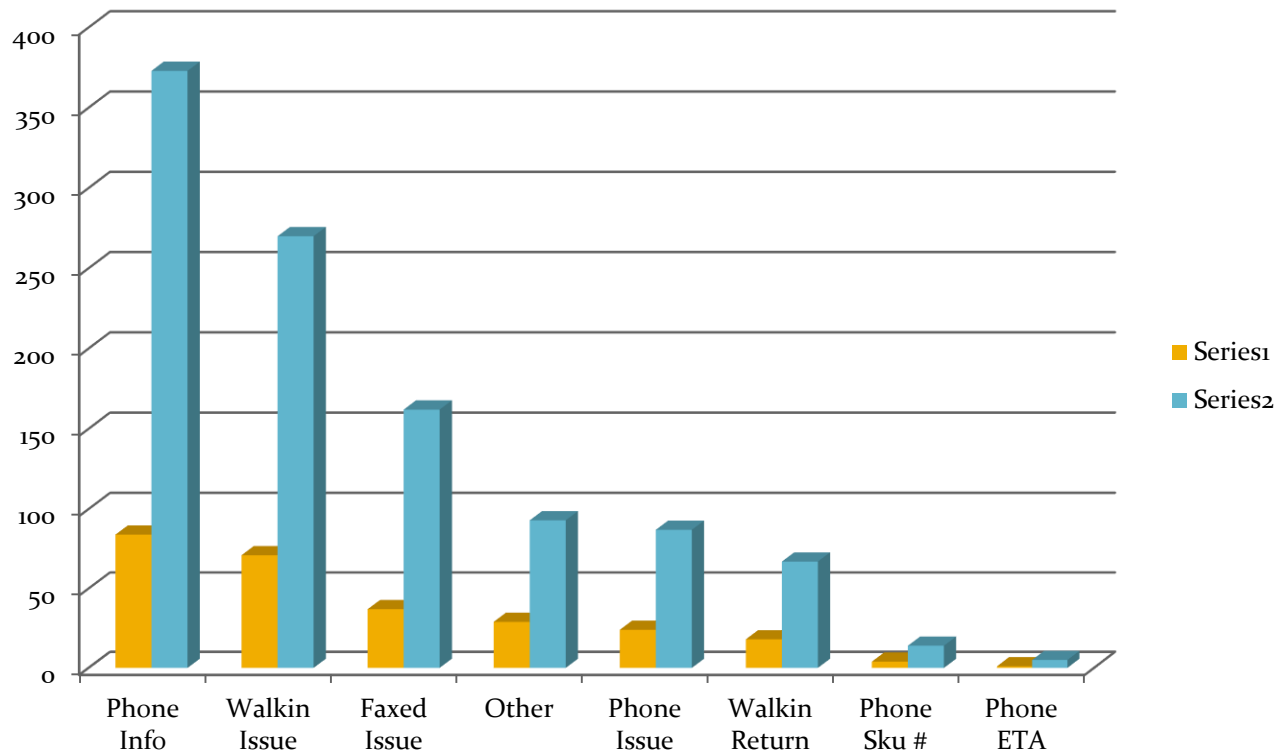
Analyze

Cycle Counts \$ Variance



Analyze

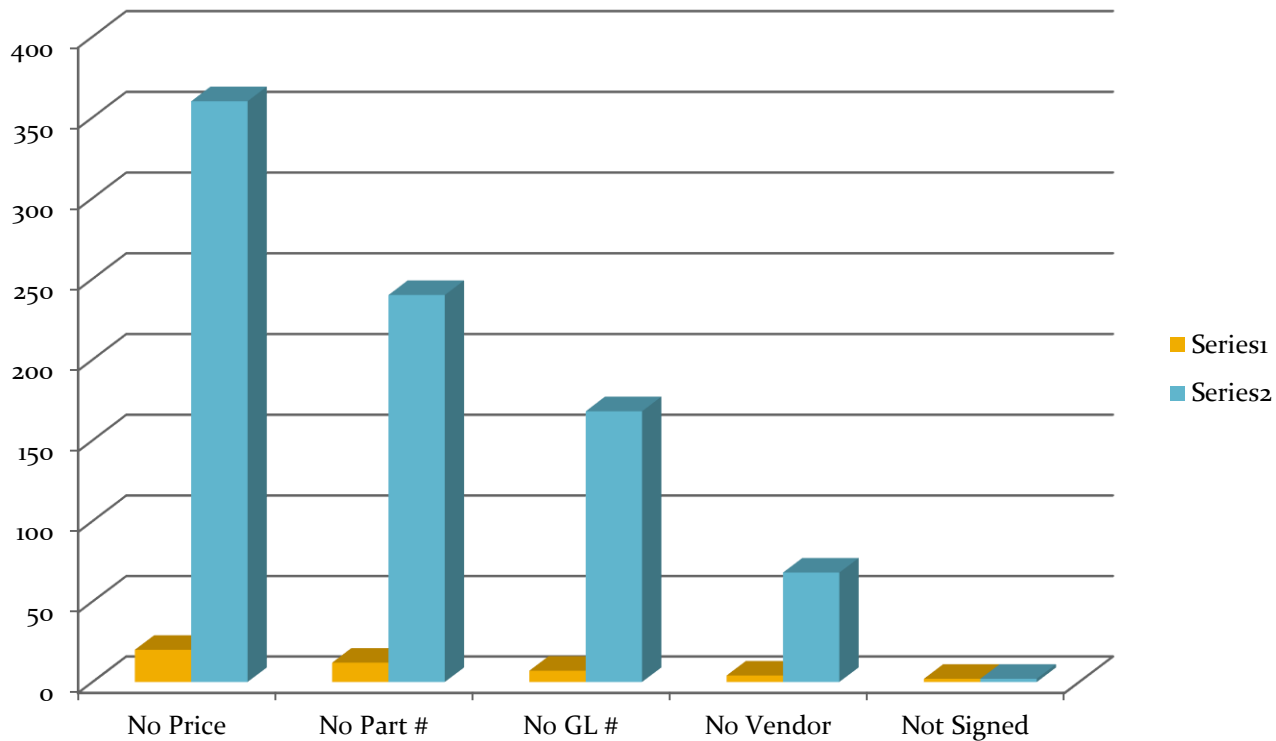
Interruptions



There were 1,058 minutes in interruptions.

Analyze

Purchase Requisitions



There were 532 minutes waiting for Purchase Requisitions to be completed.



Improve

- The goal of this project is to reduce the Cycle Count Variance, Number of Interruptions, Purchase Requisition Errors and Vendor Confirmation by 50%.

Improve

- PDSA – 1
- Send Memo to PDGH Leadership Team regarding change in process for ordering supplies from Stores.
- Completed on May 30th 2016

Improve

- PDSA – 2
- Send Memo to Vendors regarding the requirement for them to provide a confirmation within 24 hours.
- Completed on May 30th 2016

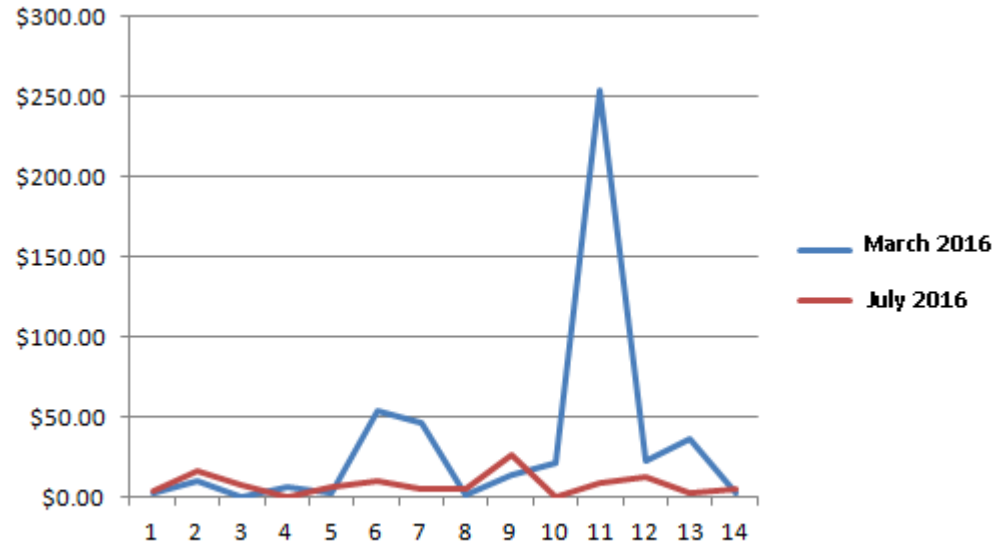
Improve

- PDSA – 3
- Confirm accessibility hours to Stores with Leadership Team and also the procedure for signing out the Master Key on reception.
- Completed on May 30th 2016

Improve

- PDSA – 4
- Send Memo to PDC Customers reminding them that the Purchase Requisition needs to be completed in full or will be returned to the requester causing a delay in ordering.
- Completed on May 30th 2016

Improve



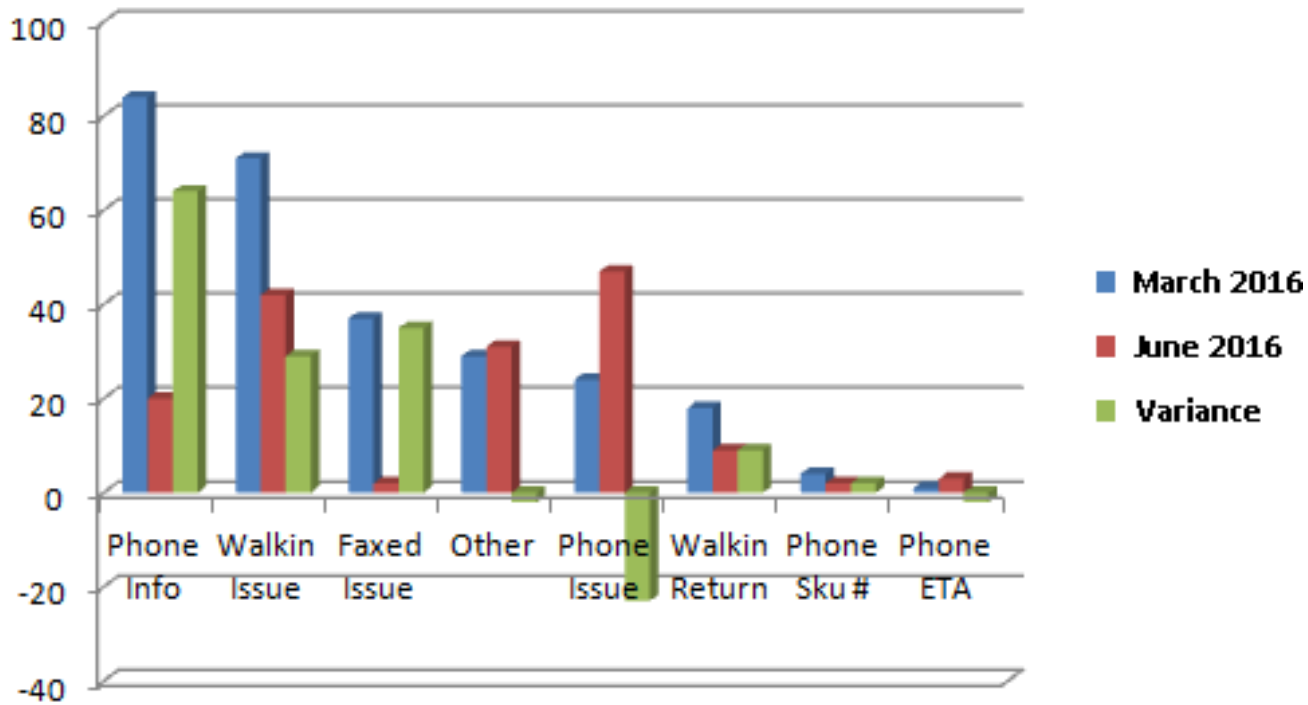
March 2016 \$476.13

July 2016 \$109.82

A reduction of \$366.31 (77%)

Analyze

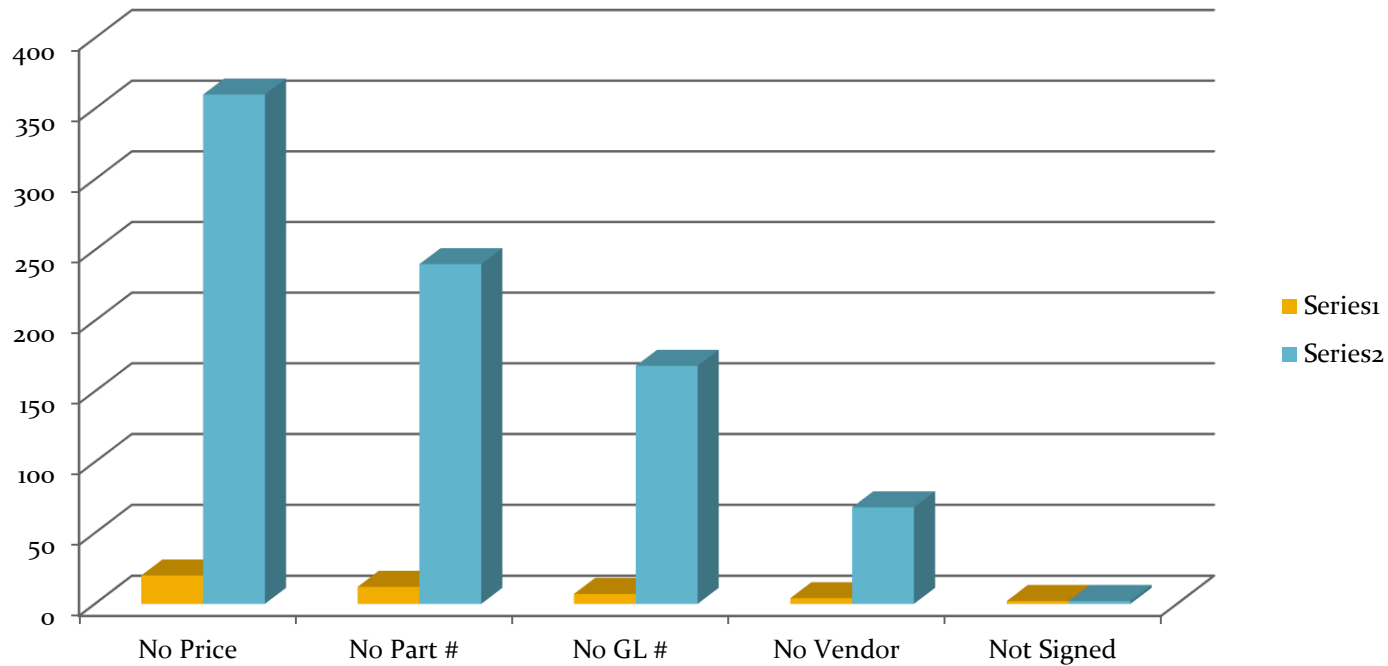
Interruptions



The time incurred by interruptions was reduced by 481 (46%) down to 577 minutes.

Analyze

Purchase Requisitions



The time spent waiting for completed Purchase Requisitions was reduced by 240 minutes (45%)

Results

- Cycle Counts were reduced by \$366.31 (77%). If this is maintained, there would be \$1,831.55 accounted for correctly per year over 5 cycle counts.
- Interruptions were reduced by 481 minutes (46%). This equates to 139 hours per year that could be redirected to other work at a value of \$3,058.00.
- Time waiting for correctly completed Purchase Requisitions was reduced by 240 minutes (45%). This equates to 70 hours per year that could be redirected to other work at a value of \$1,540.00.
- Vendor Confirmation variances were reduced by 3 (8%).

Control

- Fundamental Change – No phone orders. All orders are to be done on Top Up Lists.
- Error Proofing – Updated Top Up Lists.
- Standard Work – Use Top Up Lists for all Emergency off day orders.
- Training – Educate customers on the process
- Continue to Measure –
- Audit – Quarterly evaluation and reporting of cycle counts to the Leadership Team.
- Checklist – Sign Out List, Top Up List and Cycle Counts.
- Policy & Procedure – Develop a written procedure for ordering and Top Up List process. Order days are to be noted on Top Up List.
- Written Sign – Schedule will be placed on the Store department doors.



Lessons Learned

Next Steps

- Focus on reducing the number of variances in Vendor Confirmations as there was not much improvement.
- Spread this project to Steinbach Distribution Centre.

QUESTIONS?

