



ORDER PICKING TRENDS

**FOR INCREASED
PRODUCTIVITY**

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ORDER PICKING TRENDS FOR INCREASED PRODUCTIVITY

Businesses don't always think of the lift truck when considering ways to improve their operation's order picking processes. However, with the explosion of stock keeping units (SKUs) and increased inventories, order selectors are visiting more picking locations than ever – driving warehouse operations to more closely examine their order picking process and equipment.

In the past, an order selector would typically only pick full pallets and bulk stack them for shipping. "Now, there are more than 140 different SKUs just for bottled water that have to be visited and picked in less than full pallet quantities" said Perry Ardito, general manager of warehouse products at Mitsubishi Caterpillar Forklift America Inc. (MCFA). "There's a need to get the operator to all those pick locations as productively and efficiently as possible."

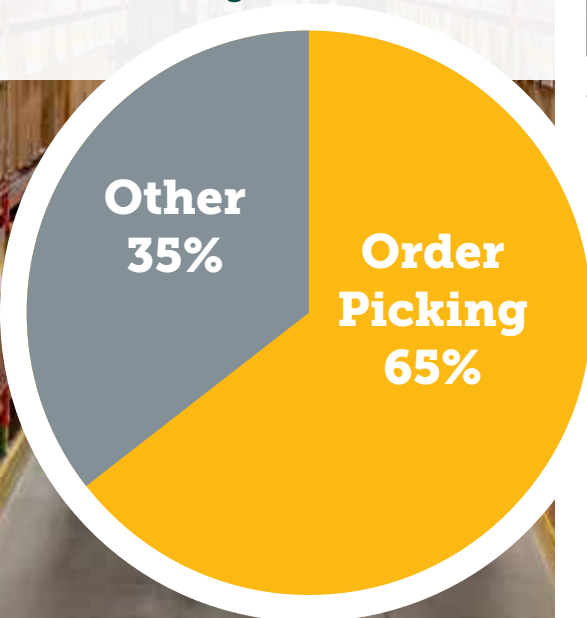
Order Picking Challenges

The Warehouse Education Research Council (WERC) conducted a study of more than 600 large companies in the warehousing and distribution industry, surveying the impact of order picking on their operations.

According to the study, almost 70% of order picking activity was in handling less than full pallets, meaning they were picking full cases and/or broken cases a large percentage of the time.

Respondents By DC Operation		
Order Picking Type	% Of Total	% Cases Vs. Pallets
Broken Case Picking	37.0%	69.0%
Full-Case Picking	32.6%	
Partial Pallet Picking	12.1%	30.40%
Full Pallet Picking	18.3%	

Total Cost Of Running A Warehouse



The study also revealed that more than 65% of the total cost of running a warehouse was directly related to order picking – due in large part to the size of forklift fleets and related labor to efficiently operate the fleet.

With the increase of SKUs, many businesses are now required to pick from the first, second and even third levels within their racking systems, and in some instances even higher into the racks, as compared to traditional floor picking. Beverage industry distributors have experienced this growth first-hand with the thousands of new beverages recently being added to the market.

By offering more product selections in preferred quantities to customers, distributors have a need to access products on more levels, leading to increased management of product as well as added costs.

Maximizing Your Lift Truck Equipment

Warehouse products, or the types of forklifts used for order picking, can play a large impact on an operation's productivity. Factors such as type of order picker, walkies or lift trucks used, along with the right mix of equipment, can either improve or impede a customer's efficiency, productivity and accuracy.

Consider these factors to further improve your order picking operation.

Evaluate your warehouse products or lift truck equipment

While electric pallet trucks or sit-down counterbalanced forklifts may be the traditional type of equipment used, you can also consider the following equipment options:

- Low- or high-level order pickers: Case/piece picking and cycle counting
- Turret trucks: Full pallet picking, put-aways and replenishment

These products also offer unique technologies to further generate improvements in productivity and efficiency, allowing your operation to do more in less time while reducing fleet size and labor in addition to addressing storage space concerns.

Implement best picking practices

With the growth in SKUs comes the additional challenge of having enough storage locations (slots) in the warehouse or distribution center, creating a need for greater storage density and more productive solutions to the picking process. Consider these picking practices to increase productivity for your business:

- Choose effective product slotting with slotting software and inventory management systems.
- Move away from "paper" picking.
- Utilize proper storage systems like flow systems for high pallet count SKUs that maximize density.

Invest in new technologies

Improve order picking productivity by considering if new technologies, such as forklift semi-automation, are a fit for your operation.



Semi-Automation Of Warehouse Products



Factors To Consider

With semi-automation, processes once handled by the operator, even with an operator still on board, are performed by the lift truck. When a warehouse management system (WMS) sends an order to the lift truck for picking or putaway, the on-board navigation system determines the best path for travel.

What Is Semi-Automation?

Once the lift truck enters the very narrow aisle rack system, the navigation system takes over the operation of the truck to pick the right pallet from the right location.

"The driver doesn't have to search for the pick location or level for the pallet," Ardito explains. "But, the operator is still there in case an adjustment needs to be made." The system feeds information back to the WMS for reporting and analysis.

What Are The Benefits?

- Increased productivity - up to 25%
- Improved flexibility with logistics performance
- Reduced fleet and labor
- Optimized order picking and stacking accuracy

What Products Are Used With Semi-Automation?

- Man-down turret trucks
- Man-up turret trucks
- Order pickers

These new advances in lift truck technologies mean new solutions for warehouse managers today – in addition to new opportunities for greater gains in efficiency and productivity. Since each application varies, warehouse managers should consult with their local lift truck dealer or trained warehouse product consultant to evaluate the best solution for their specific application's needs.