

Case Study



Tim Mitchell, President
Greg Mitchell, Vice President of Sales and Marketing
Frank Brown, General Manager
Suncoast Beverage Sales, Ltd., Ft. Myers, Florida

Improving Order Accuracy and Warehouse Efficiency in Beer Distribution with Voice

Suncoast Beverage Sales, Ltd. is an Anheuser-Busch affiliated distributor and one of the top ten beer wholesalers in Florida. The company distributes to restaurants, bars, grocery stores, warehouse clubs and convenience stores in Fort Myers, Florida.

Switching from paper based to voice directed case picking, Suncoast increased its case and pallet picking accuracy to 99.8 percent, improved its distribution center's productivity by 20 percent, reduced labor hours, and cut truck loading time.



The challenge

Beyond the core AB Products, the 56,000 square foot DC handles a growing number of craft and micro brews, and a small but growing inventory of wine coolers and non-alcoholic beverages such as iced teas, energy drinks and waters.

"We had been using a paper-based picking system," says Tim Mitchell, President of Suncoast. "It was a very slow and frequently difficult process with a high potential for mistakes, but was somewhat effective when we didn't carry so many SKUs.

Our solution

"As our SKU count increased and space became critical in the warehouse, we were looking at how to take the thinking process out of our receiving and replenishing functions, and the loading of our fleet," explains Mitchell. "Our interest to automate our picking escalated when we saw Dematic's voice picking system in operation at a Pepsi distribution facility nearby. We could see how this computer-based system did the thinking for the DC, and how it could increase efficiency and reduce labor hours in our warehouse."

Suncoast selected the PickDirector software suite for voice-based control of its picking, quality assurance, manifesting and truck loading. These functions all used to require paper-based, manual validation. "We selected Dematic because of their broad customer base, experience in voice picking and their responsiveness to customizing the software to make it better for everyone," said Cliff Hodges, IT Director at Suncoast.

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What makes PickDirector effective is that it audibly presents pick data by product description, rather than fixed location. The program directs the operator to move through the warehouse in a systematic pattern and gives him a specific product description such as



'Bud 12 pack cans' that the worker picks in the directed sequence.

The system is fully configurable by Suncoast, enabling them to modify pick sequence to adjust for volume fluctuation and to modify the spoken description presented to the selector. These two features allow an unprecedented level of site control without any assistance from Dematic.

With no paperwork, operators pick with both hands, and tasks such as reading, writing, and searching for stock locations are eliminated. Pickers wear a portable, belt-mounted speech recognition device and a headset. The terminal communicates to the host computer via a traditional RF backbone.

The process controlled by PickDirector assures a very high level of picking accuracy. The remote wearable terminals interface with the host computer in real time. This feature allows for instant visibility into all areas of the warehouse, tracking of routes, customers and warehouse personnel, audit trails, productivity reports and product aging within its standard package implementation.

"We have found that the scan-to-confirm method used by PickDirector allows for a first pass accuracy of 99.8 percent, which is exceptional," explains Tim Post, Technology Specialist with Dematic. "This meets all ASN (advanced shipping notice) targets out there. It raises accuracy to a level that ensures that no

distribution center is having difficulty meeting the inbound requirements of big box retailers."

Faster Truck Loading

On a daily basis supervisors can rearrange the order in which routes are picked. PickDirector also directs the loading and reverse stop sequencing of the orders, and then 'closes' and certifies the loads on the trailer. This process, combined with high picking accuracy, eliminates the wasted time associated with pre-delivery driver audits. Drivers arrive, pre-trip their vehicles and get on the road.

"Our old way of loading would have one worker loading one side-load truck at a time, which would take 90 minutes to load," Mitchell says. "Now we have the capability of having three to four workers picking and loading one truck. The time that a truck sits, waiting to be loaded, has decreased dramatically because of the automation. Trucks can now be loaded in 30 minutes or less. It has really sped up our night loading process."

Automated Receiving and Replenishment on the Horizon

Suncoast is planning to expand PickDirector functions even further into its DC. Receiving and replenishment will be added to the base product. This capability will enable a closed process where receiving, putaway, pallet and product validation will facilitate a directed FIFO operation. The obvious benefits of inventory visibility and

0% shorted orders will simplify the entire operation from sales order entry to accounting and exception billing. Eliminating many of these back office costs will allow Suncoast to focus on their number one priority - Customer Service.

Measureable Results

For Suncoast, its new picking automation has increased accuracy and efficiency in its warehouse. The company has seen reduced order errors, faster truck loading and realized a 20 percent increase in cases-per-labor-hour productivity. "We saw a major decrease in our errors in the warehouse going onto the trucks from night loading," Mitchell continues. "Our latest numbers show a 99.9 percent accuracy rate."

"The more you can reduce costs on the operational side of your business, the more you can support your brands with marketing," says Mitchell. "And that is a key point to operating successfully in the beer distribution business."

Customer benefits

→ 99.8% case and pallet picking accuracy

→ 20% improvement in distribution center productivity

→ Reduced labor hours

→ Reduced truck loading time