



Pick to Light Solution Saves Direct Selling Company \$1.5 Million in Labor

Features and Benefits

Increased Productivity

Improved Accuracy

Faster Employee Training Curve

Less Employee Turnover

Reduced Picking Labor by 50%

Industry Group: Order Fulfillment Solutions (OFS)



The Challenge

Since its founding in 1992, a direct selling / e-commerce business had been using a paper order picking methodology. By 2000 their product range expanded to over 1,500 SKUs, including vitamins, cosmetics, cleaning supplies and automotive products. The company distributors had also grown to over 100,000 worldwide, and most of them had started using the direct seller's website to place orders expecting faster order processing.

The Solution

After analyzing their order fulfillment operations, the company decided to actively seek an order picking technology that had the scalability and flexibility to meet both their current and future requirements. In July of 2000 they elected to install a Pick to Light system for both the high and low volume areas of their personal products distribution center.

The Benefits

The Pick to Light solution immediately gave the direct seller greater overall control of their fulfillment process. Whether it's canceling an order on the fly or looking up order characteristics, everything is done in a fraction of the time a paper-based system could provide. What once took 20 minutes of searching can be done in seconds. After installation their order accuracy improved by over 50%.

Before implementing the Pick to Light system the

company had 128 dedicated order picking employees working two shifts in their distribution center. At that time they had a maximum daily output of 6,000 packages a day using the paper-based methodology.

After installing the light-directed picking technology they achieved a maximum daily output of 8,000 to 9,000 packages a day, with half the staff.

The company calculated that by doubling productivity and eliminating an entire shift for order picking, that they were saving approximately \$1.5 million per year in labor compared to their former manual picking operation.

Besides the significant labor savings, the light-directed method provided another major bonus regarding Market's picking staff. The Pick to Light approach eliminated many of the staffing and training costs common to distribution centers. Due to the technology's intuitive method and overall ease of use, order pickers enjoyed their job more and employee turnover dropped to just 5%.

Training new staff on the Pick to Light system now takes only three days, opposed to the month spent getting new pickers truly productive using paper pick tickets. In fact since 2000 the direct seller's sales have grown by the double digits most years, but they have not had to hire additional order picking personnel to meet steadily rising order volumes.



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