

Stocking, Replenishment, and Recovery Efficiency Improvement



RETAIL CASE STUDY



A retail leader in America, seeking to improve its stocking, replenishment, and recovery process efficiency. The client aimed to decrease costs and increase the process cycle efficiency (value-add time divided by total lead time).

27%

Efficiency Improvement

\$1.3M

Potential Annual Cost Savings

HOW WE MADE IT HAPPEN

- Improved stocking, replenishment, and recovery process efficiency by over 27%
- Defined roles & responsibilities that eliminated work interruptions and associated walk time
- Standard operating procedures (SOPs) that documented the optimal order of operations to maximize process time efficiency
- Addition of mobile bin racks to streamline inventory management and reduce delays searching for inventory to stock and replenish
- Performed time studies and work observations and conducted subsequent data analysis to identify processes with high amounts of waste (waiting, transportation, and excess inventory)
- Identified \$1.3M associate cost savings by applying traditional lean six sigma techniques
- Developed CPH (cartons per hour) standards for stocking, replenishment, and recovery processes
- Applied SMED (Single-Minute Exchange of Dies) methodology by converting as many stocking, replenishment, and recovery process steps as possible to “external” (performed while the store is open and no stocking is performed), and to simplify and streamline the remaining steps.
- Implemented inventory management standards (i.e. how backroom backstock racks, topstock shelving, and mobile bin racking is labeled, organized, and applied)