

CASE Study

Wholesaler

Theis Distributing

*Order Fulfillment
in Internet Time.*

RADIO BEACON



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KEY BENEFITS

- ✓ installation achieved in 4 months
- ✓ high pick rate: 40-45,000 daily
- ✓ 99% pick accuracy

Rack-em-up!

Rack jobber achieves high pick rate stats and near perfect accuracy with RADIO BEACON

Here's how Theis Distributing Company, Inc. (TDC), located in San Antonio, Texas, installed a fully integrated enterprise management solution, from the client's shelf to delivery, in less than four months.

FROM SOUP TO NUTS

Theis Distributing Company specializes in rack jobbing – servicing large drugstore and grocery store accounts with health & beauty products, pet supplies, dry goods and pharmaceutical products. They operate their own fleet of 45 trucks that deliver the goods to 15 mini distribution centers throughout Texas. To effectively serve their clients, a sales force of 40 call on the grocery stores to determine requirements and replenish the racks.

To take orders on the fly, sales reps use remote handheld barcode scanners in the stores and electronically transmit requirements to Theis's corporate office – reducing data entry and delays. Typically, the distribution center cycles 100 to 200 orders with up to 500 lines each – for a total of 40,000 – 45,000 different items picked and shipped every day.

The company operates a 40,000 sq. ft. distribution center in San Antonio, Texas. Stacked with 4,500 SKUs ranging from vitamins to pet supplies, the materials handling needs are very different by product category. The warehouse is divided into four pick lines covering eight zones, a bulk picking zone for oversized products, a large overstock area with racking, and a pallet overstock area. A warehouse staff of 24 picks the products into totes, which are transferred from zone to zone using a gravity conveyor.

From the warehouse, the totes are loaded onto trucks and delivered to the mini distribution centers. Here the sales reps pick up and deliver the goods to the grocery stores, where they replenish the racks with product.

TIME TO CHANGE

TDC managed their operations with a series of custom-built systems. "A desire to bring TDC up to industry and business standards drove the decision to upgrade to an automated Warehouse Management System utilizing RADIO BEACON 3.1 and SBT Pro 5.0," said Wayne Wendell, COO for Theis Distributing Company. For their front-end operations, TDC looked for an off-the-shelf financial management application, which brought them to SBT Pro. 5.0 – a mid-range, customizable and scalable solution sold through LANtel Systems.

Although the manual paper system used to run the distribution center was working reasonably well, picking accuracy was a big headache. Lack of routine accuracy meant extra work for the sales force to verify every store delivery with the client. It also meant penalties for inaccuracies transmitted through Electronic Data Interchange (EDI). With the high volume of transactions, it was time to look for a real-time Warehouse Management System. RADIO BEACON met the functional requirements as it was radio frequency based, capable of handling FIFO rotation and lot and expiry date control – at a fraction of the cost of other "big" systems.

ORDERS FLOW ACCURATELY

Data Recognition Inc., a national systems integrator, provided professional services and project coordination for this installation. Services included a Spectrum 24 site survey, warehouse location labels, radio frequency equipment sale and installation. Working in cooperation with LANtel and Radio Beacon Inc., the team provided TDC with a complete transaction process from order entry to order invoice.

Operating in a client/server environment, both SBT and RADIO BEACON required their own designated NT servers, interfaced through TCP/IP. In addition, a separate NT server was required for the Advantage database to handle the high volume of transactions.

The sales order process is initialized at each grocery store by the account representatives utilizing barcode batch terminals. The reps load information through the batch terminals and transfer it back to TDC electronically through modems. SBT Pro 5.0 generates a sales order for RADIO BEACON, which then gathers information from the warehouse, determining availability and stock of the ordered items.

In RADIO BEACON, the dispatcher views the sales orders and then allocates them according to truck route. After the orders have been released to the warehouse floor, RADIO BEACON issues a shipping label for each tote. By having the pickers scan this label, it ensures they have placed the product into the correct tote. Orders are picked simultaneously in different zones into the totes using Spectrum 24 Symbol "Wearable" WSS-1040 and PDT 3140 RF handheld scanners. At the end of the process a carton content label is sequentially printed. These "N of M" labels reflect the content of each tote and replace the TDC packing slip which indicated the total order but not the exact content of the tote.

The information generated through RADIO BEACON for the sales order then transmits back to SBT, which creates the invoice. That invoice then transmits to the customer through Electronic Data Interchange (EDI).

Once orders are allocated, RADIO BEACON performs a replenishment process that automatically notifies warehouse employees of all items and quantities that are required to be let down from overstock and replenished into the pick bins.

For inventory control, RADIO BEACON supports regular cycle counting, by product, by bin and by date. TDC looks forward to the increased accuracy resulting in the elimination of routine full physical stock counts. In the meantime however, they can use the RADIO BEACON Stock Count Control Wizard to manage a full inventory count of the warehouse, complete with discrepancy reports. This automatically integrates with the SBT inventory.

RADIO BEACON seamlessly handles FIFO (First-In-First-Out), allowing the distribution center to rotate their stock. With pharmaceutical products, TDC can also use RADIO BEACON's Lot Control for managing recalls and keeping track of expiry dates.

GOING FULL SPEED...EVERYDAY

Processing 100-200 sales orders a day converts to 40,000 to 45,000 daily picks for Theis Distributing Company. With this impressive amount of daily activity, TDC manages to ship orders sent by midnight the next day. With RADIO BEACON, TDC has real-time visibility into the warehouse and continuously updated inventory.

With RADIO BEACON every step of the picking process is verified interactively using RF barcode scanners, picking accuracy has reached 99%. The scanners also reduce the amount of training required for new staff by directing them step by step through their daily processes.

For the sales reps, the "N of M" labels on the totes have resulted in a more efficient process for filling the store racks. With the totes being accurately labeled with content information, they can instantly be brought to the correct area in the stores – saving the reps valuable time.

Founded in 1992, Radio Beacon Inc. is a dynamic, rapidly growing software manufacturer specializing in the creation and constant improvement of value-based warehouse management systems. Their flagship product, RADIO BEACON™, is a high performance, cost-effective, web-based pick-pack-and-ship solution for wholesale distributors, Internet retailers and third party logistics providers. From small business applications to enterprise level systems operating in a client/server environment, RADIO BEACON can be scaled to fit the logistic needs of any mid-market operation. RADIO BEACON installations are found across the globe in operations ranging from Fortune 500 distribution centers to smaller localize warehouses.

Find complete information at www.radiobeacon.com