



# the speed challenge

Sponsored by Interlake Material Handling

## Storage to the Max

A new pushback rack design has brought all of OfficeMax's inventory back under one roof, saving \$3.5 million dollars annually that had been spent on outside storage.

OFFICEMAX WAS FACED WITH A STORAGE PROBLEM OF MAXIMUM proportions at two of its distribution facilities. The Hazleton, Pa., DC was spending several million dollars each year to house about a third of its inventory, some 14,000 pallets of oversized and standard product, in off-site storage. Similar outside warehousing was also occurring at its DC in McCulla, Ala. Managers of the office supply company realized they needed to maximize storage to accommodate ongoing growth.

"Our company is looking to expand to between 50 and 100 stores a year, but already we had so much of our product stored off site," explains Bill Richardson, director at the Hazleton facility. "Our goal here was to get all of our products into this one building to save costs."

In addition to expected savings, bringing all inventory under one roof would eliminate extra handling and the costs of transporting products from one building to another. Consolidating inventory would also add flexibility and allow faster response times during critical peak periods.

Bob Williams, director of engineering at OfficeMax, and other managers considered several options to eliminate the outside storage, including expanding the six-year-old building's footprint. However, after consulting with Jim Sapienza, facilities design manager for Interlake Material Handling, and the Interlake team, OfficeMax chose to install double-deep pushback racking in an area of the DC that had previously been used for floor storage.

"We also looked at narrow aisle, drive in and regular static racking, but the double-deep pushback gave us the most capacity in the least amount of space. This choice also allowed us to use the same lift equipment that we already had in the building," says Richardson.

The project, which will pay for itself in about a year, was completed in July and is projected to save the OfficeMax operations \$3.5 million each year in outside costs. The new racks now hold over 13,000 pallets where only 3,300 pallets could be stored previously on the floor.

The design of the five-level pushback racks allows for storage of two pallets in each location, one in front of the other. As the front pallet is removed, the back pallet slides forward to allow for easy retrieval later.

Two sizes of rack openings accommodate a wide range of large items, including office furniture, file cabinets, printers, safes and other non-conveyables. Oversized pallets are placed onto slave pallets for storage, while standard 40- by 48-inch pallets are deposited directly into the racks. Reserve items occupy the top four levels, while picking is performed on the bottom level.

Richardson says that having all of the OfficeMax products in one building will make a huge difference in his operations. "If we need something, we do not have to wait two hours for it to be brought to us from the other building."

"Being in one building and having sole ownership of our inventory will make things much simpler," adds Kevin Vile, senior industrial engineer at Hazleton.

As a result of the project, OfficeMax has reduced labor, gained greater control

of its inventory and expects less product damage. The project gains have been large enough in Hazleton that it is also being duplicated in the Alabama DC.

"It will save us a lot of money in a very competitive environment," says Richardson. "It delivers a great payback."

—By David Maloney, Special Projects Editor

For more information on Interlake Material Handling, call 800-282-8032 or visit [www.interlake.com](http://www.interlake.com).



*New pushback racks have maximized storage at OfficeMax. Office furniture, file cabinets and other large, non-conveyable items are stored in 13,000 pallet locations. The ROI for the project is less than a year.*

To see a three-minute video of OfficeMax's operations, go to [www.dcvelocity.com](http://www.dcvelocity.com) and click on The SPEED Challenge.