



the speed challenge

Sponsored by Hanel Storage Systems

Better Stihl

A Midwest wholesaler of Stihl outdoor power equipment has improved customer service, inventory control and accuracy. That's made distribution at Mississippi Valley Stihl a cut above the rest.

MIKE JOYNT BELIEVES THAT HE'D BE ADDING ON TO HIS BUILDING now if he hadn't installed vertical lift modules three years ago. Joynt is president of Mississippi Valley Stihl (MVS), a wholesaler of Stihl's well-known line of industrial chainsaws, blowers, trimmers and sprayers. MVS's 32,000-square-foot distribution center in Peoria, Ill., provides new equipment and repair parts to Stihl's independent servicing retailers throughout Iowa and northern Illinois.

Picking a new chain saw from a pallet rack is easy, but selecting the right repair part from among 17,000 SKUs can be quite challenging. The parts, which are as small as washers, nuts and bolts, and as large as engine short blocks and three-foot-long leaf blower tubes, also required a lot of precious space before the vertical lift modules were installed. About 6,000 square feet of shelving plus additional storage on a 2,500-square-foot mezzanine were needed to hold all of the parts, which used to be picked with paper lists.

Substantial company growth further crunched space. Plus, an ever-increasing number of parts meant longer walks to locate everything needed for a customer. All of these constraints made it difficult for a company that prides itself on turning orders fast and accurately.

"We are in the service industry. Our customers demand that we ship every order [on a] timely [basis]," says Joynt. "Our goal is to ship every order the same day."

Another distribution wrinkle results from ordering patterns. Most of MVS's orders arrive after 2:00 p.m., as customers wait until the last moment to determine all parts needed for repairs. That used to require office staff to move to the warehouse to complete orders on time, often working into the evening and on Saturdays, especially during peak selling seasons.

Density delivered

In the spring of 2004, three Lean-Lifts manufactured by Hanel Storage Systems were installed by Allied Associated of Peoria, who assisted in the design and implementation of the order picking sys-

tem. A fourth unit was added later that year. These vertical lift modules (VLMs) now hold parts formerly requiring 8,500 square feet of storage space in a footprint of just 128 square feet. The 25-foot-tall VLMs house parts on divided trays that each hold about 20 SKUs.

An extractor, similar to an elevator, raises and lowers the trays to storage positions. Photo sensors automatically measure the heights of parts to maximize storage density down to 37.5 mm (less than 1.5 inches).

About 90 percent of all of MVS's orders have picks that now come from the Lean Lifts. These are selected in batches, with up to 14 orders picked simultaneously. The four units work in tandem, so that only one operator is needed to collect parts from all four machines. The extractor in Machine One fetches the first tray and delivers it to its processing window for picking. While that occurs, Machines Two, Three and Four also pull trays holding needed SKUs. The process repeats until all picks for the batch are completed. The parts are bagged, labeled and deposited into totes using a put-to-light system. The Lean-Lift systems also automatically optimize themselves to place faster-moving SKUs closer to their processing windows.

The Nova software that operates the VLMs additionally does double duty, as it also manages the inventory and other processes within the entire warehouse. It easily integrates with MVS's Infor enterprise software.

Since installing the storage systems, Joynt has room to spare. Plus he has improved his inventory tracking and can process orders faster and more accurately. Picking accuracy is now 99.9 percent, compared to 94 to 96 percent with paper.

"I know that our orders are complete and are accurate. We also leave by 5:00 each day and there is no overtime now," he says. "Compared to spending \$500,000 or more to add on to the building, I think we made a better investment."

For more information on Hanel Storage Systems, call (412) 787-3444 or visit www.hanel.us.



To watch a three-minute video showing the Lean-Lift system in action as well as other distribution operations at Mississippi Valley Stihl, go to www.dcvclivity.com and click on The SPEED Challenge.