

# VELOCITY VIDEO CASE HISTORY

A DC VELOCITY SPEED CHALLENGE

## A partnership for parts

Whirlpool Corporation and Ryder have teamed up to assure that repair and replacement parts are distributed accurately, on time, and undamaged.

WHEN YOU'RE ONE OF THE LARGEST APPLIANCE companies in the world, your reputation is on the line every time you ship out a repair part. Whirlpool Corporation knows that its parts distribution network must be even more reliable than the major appliances it provides.

That belief aligns with Whirlpool's recognition that excelling at customer service is its top priority.

To help ensure that it's able to provide top-notch customer service, Whirlpool carefully selects its distribution partners for their ability to offer creative approaches and a variety of solutions to all distribution opportunities. One of the company's key partners is Ryder. Ryder's associates bring Whirlpool an innate ability to collaborate and innovate, resulting in continuous improvement in its operations.

Ryder has been managing Whirlpool's parts distribution operation in Plainfield, Ind., since 2001. The operation there comprises two buildings of more than 1.2 million square feet of processing space. "It's been a very good partnership that we've had," says Mike King, operations manager for Whirlpool. "They have been an excellent partner for us here on-site."

Ryder brings Whirlpool distribution expertise that has led to improved processes and reduced expenses at the same time that the facility has taken on additional volume, allowing Whirlpool to consolidate and streamline its operations. One huge change occurred in 2008, when the facility absorbed parts fulfillment for Maytag appliances following the Whirlpool-Maytag merger.

### A COLLABORATIVE APPROACH

The Plainfield distribution operation provides repair and replacement parts for every appliance that Whirlpool manufactures, such as clothes washers and dryers, refrigerators, dishwashers, air conditioners, and other products sold under the Whirlpool, Maytag, Jenn-Air, Kitchen Aid, Amana, and other brands. It ships these parts throughout North America as well as to customers in 74 countries worldwide.

Sophisticated technology provides fast, accurate order processing. As

many as 150,000 parts are handled daily in Plainfield, with more than 95 percent of them piece-picked. Pick-to-light, voice, and RF (radio frequency) are all used to direct various portions of the parts picking operation. Whirlpool and Ryder also incorporate Lean principles and a culture of continuous improvement here.

"We collaborate to identify issues, and we then implement solutions that improve the service and reduce costs," King says.

The two companies recently worked together to begin direct shipments into Canada, which eliminated the need for a separate warehouse north of the border. Another collaborative effort was the implementation of a new incentive program for facility employees, known as Ryder Rewards.

"The Ryder Rewards program started approximately two years ago. We were looking at creative ways to maintain our work force and to reward our high performers. It also gave us some cost savings as far as productivity improvements, and that better serves Whirlpool, our customer," explains Todd Atkins – second-shift operations manager.

Established labor standards are used to determine the base level of performance for every type of work, including travel between tasks. Large screens mounted throughout the buildings display how each employee is operating, so that associates can adjust their performance to meet their own personal goals. Incentives are earned with an emphasis on completing work at a steady pace, with top performers taking home up to \$120 more per week.

Both Ryder and Whirlpool see their collaboration as more than simply that of provider and client. They take the long view of their relationship, looking for ways both companies can benefit from partnering together. And so far, it has been very effective. The Lean practices and incentives have increased productivity by 33 percent, while order accuracy has remained high at 99.7 percent. Since teaming up with Ryder, Whirlpool has seen its overall distribution costs drop by a third.

"We're now running Whirlpool and Maytag brands together for almost the same cost as it was with just Whirlpool before," reports Paul Vollmer, senior director of customer logistics at Ryder.



To see a video that further explains the Ryder Rewards program at the Whirlpool distribution center, go to [dcvelocity.com](http://dcvelocity.com) and click on the Performance Profile.