

NORVANCO INTERNATIONAL

Case Study

Accellos One and Norvanco

Import Specialist Norvanco International Copes with Change and Streamlines Its Operations with Accellos One



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IMPORT SPECIALIST NORVANCO INTERNATIONAL COPES WITH CHANGE AND STREAMLINES ITS OPERATIONS WITH ACCELLOS ONE

Norvanco International, Inc. surged into being in the late 1980s through the combination of a pair of companies with a history of collaboration: one, a custom house brokerage whose identity reflected the names of Founders Harry Norton and Dick Van Sant; the other, Air Transportation Enterprises, a local cartage and air freight services firm owned and operated by current Norvanco Owner-President Robert Juranich and which had recently expanded also to include warehousing and distribution.

The locale: Seattle-Tacoma, Washington, whose harbors increasingly had become ports of preference for many North American firms outsourcing production to Asian manufacturers. Landing product at the Pacific Northwest destinations chopped two to three days off delivery time to more established ports in Southern California, pleasing clients by accelerating time to market.

THE COMPANY

Currently, Norvanco operates a 200,000 square foot facility located in Sumner, Washington, with a warehouse staff of 50+ full time and 20-200 casual. Over time, the company has consistently responded to key client requirements, at times operating multiple warehouses across the U.S. and scaling up and down according to the prevailing warehousing and distribution requirements of its key clients.

Physically and philosophically agile, Norvanco has been able to maintain profitability while accommodating production and economic trends continuously in flux. Throughout, it has been supported by a long-term commitment to information systems technology, a field in which the Norvanco owner/president spent the early years of his career. That commitment led to the purchase and implementation of Accellos One in early 2008, a move that has enabled the company to receive, store and ship product far faster, with greatly increased accuracy and at lower cost than ever before.

OPERATIONS

One of Inbound Logistics Magazine's Top 100 Third Party Logistics company, Norvanco currently manages logistics for about 20 clients according to Bill Juranich, vice president of distribution. Its entire facility is allocated to dry storage, with inventory ranging from toys and dining flatware, to shoes and apparel, to building products and beyond.

Virtually all of the inventory belongs to U.S.- and Canadian-based companies that sell to mass retailers like Wal-Mart, Target and CostCo as well as individuals and specialty stores. It takes flexibility, and that is something Norvanco has specialized in from the start. With Accellos One now on board, running on a Linux server, the company moves full truckload shipments to mass retailers or a single soup spoon to a specialty store by parcel delivery with equal facility.

"Norvanco currently averages over 12,000 orders per month and can ship several thousand packages on any given day," Juranich says. "We have not approached maximum capacity of the Accellos One system and speed has never been a limiting factor for order and package processing. Whether a single-item package or a pick-n-pack multi-item carton, Accellos quickly determines the carrier and consignee from the order

Accellos One Delivers Real Results

*Order handling
improved from 5-6 per
minute to 12+*

*Streamlined
import/customs
processes*

*Seamless integration to
EDI*

Extensive RF integration

*Precise warehouse
geography*

*Fast, precise directed
putaway*

*Fast, accurate directed
picking*

*Doubling of order
throughput*

*Cartonization of LTL,
parcel shipments*

*Integration to shipping
system*

*Continuously current
inventory information*

*Company/customer-
definable alerts*

information, rates the package and level of service, and automatically produces the necessary Carrier and Compliance Labels.”

If a Compliance Label is required for shipping to a mass retailer such as Target or Wal-Mart, for example, Accellos prints both the Carrier Label (UPS, FedEx, US postal) and Compliance Label automatically, he says, noting that Accellos collects the shipping information so that an electronic Advance Ship Notice (EDI 856) can be sent if required.

TECHNOLOGY

Norvanco’s initial technology solution was a custom system: INVENTEC, developed by Robert Juranich’s Air Transportation Enterprises, Inc. It was programmed in-house with an integrated electronic data interchange (EDI) component. It worked well for 12 years, but with the challenges of growth and changing requirements of mass retailers the company found itself needing a stronger, more fully featured solution. It found its solution in 1990 with Accuplus by LDS. Subsequently in 1999, it moved to the Provia warehouse management system and its related FourSight order management system, both now part of the SSA family of business software products.

“Provia-Foursight worked well for a good while,” says Bill Juranich, “but growth and change are constants in this business; and we were informed by SSA that Provia would see no more upgrades and that support would become more expensive. Our needs were evolving – for example, we wanted to move to RF data collection – and we could not use a static product. In fact, the solution could accommodate only five or six orders per minute and our productivity needs had actually outgrown its capabilities.”

ACCELLOS ONE

Norvanco had reviewed several alternative solutions and had essentially made a selection when Accellos’ regional manager Doug Bailey – who coincidentally had sold them the Provia-Foursight solution years before – offered to demonstrate Accellos One.

Accellos One is a modular logistics management solution that integrates all of the management activities of a multi-client warehousing operation, incorporating concurrent multi-client workflow processes, customer on-demand self-service, labor planning and automation, revenue management, and establishing and monitoring minimum warehouse operating standards.

“We were looking for a system that would manage a variety of complicated and complex activities,” Juranich says. “In particular we wanted one that would integrate seamlessly with Shipping Live (part of the Accellos suite since early 2010), which we used to expedite our small parcel activities. The Accellos solution had everything we needed. We had the demonstration in January 2008, made the decision in February and were implemented and running in June 2008 with the first customer.

“Under Accellos One management, order output zoomed to a point where system speed is no longer a factor. We haven’t reached the maximum package processing abilities of Accellos so we don’t really know the top order capacity.”

The foundation platform integrates seamlessly with EDI, alert, customer visibility, and shipping software to enhance productivity, support management practices and enforce the maintenance of client requirements across the receiving, warehousing and shipping processes. And through the use of Radio Frequency data exchange between the facility floor and the Accellos solution, Norvanco also has been able to eliminate almost all workflow paperwork, retaining only that deemed necessary by individual clients. RF guns direct putaway and picking, whether bulk shipments or single-item parcels, recording every touch that takes place in the facility. The paperless environment is further supported by electronic signature capture, which eliminates the need to print and file hard copies of documents.

The Norvanco warehouse is mapped into sections assigned to individual clients, with each section further broken out into product locations, with each location assigned its own bin number. The facility comprises bulk storage with racking, floor storage 15-20 units high, depending on contents, and rack storage for full and broken cases. Pick and pack is located in the front of the warehouse, as is space assigned to bulk pick and replenishment. The physical facility geography is replicated virtually, in detail, in the Accellos software.

RECEIVING

Norvanco is both a customs broker and a Foreign Trade Zone operator, enabling the company to streamline the process of getting goods from port to warehouse expeditiously. Customs documents are exchanged using EDI, saving time and money, and only when the goods are moved to consumers within the country in which the zone is located do they become subject to tariffs and customs regulation.

“Norvanco is unusual in this respect,” says Bill Juranich, “and it allows us to clear inbound shipments and get them into the warehouse and into their storage locations quickly. Accellos One handles the flow of the RF-scanned information automatically and virtually eliminates the possibilities for error, even within the challenges of multiple customers with complex mixes of SKUs and high volumes.”

Between 10 and 50 containers arrive at the Norvanco facility each day, representing some 14,000 inventory items, but Norvanco’s involvement begins well before arrival, with the automatic receipt of an advance ship notice (EDI 856) by the Accellos software.

At receiving the load is backed into a door equipped with an Adjustoveyor where warehouse personnel load the floor-stacked merchandise onto the conveyer for transfer to the facility. According to Juranich, each Adjustoveyor can extend all the way to the front of a 53’ trailer.

Inside the warehouse, teams of workers flank the Adjustoveyor, removing the cases and placing them on cardboard sheets to be shrink-wrapped and floor stacked up to 20 feet high.

“If a retailer doesn’t require pallets, we don’t ship on pallets,” Juranich says. “It’s the weight, the volume and the extra cost.”

Once product is off-loaded, recorded, shrink-wrapped or otherwise prepared, it is moved by clamp truck, slip machine or conventional forklift truck to a warehouse destination defined in Accellos One’s directed

putaway feature. Depending on storage requirements, some product may be placed on pallets and either floor-stacked or racked, with some also racked and stored as individual full and broken cases.

“Directed putaway allows us to override if we need to, and it vastly simplifies putaway,” Juranich says. “If you check inventory in properly, Accellos does a really god job of keeping track of it, making it easy to pick and ship,” Juranich says. “Many containers come in with multiple SKUs, so it’s important to build the right Pallet IDs.

“We are very careful in our check-in and storage locations, scanning everything we can to avoid the error potential of manual processes. Scanning allows us to make sure that pallets are pure, with only one SKU on a pallet, and that all of the numbers come out right.”

Later, when product is picked it will be scanned again, and a blind count performed. The picker doesn’t know how many units are supposed to be there, but Accellos does: if it’s wrong, Accellos asks for a recount, and if it still comes out wrong, Inventory Control checks the location.

“The process, in effect, generates a cycle count with each touch,” he says. “When we do our annual inventory we get almost zero variance.”

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*-- Norvanco Owner/President
Robert Juranich*

KITTING AND COMPLIANCE

Norvanco does no remanufacturing although that does not mean that it wouldn’t or never will.

“We don’t push the stop button,” Juranich says. “We take the position that if our client needs it we will do it.”

For example, a client that typically receives product in bulk may need sticker labels applied for a promotional event. In such cases, Norvanco personnel break the shrink-wrapped stack, apply the labels to the individual units and repack the stack.

Some clients request that merchandising materials such as floor displays accompany the bulk shipments. Some display kits arrive as knocked-down units along with the related product, while in other cases, Norvanco will be asked to source them domestically. The company does the necessary assembly and incorporates them with the respective bulk shipments.

Bulk inventory ultimately goes to mass retailers such as Costco, Target and Wal-Mart/Sam’s Club, each of which has its own complex of compliance issues. Accellos One allows Norvanco to accommodate these issues with relative ease through its Depositor Inventory Flow Process (DIFP).

The DIFP process allows users to define discrete compliance issues for each retailer’s requirements and to set up alerts so that warehouse personnel remain aware of the guidelines, no matter how profuse and exacting they are, Juranich says.

“This allows us to remain in positive control throughout the flow of the inventory in and through the facility,” he says. “Given our volumes, product diversity and types of clientele it would be impossible to achieve the level of precision we need simply by trying to remember it all.”

OUTBOUND

As with the documentation of inbound merchandise, orders normally arrive at Norvanco by means of EDI. The Accellos software notifies customer service by email of the products and quantities to be shipped, along with any other relevant information. Customer service reps process the orders, print the labels and send the orders to the floor to be picked, scanned, pulled, and counted and labeled. The entire process is reported back to Accellos One phase-by-phase automatically via RF.

Bulk shipments to mass retailers are relatively straightforward: the shipping documents are prepared, transport is either scheduled by Norvanco or specified by the retailer and the load is dispatched.

LTL and parcel shipments are more involved but well organized, with Accellos One simplifying detail and automating much of the process. Norvanco utilizes the software's Cartonization feature for most of these orders. The Cartonization feature examines the order and adds up the number of units, scans and prints out the labels (e.g. UCC 128, Target-compliant, UPS Red, UPS, USPS), and forwards the information to Shipping Live.

A carton is selected based on the size/weight characteristics of the respective product(s) and warehouse personnel then do the bulk pick, pick and pack the individual cartons, apply the labels and move the shipment to its forward location, where it is turned over to the respective parcel or LTL carrier.

"Accellos protects us here as well," Juranich says. "In a recent instance, the consignee requested that we ship a certain order by a parcel carrier, but the Accellos Alert function determined that the shipment exceeded the carrier's weight limits. It posted an alert and we informed our customer who was able to reassign the shipment to an appropriate carrier."

STREAMLINED SELF-SERVICE

Prior to implementing Accellos One, Norvanco customer service personnel were kept busy with queries from customers and carriers. Now, with Accellos eVista online visibility available, authorized individuals can get virtually any answer they need in near-real time, 24/7. Almost all customer service calls relating to inventory or orders have gone away.

The eVista portal displays real-time inventory status and availability data that can be viewed or downloaded with a single click. It allows product flow to be tracked through the warehouse by RF timestamps and displays showing exactly when product is received, put away, picked and shipped. It also provides instant access to all critical documents – shipping, inventory and order status – that can be reprinted or emailed on demand. Virtually all documents are available under authorization, and presentation of the material can be arranged to user preferences.

"Customers love the time and effort saved through eVista access to their information," Juranich says. "And in fact, we have been able to use it successfully as a sales tool. We sit the potential customer down and show him the entire process in real time – from devanning product to putaway and picking. The customer sees what's actually going on; we can't manipulate anything because everything is being recorded by Accellos One as its being scanned."

A LOOK AHEAD

Juranich is reluctant to provide comparative pre- or post-Accellos metrics other than to state that order handling has improved from five or six per minute to a dozen or more. Norvanco is now handling some 12,000 orders per month and under Accellos processes, order output has more than doubled.

The company will soon be tracking the various productivity elements much more closely, however. Implementing the Accellos One Pulse Business Intelligence system will allow managers, supervisors and authorized customer personnel to view Key Performance Indicators (KPIs) in user-selectable graphical representations on any frequency timetable required. Pulse standard KPIs include such factors as inventory accuracy; warehouse processes and counts; picking, shipping, and receiving and labor efficiency and utilization, and it also allows customers to develop metrics specific to their own operations.

“This information will allow us to view operations virtually as they happen, and it also will enable us to look at the same factors in many and different ways,” Juranich says. “The flexibility and performance we have gained with Accellos One tells us that we have found our long-term solution.”

ABOUT ACCELLOS

Accellos is a global provider of logistics, warehouse, , transportation and mobile fleet management solutions. Accellos addresses the supply chain management and execution market with warehouse management systems for multiple environments; Microsoft Windows-based transportation management solutions; and in-field mobile resource management solutions. Accellos’ powerful supply-chain execution solutions are easy to customize and implement, providing our customers with more innovation for less investment while producing significant savings and greater profitability. Through a culture of innovation, Accellos strikes the perfect balance of customer satisfaction, employee fulfillment and shareholder value, delivering greater profitability and rapid return on investment for our customers and accelerated logistics and warehousing services for the clients they serve.

For more information, email info@accellos.com or visit www.accellos.com.