



CASE STUDY: Spare parts management with Middleby Corporation

Middleby Corporation Uses TransLution™ Software to Manage Spare Parts for Appliances

The Middleby Corporation is a world leader in three business segments: commercial cooking, industrial baking and processing, and residential appliances.

After the successful roll-out of TransLution™ Software in the Residential Appliances segment of the business, Middleby elected to implement TransLution™ to manage the spare parts for these appliances. The Middleby parts department ships approximately 250 sales orders per day, in a warehouse with about 20 000 bins containing 15 000 parts – each with a unique item code. With so many codes and such a large warehouse to manage, the goal of the project was to not only track items, but also to optimize labor usage among warehouse staff. TransLution™ was the ideal system for the project.

How TransLution™ Works

TransLution™ is a warehouse management tool that uses barcode labels, hand-held radio-frequency scanners and touch-screen terminals to record and track the movement of every product and component in a factory or warehouse environment.

Data is captured through a very simple user interface on RF scanners during each step of the workflow process. TransLution™ relays this information to SYSPRO in real time, making certain stock records in SYSPRO match what is physically available at all times. Errors are reduced and the company benefits from active monitoring of daily operations.

The Implementation

At Middleby, TransLution™ is used across the entire business - from Receiving and Put away to Sales Order Picking, Packing and Dispatch.

Because they often deal with many small items, Middleby has worked with TransLution™ to develop some unique processes to reduce fetching and carrying done by operators. Mixed items are packed into totes and TransLution™ keeps a record of the contents. When an operator scans a tote, the system knows exactly what it contains and can direct the operator accordingly. Totes are used in all process, from Put away through Replenishment and Sales Order Picking.

Receiving and Putaway

Middleby receives shipments of parts in bulk, with multiple purchase orders per shipment. To manage this, items are scanned at receiving using TransLution™ and the system checks if the item can be found on any of the orders. If the item is found on more than one order the user can select which order line to fill first. When doing a put away, totes are used. The user doing the put away simply scans a tote and TransLution™ knows which items are available for him to put away. Because the system knows what is in each tote, it is able to manage the operators walk sequence based on the tote contents in order to optimize put away times.

Storage Management

The warehouse is divided into zones and all parts are categorized by how frequently they are moved. This determines which items should be stored in which areas in the warehouse. Since the parts warehouse has both bulk and pick face storage and there is also a process to manage pick face replenishment using totes.

Picking and Packing

When the operator scans an empty tote in order to start picking, he is shown the next best order to pick based on the order type and on the priority of the sales order. Because small and large items are stored in different parts of the warehouse, multiple pickers can pick different items for a single order and orders are picked into multiple totes per order. In addition to this, pickers can pack multiple totes onto a trolley meaning that not only is an order being picked by more than one picker, each picker is picking multiple orders at a time. The productivity gains have allowed Middleby to process the same number of orders as before the TransLution™ implementation but with half the staff.

TransLution™ prioritizes orders according to shipment type - for example a next-day air order has a higher priority than a standard mail order, while emergency orders will be picked and packed first. Order priority can be changed by customer service before picking begins and picking users simply see a message on their screen telling them which tote to scan to pick the next order.

At the end of the picking process, all the totes for a single order are married together and are packed into boxes using the TransLution™ packing and checking process. When an operator scans a picked tote for packing purposes, the system identifies the order for the scanned tote and sends the operator to fetch other totes for that order so that all items can be packed together. TransLution™ generates box labels and packing slips and integrates to the various shippers used by Middleby. Using TransLution™, Middleby is able to guarantee to their customers that orders will be shipped on the same day received. Same day order fulfilment has increased from around 40% to 99%.

Because of the simplicity of the system for end users, pickers and packers are interchangeable and people can move between tasks depending on need.

Stock Take & Cycle Counts

In order to manage stock for such a large number of items, Middleby performs daily cycle counts using the TransLution™ Cycle Count module. Cycle counts are performed by the picking and packing users after they have completed their other daily tasks. Cycle Counting has eliminated the cost to their business of having their warehouse closed from 5-7 days for an annual count.

Management tools

TransLution™ Software provides management a clear overview of the queues, enabling them to plainly see what needs picking and replenishment per area. This allows them to move staff between tasks depending on where they are most needed. For each task, TransLution™ is able to track the time spent against the number of transactions. For example, picking and packing transactions record the number of sales order lines picked and packed, replenishment records, the number of stock items moved between bins, receiving records, and the number of purchase order lines received. Cycle counts record the number of bins counted. In this way, Middleby can clearly track labor utilization and prevents users cheating the counts by breaking up jobs and transactions.

Benefits

In addition to the warehouse efficiency and staffing benefits described above, TransLution™ has helped Middleby to reduce costs in other areas of their business. The number of calls coming into Customer Service have been reduced by 1/3 because the stock availability posted on their web site is now correct and customers aren't calling about outstanding orders since orders are being shipped and delivered on time. Middleby has a penalty system in place where if they fail to deliver within terms, they have to give the customer a partial credit. Those credits are no longer significant and they have been able to extent their same day shipping guarantee into the evening hours.

Jim Kramer at Middleby says: "TransLution™ has transformed our business. Our ROI for the cost of TransLution™ is less than one year, not counting the benefits for Residential Appliances, Accounting and Admin."

Key factors in cost savings are:

- 48% reduction in labor cost
- Same-day order fulfillment from 40% to 99%
- Extended same-day order fulfillment 5 hours into the evening
- Eliminated annual stock take, eliminating the 5-7 days of down time and adding them back to other business tasks

About

Middleby

The Middleby Corporation is a world leader in three business segments: commercial cooking, industrial baking and processing and residential appliances. The company prides itself on consistently delivering new award-winning innovation to the marketplace. They are known for disrupting the industry with advanced innovation and new processes across all business platforms. These innovations deliver speed, labor reduction, energy savings and green operating benefits to their customers. To read more about Middleby visit <https://middleby.com/>

TransLution™ Software

TransLution™ Software was developed to assist manufacturing, warehousing and distribution companies to better manage their business processes and reduce cost of operation. The TransLution™ product is particularly focused on robust integration to customers' existing ERP, accounting and stock management software for a wide range of transactions. TransLution™ is distributed in North America, Africa, Europe and Australasia.

North America

TransLution Software LLC, The Avenue Forsyth, 410 Peachtree Parkway,
Building 400, Suite 4245, Cumming, Georgia, 30041, USA
Email: info@translutionsoftware.com | Website: www.translutionsoftware.com



United Kingdom

K3 Syspro
Baltimore House, 50 Kansas Ave,
Manchester.
M50 2GL.

Email: info@k3syspro.com
Website: www.k3syspro.com

Africa

Afrisoft Africa
Unit AG001 Ground Floor,
Galaxy House Riverworld Park,
42 Homestead Road, Rivonia, 2192

Email: info@afrisoft.biz
Website: www.afrisoft.biz

Australia

BJM Business Solutions Pty Ltd
P.O. Box 75
Narre Warren North Victoria,
Australia, 3804

Email: info@bjmbusiness.com
Website: www.bjmbusiness.com