

Case study

Warehousing

Learn how a UK warehousing business transformed their operations using the 4-step FlowPlus transformation process

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SUMMARY

The client



The client is a UK based warehousing & order fulfilment organisation with roughly 80 employees on-site. They conduct storage, order picking, packing & dispatch operations and in 2023 sent over 1.5million parcels.

The problem



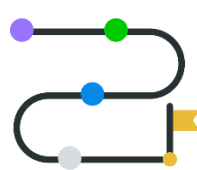
The client reached out with a specific problem – to increase capacity. With sales increasing at a rapid rate, they simply couldn't keep up with the dispatch volume. They wanted to uncover how to increase capacity without increasing headcount, so opted for our [Discovery](#) service.

Our Solution



We implemented 5 main changes. Firstly, we improved the picking efficiency by categorising product as A-runner, B-repeater and C-stranger products, optimising the picking routes to reduce transport. Following this, we implemented a new scanning warehouse management system and flowracks to store A-runner products near packing stations. Finally, we redesigned ergonomics pack stations and implemented picking trolleys. Result: +240% in dispatch capacity.

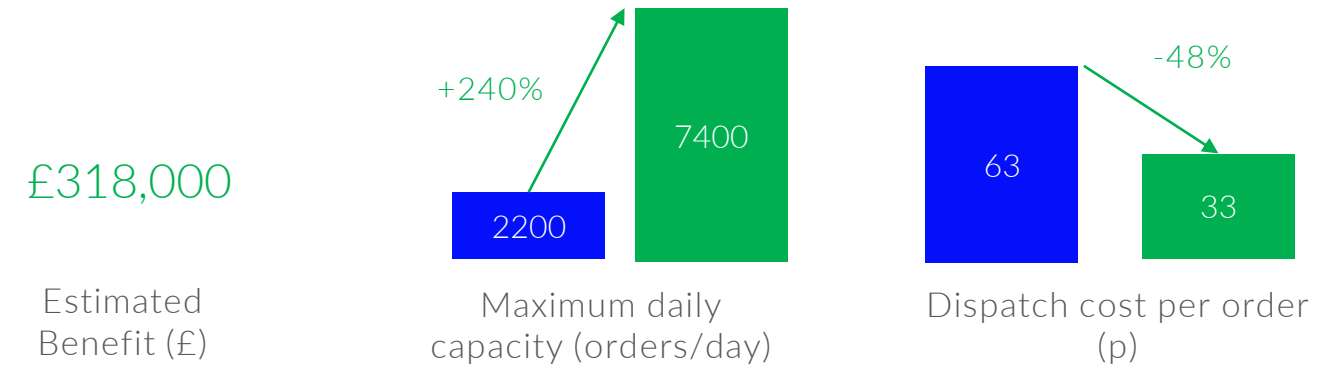
Implementation process



Following the [FlowPlus transformation cycle](#) we started by uncovering where and how they could improve. Once we had a clear improvement roadmap we worked as one-team with the client in workshop style to implement the improvements with the greatest ROI. Upon achieving the results, we trained their team how to follow a structured problem-solving approach and conducted Lean Six Sigma training. This training was followed by coaching to allow the Lean champions to put what they had learned into practice, helping them solve a problem within the different warehouse operations. Finally, we set up daily improvement huddles that empower staff to spot and solve problems, instilling a continuous improvement culture.

Results achieved

We achieved a step-change in performance, transforming their operational performance and establishing a continuous improvement culture.



Client testimonial

“FlowPlus helped us unlock our potential and as a result of their input we have delivered significant business improvement.” Operations Director

Next Steps

If you would like to find out more about how we can achieve similar results within your warehouse operations, please get in contact to schedule a free 30-minute consultation:

[Book an enquiry meeting](#)



FLOWPLUS CASE STUDY

Introduction

Having helped multiple warehousing and fulfilment businesses with their Lean & Continuous Improvement journey, we have selected one case study to demonstrate their transformation and showcase the results they achieved.

We understand that every business is unique, with different challenges and aspirations. For that reason, we don't use a 'one-size fits all approach', instead we follow our transformation cycle as a framework to create bespoke solutions that are tailored to each client.

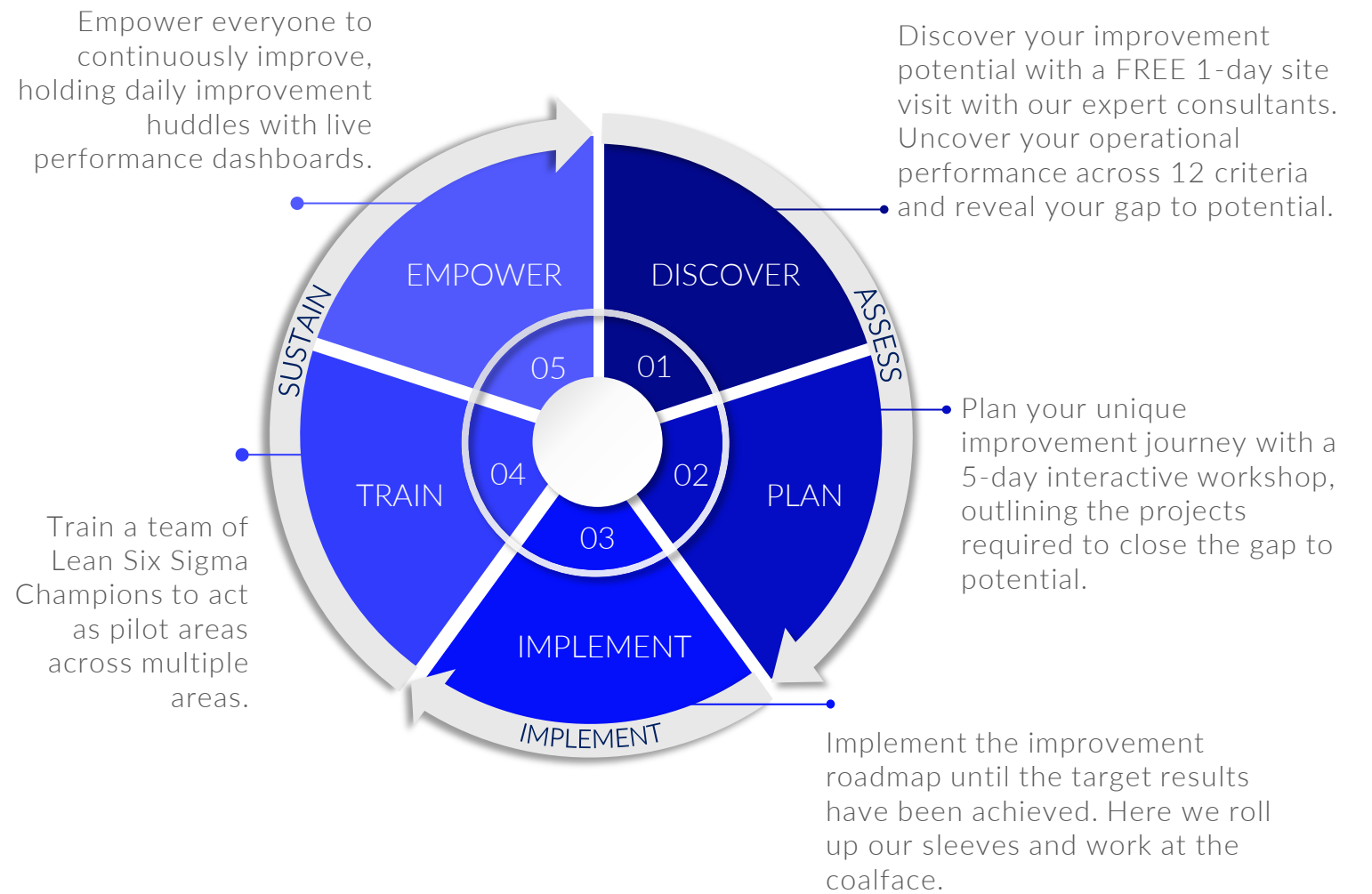
The client in this case study was a London based site with roughly 80 employees, with storage, picking, packing and dispatch operations.

Some of the clients we work with:



The 5-step cycle has proven to deliver operational transformations that are sustainable and develop a continuous improvement culture that stands the test of time. By following the cycle, businesses have the chance to discover where and how they can improve, uncovering how their operational performance compares to best-in-class food & beverage manufacturers. Once an improvement plan has been developed, we help our clients make the changes and implement the improvements required to close the gap to potential. The final stage of sustain ensures the client is equipped to raise and solve problems long into the future.

The FlowPlus Transformation Cycle™



01. Discover

The client contacted us with a unique challenge. Throughout the COVID-19 pandemic their sales had rapidly increased to a level where they couldn't dispatch enough products each day. Over the space of 12 months, their sales increased 300% and they needed help to understand how to fulfil these orders.

Our first stage – DISCOVER did exactly that, it benchmarked their operational performance and uncovered their gap-to-potential (difference between current performance and best-in-class performance across 12 criteria).

We visited their warehousing site, made observations, spoke with pickers, packers, forklift operators and warehouse managers, collecting data to better understand their processes. The results of the discovery report uncovered exactly where and how much they could improve. ● **Red** (<50%), ● **Amber** (50-70%), ● **Green** (>70%).

The results highlighted their poor stock integrity and low picking efficiency. With a highly manual operation and space constraints, they needed to change the way in which they operated.

Maximum daily output: 2,200 orders/day
Dispatch cost per order: 63p

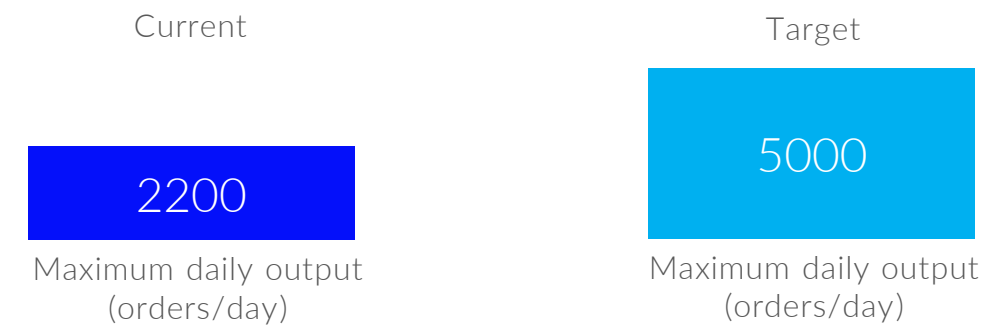
Criteria	What are we assessing	Score (%)
Health & Safety	Are safe practices in place and being followed	70
Equipment	Is the equipment suitable for their required function	78
Leadership	Are leadership committed and ready for a lean transformation commitment	73
Organisation Structure	Is the management span of control optimised and resources structured in the most effective way	73
Layout	How well is the warehouse structured to maximise efficiency	61
Service to the customer	How customer focused is the offering	57
Supplier management	How do we control quality and measure damages etc?	51
Planning & supply	Are we holding the right stock levels of each variant?	44
Performance visibility	Is the team/company performance (live) visible to all management	42
Capacity utilisation	How well is the space being used compared to its max capacity?	37
Order picking	How efficient is the order picking process?	37
Stock integrity	Awareness of stock- quantity, location & movements	35

02. Plan

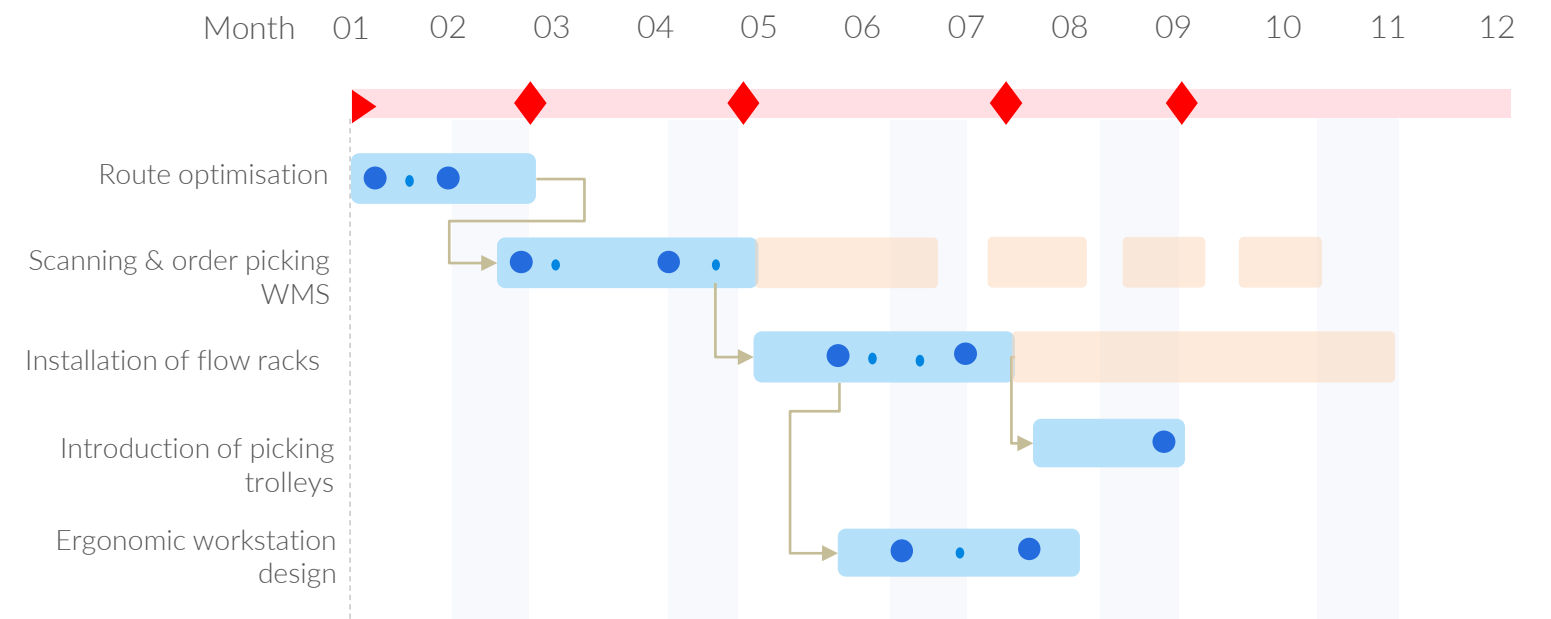
The findings of the discovery phase highlighted the main areas for improvement.

Through a collaborative 5-day workshop on site, FlowPlus worked with a multi-disciplinary team to dig deeper into each improvement area and devise a solution. Analysing dispatch data to help quantify each improvement opportunity, a bespoke improvement roadmap was created – outlining the projects required to achieve their potential. The Plan stage involved a value stream mapping exercise, a future-state value stream design and a Return-on-investment analysis.

The improvement roadmap detailed all the projects required to achieve the set target of 5,000 orders/day.



The improvement roadmap can be seen below:



03. Implement

We started with the first project – Route optimisation.

By analysing historic customer orders to identify trends, complimentary items and order frequencies/volumes; stock was given a dynamic location within the warehouse based on pick frequency - vastly reducing travel times. Once the new layout has been established, we developed a route optimisation tool - calculating the best route to pick items based on their size, weight, importance & location within the warehouse – see *figure 1*. The result was a highly efficient pick list & route that ensured picking times were greatly reduced and delivered to the packing stations as quickly as possible.

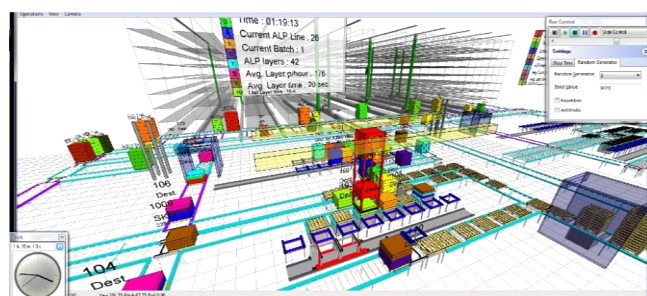
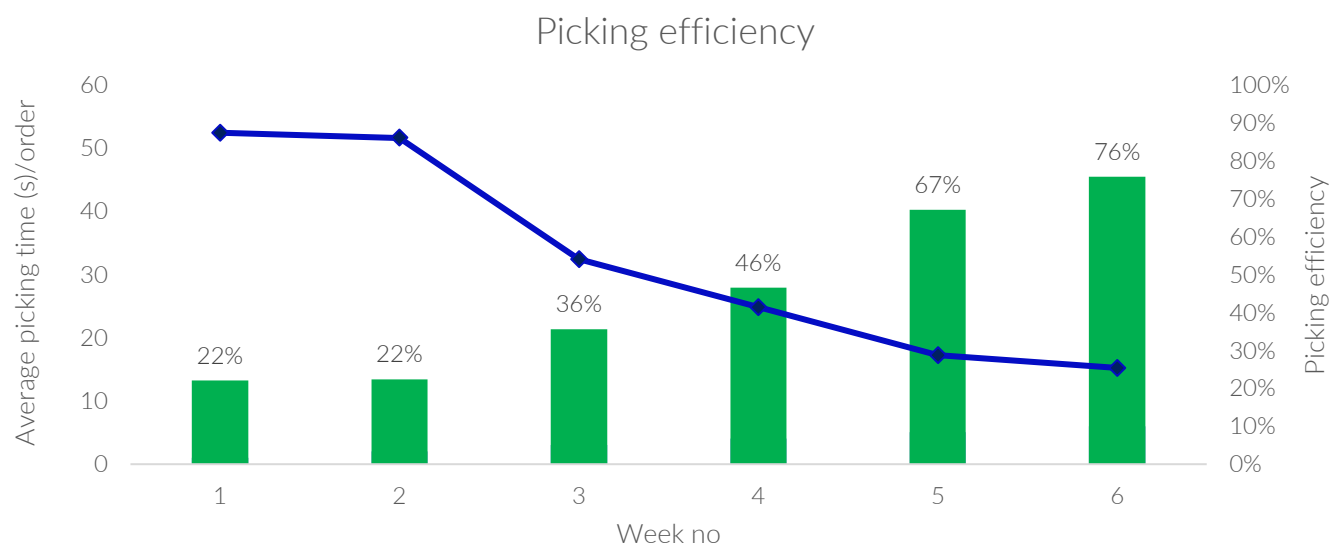


Figure 1 – Pick route optimisation tool



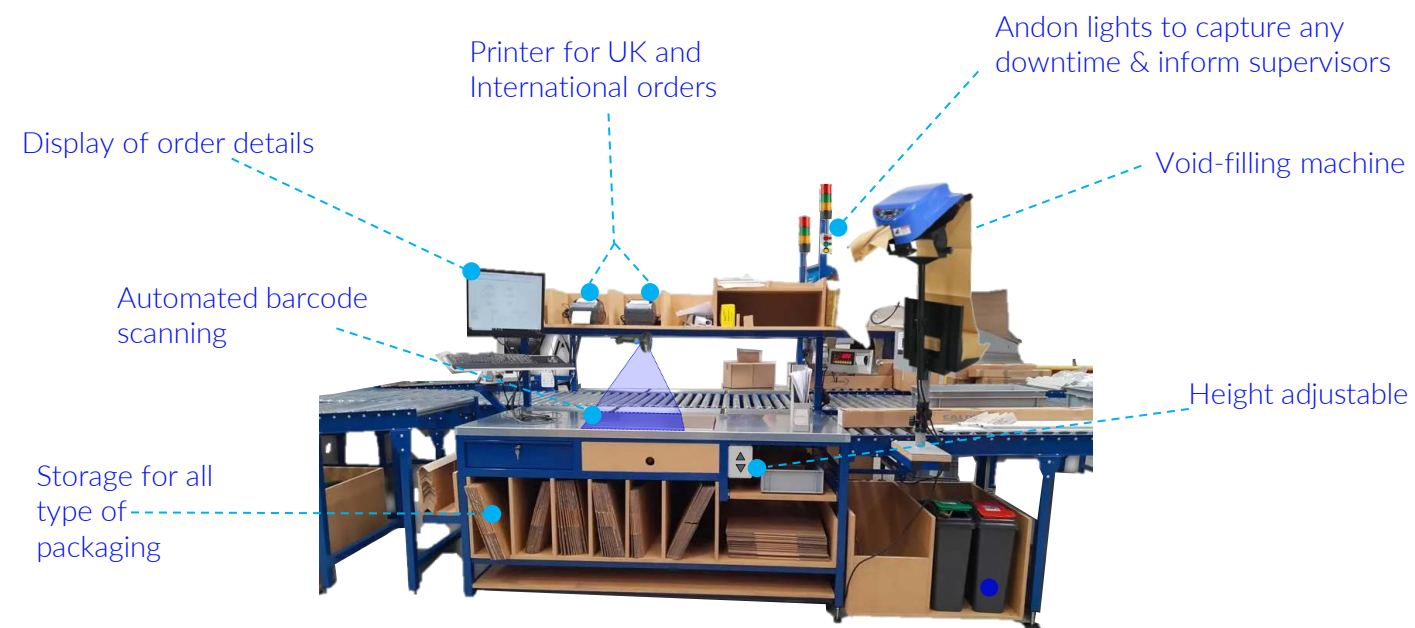
With a new warehouse management system in place and pick routes optimised, we fabricated picking trolleys to increase the carrying capacity of each picker, greatly improving the picking efficiency while improving the ergonomics by minimising twisting, bending and turning. Reducing picking errors meant introducing a new scanning system -improving stock accuracy and providing confidence that customers received the correct product.

The results of these changes can be seen below. They had greatly improved their picking efficiency and stock integrity, next was time to focus on improving the packing efficiency.



Now that the picking operation was highly efficient, focus was turned on the packing operations.

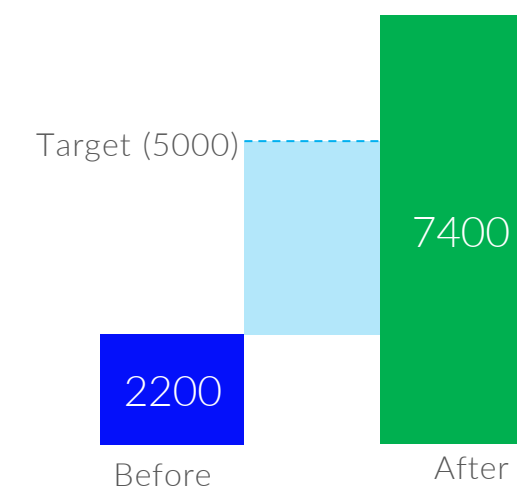
Workstations were redesigned to maximise flow, reduce steps, eliminate handling errors and prevent incorrect orders being sent. By embedding scanning systems into workstations and creating a new packing process, where all required packaging was stored at each station and replenished by the pickers – packing efficiency increased by 60%.



Testing the new packing station proved it resulted in the expected benefit and was replicated across all 10 packing stations.

The combination of all changes resulted in a new capacity of 7,400 orders/day. The target of 5,000 was surpassed and with the same number of people their output had increased by 240%.

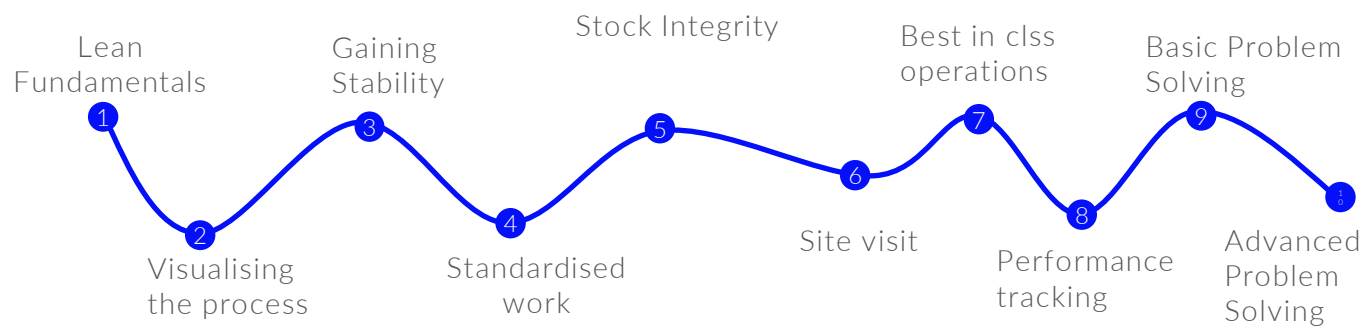
Maximum daily output (orders/day)



04. Training

To ensure improvement is sustained and a continuous improvement culture is established, these 2 phases – Training & Empower are essential. It's very simple, to drive change and improvement in the long run you need a team of problem solvers. By driving the change internally, the Lean champions can solve problems throughout the business and empower team members/operators in improvement identification.

Over the space of 10 days, we trained 8 Lean Six Sigma Green Belt champions with practical problem-solving training, equipping the champions with the ability to drive improvement within different areas of the warehouse. The training included a site-visit to a FlowPlus client to see how they had progressed on their lean journey and the tools/techniques that worked for them, offering food for thought and a chance to see the practical techniques in place.



Our training is different for 3 main reasons:

- 1) It's Practical
- 2) It's Bespoke
- 3) It's Accredited



Practical – We do most of the learning on the shop floor, using exercises and case studies to provide real, usable skills that can be easily applied within their work environment.
Bespoke – We tailor each training to the clients unique business, providing training where the greatest scope for improvement has been identified and specific to their processes;
Accredited – At the end of the training, each Lean Six Sigma Champion is coached over 90-days to solve a problem within their department. This not only creates substantial tangible benefits but provides confidence that each student can practically apply what they have learnt. Upon completion of a successful project, each student will receive their globally recognised certification.

05. Empower

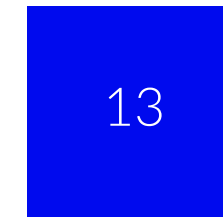
This final stage of the transformation cycle is what makes the transformation sustainable. We introduced a digital performance tracking dashboard alongside daily huddles. These huddles act as a vital part of the continuous improvement journey, providing the workers visibility of their performance and the ability to raise any improvement ideas they have. Key metrics included orders/workstation, total orders packed/day, OTIF (%), picking and packing errors (%).

By holding continuous improvement huddles, each natural team became empowered to solve problems and improve daily. Team leaders/supervisors run the meetings and using their Lean Six Sigma training, can solve problems that really matter.

Within the first 3 months of holding the improvement huddles, the client identified 21 improvement opportunities and has already solved 13 of them – resulting in an additional annual benefit of £112,000. The improvement huddles are still in place and have established the habits and culture needed to drive continuous improvement throughout the business.



Improvement ideas raised



Implemented improvements



Estimated benefit



**FlowPlus helped us
unlock our potential and
as a result of their input
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Caroline Grant - Production Director





ABOUT US & NEXT STEPS

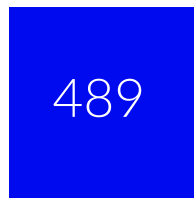
About FlowPlus

Having helped over 20 warehousing/dispatch operations with their Lean & Continuous Improvement journey, we believe every organisation can improve, and that starts with a discovery.

We understand that every business is unique, with different challenges and aspirations. For that reason, we don't use a 'one-size fits all approach', instead we follow the transformation cycle as a framework to create bespoke solutions that are tailored to each client.



Discovery phases completed



Improvement opportunities identified



(£) Millions saved

Our team of consultants are experts in continuous improvement and lean manufacturing. We help our clients to work smarter – not harder. With experience ranging from lean manufacturing and operations management, to artificial intelligence and finance, we provide a unique insight to improvement, tailored to your unique business.

We are headquartered in Surrey and were founded by two friends from the University of Warwick studying Physics and Engineering. All our consultants are Lean Six Sigma Black Belts and have 5+ years of experience within the industry.

We provide a wide range of consulting services based on your specific needs, ranging from Lean Six Sigma training to focused improvement projects.

Next Steps

If you are interested in achieving similar results or have any queries about how we work, our payment terms etc then please book a free 30-minute consultation with one of our consultants below:

[Book an enquiry meeting](#)

Or email:

enquiry@flowplus.co.uk with your request.

We believe every Organisation can improve.

Right now, within your organisation, there are complex and apparently insurmountable challenges to solve.

Equally, there's hidden opportunity to tap into. If you're going to overcome those obstacles, unearth that potential and keep on improving as an organisation – change is essential. But where to start? How do you make the right changes? And how do you make them stick?

That's where we come in...

Get in touch to book a free 30-minute consultation and accelerate your improvement journey.

[Book an enquiry meeting](#)

