

Case Study – Operational Improvements



Kellogg's Company is the world's leading producer of cereal and a leading producer of convenience foods.

CHALLENGES

- Created a new super DC to consolidate operations from an existing distribution center, a DSD mixing operation, and the west coast military business.
- Needed assistance to determine the most cost effective and flexible strategies for inventory storage, picking, material flow and overall facility layout
- Wanted to better leverage large investment in a suite of supply chain IT systems and software
- Desired that solutions be adaptable for use in other distribution centers within the Kellogg network

WHAT SEDLAK DID

- Evaluated the efficacy of voice recognition and pick-to-light technologies for picking
- Designed an optimal storage and rack strategy utilizing a mix of floor and rack systems
- Designed a facility layout for the DC that enabled streamlined material flow and processes
- Developed a supply chain IT strategic plan to better utilize the warehouse management system and implement a workforce optimization module

RESULTS

- ✓ Case pick plan reduced travel distances, eliminated operational redundancies and allowed for simultaneous picking and replenishment
- ✓ Mix of floor storage and rack concepts better accommodated storage and receiving operations
- ✓ Storage strategy model could be implemented across the network of DCs
- ✓ IT strategy projected up to \$15M in potential savings through better use of software capabilities