

Whether operating an existing warehouse or preparing for a new distribution center, an efficient slotting plan developed from an in-depth slotting analysis is an essential element of effective distribution center and warehouse operations. Properly slotting a facility **reduces expensive labor costs** and **dramatically improves throughput** by **increasing pick and replenishment efficiencies, increasing order accuracy, and reducing ergonomic risks associated with improper picking and replenishment operations**. A successful slotting plan also improves the capability to meet inventory rotation requirements, such as FIFO (First In First Out) and LIFO (Last In First Out).

When discussing effective slotting, the focus should be on determining the level at which the product will be picked (full pallet, case pick or piece pick), the storage medium from which product will be picked (pallet rack, shelving, carton flow, etc.), the tools that will be utilized to facilitate the order picking process (paper pick sheets, voice-directed picking, pick to light, etc), and the method of picking to be executed.

The primary consideration when conducting a slotting analysis and making these determinations is a company's SKU or product data. SKU information such as product dimension, weight and on-hand quantity are all key factors when determining the proper storage medium and handling methodology.

Though getting your hands around the collection of the full range of product data for each SKU may appear to be a daunting task (especially for organizations that distribute thousands of SKUs), recent advances in technology have greatly simplified the data acquisition and manipulation phase of the slotting analysis. One such technology used by AGI is our Velocity Management and Assignment module associated with our Warehouse Management System.

Used as a standalone component in conjunction with our slotting services offering the VMA module provides a more effective and efficient process for determining appropriate size, location and assignment of SKU in forward pick areas.

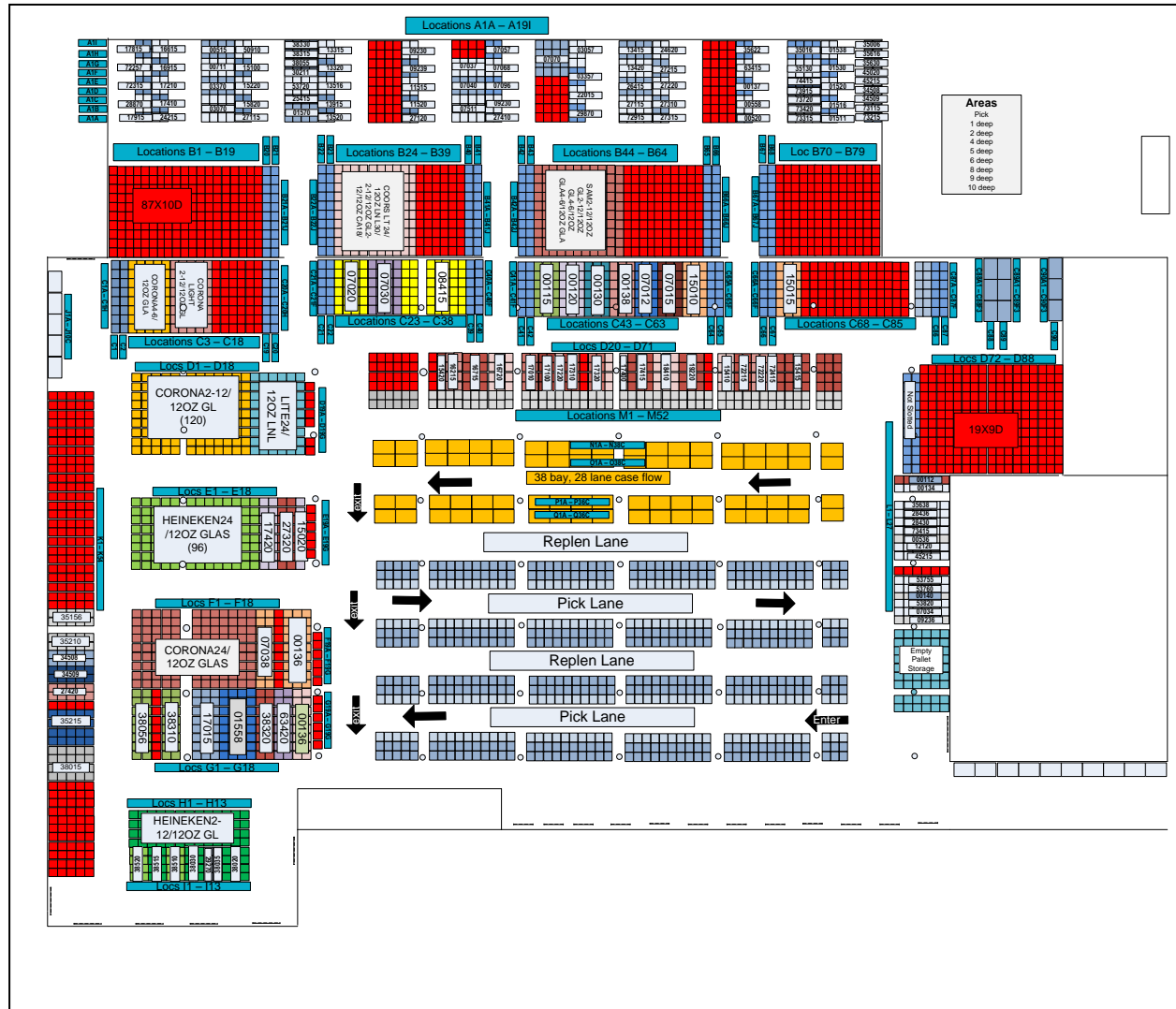
Slotting deliverables can vary from complete warehouse layouts and schemas to focused fast pick areas or any number of intermediate requirements. Deliverables are provided in both Visio and excel spreadsheet form providing our clients with effective leave behind frameworks in order to manage evolving slotting requirements and adjustments.

Benefits of effective Slotting

- Reducing travel distance to fast movers
- Balancing the fast movers across aisles/bays to reduce congestion
- Picking very slow movers from reserve storage
- Sizing locations to satisfy required days-on-hand
- Sizing locations to reduce stock-outs
- Maximizing the location cube, resulting in less space required
- Arranging products based on stackability (for pallet building)
- Developing effective picking zones (category, customer, temperature, etc.)

Sample Deliverable Formats

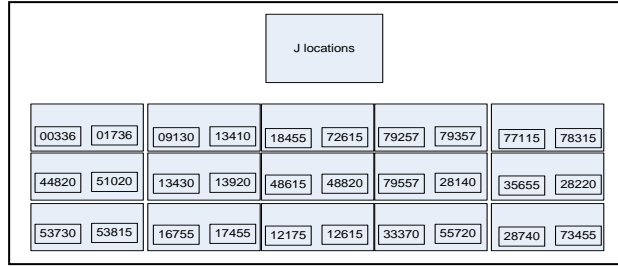
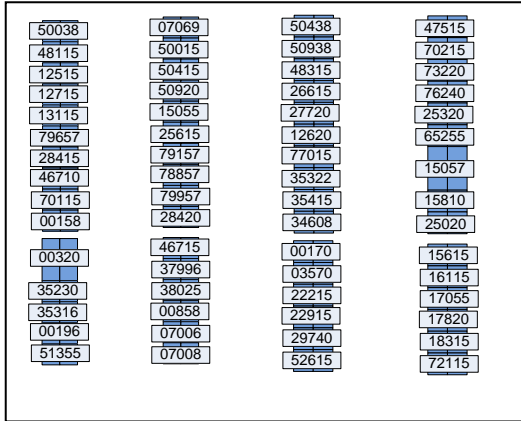
Full warehouse



Warehouse Layout and Slotting



Specific focused areas



Sample Data Analysis

	SKU	Description	Units Per Week Average	Cases	Weekly Pallet average	Cases per Day	Estimated On hand	Stock Rows	Weekly Replen	Pick Faces Rack	Cases Avg Peak	Estimated on hand	Back Stock Rows Peak	Weekly Pallet Average Peak	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26	1/2	
															11/13	11/20	11/27	12/4	12/11	12/18	12/25	1/1	1/8	
MILLER	00315	GENUINE DRAF	64	60	0.94	15	5	2	1.72	5.00	71	6	2	1	50	40	78	54	53	33	53	46	63	
MILLER	00538	MGD 64	140	115	0.82	29	4	2	3.29	5.00	137	5	2	1	128	101	159	82	111	93	75	102	106	
MILLER	03030	MIL BEST	105	93	0.89	23	4	2	2.66	5.00	93	4	2	1	76	104	99	131	91	77	103	60	145	
MILLER	03036	MIL BEST	91	83	0.91	21	5	2	2.38	5.00	82	4	2	1	83	91	78	115	82	96	87	87	196	
MILLER	29855	STEEL RESERV	98	77	0.78	19	4	1	2.19	5.00	85	4	2	1	76	87	88	67	60	57	72	57	177	
MILLER	51055	FOSTER'S	112	86	0.77	22	4	1	2.47	5.00	99	4	2	1	80	85	68	62	92	70	68	6	63	
COORS	07230	COORS BANQUE	120	97	0.81	24	4	2	2.77	5.00	100	4	2	1	71	99	112	83	78	73	50	98	80	
COORS	07236	COORS BANQUE	95	75	0.79	19	4	1	2.15	5.00	91	5	2	1	63	96	88	92	71	47	70	62	62	
BOSTON BEEF	15215	BOSTON ALE	84	68	0.81	17	4	2	1.94	5.00		0	0	93	69	106	101	117	39	63	61	48		
BOSTON BEEF	72225	TWIST TEA	84	63	0.75	16	4	1	1.80	5.00	101	6	2	1	6	32	62	20	22	44	16	16	38	
MERCURY	12720	IPS SEASONAL	72	57	0.79	14	4	1	1.63	5.00	107	7	2	1										
PABST	24132	BLACK LABEL	91	68	0.75	17	4	1	1.95	5.00	71	4	1	1	70	77	84	85	60	59	70	60	91	
NARRAGANSETT	28240	NARRAGANSETT	80	59	0.74	15	4	1	1.70	5.00	86	5	2	1	59	44	48	23	23	26	42	40	35	
ANHEUSER BUSCH	46720	BECK'S	72	60	0.83	15	4	2	1.71	5.00	43	3	1	1	75	20	117	114	251	7	13	5	3	
MIKE'S	73615	MIKE'S	72	70	0.97	17	5	2	1.99	5.00	113	8	2	2	32	32	51	45	32	24	19	35	20	
MIKE'S	73710	MIKE'S	72	52	0.72	13	4	1	1.49	5.00	26	2	1	0										
MIKE'S	74015	MIKE'S	72	68	0.94	17	5	2	1.94	5.00	115	8	2	2	37	31	44	42	30	30	21	29	31	
HEINEKEN	30830	TECATE	80	58	0.72	14	4	1	1.65	5.00	59	4	1	1	35	41	31	34	62	22	25	20	7	
HEINEKEN	38006	HEINEKEN	117	74	0.63	19	3	1	2.12	5.00	104	4	2	1	47	81	44	83	111	35	35	35	17	
HEINEKEN	38335	HEINEKEN LIG	132	83	0.63	21	3	1	2.37	5.00	202	8	2	2	29	70	79	53	81	37	12	30	25	
HEINEKEN	38530	AMSTEL LIGHT	120	107	0.89	27	4	2	3.07	5.00	175	7	2	1	74	75	73	108	62	31	50	101	74	

Our preformatted templates and formulas used for analysis enables our engineers to import data received from VMA and adjust slotting assignments dynamically resulting in the proper balance between space, pick speed and replenishment effort.

Initial data requirements

- Daily and/or weekly shipment/pick volumes by sku, unit of measure and container size
- Available space constraints related to picking areas and equipment
- Material handling dependencies by SKU
- Storage capacity volumes for pick locations
- SKU volume metrics and max capacity relationships to pick locations

If you would like additional information about AGI's Assessment services and/or any of our other solutions, please contact me AGI for more information and pricing.



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