

# 5 Criteria for Benchmarking Order Fulfillment

White Paper

*How Does Your Current Order Fulfillment Process Stack Up? Benchmark Your Operations Against These Companies' Criteria for Success*



## Introduction

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There's always room for improvement in a picking operation—whether through faster throughput, optimized labor productivity, increased accuracy, improved space utilization or better accommodation of demand spikes.

Five different companies in five very different industries used one of these five criteria to justify integrating automation into its picking processes. Each invested in a low-risk automated storage and retrieval (AS/RS) system—such as horizontal carousels, vertical lift modules (VLMs) or vertical carousels—to address their unique order fulfillment opportunity. All found that their new system optimized their previous manual picking process for better handling, provided more benefits than expected and increased profits.

This white paper details the outcomes of five companies that invested in AS/RS technology, allowing you to benchmark your operations in an effort to:

- Address five challenges most commonly faced in order picking operations: Throughput, Labor Productivity, Pick Accuracy, Space Utilization and Seasonal (or Peak) Demand
- Outline the potential improvements from an investment in AS/RS technology
- Help you calculate your own potential results from a similar investment

## Benchmark Criteria # 1: Throughput

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*Are your pickers filling orders fast enough? How well does your current material handling equipment support your pickers' ability to keep up with order demand?*

Whether a facility's order pickers follow paper pick lists or use hand-held radio-frequency (RF) scanners to select items from static storage rack or shelf, keeping up with a growing inventory of stock keeping units (SKUs) and increased order demands can be a challenge.

That's because, in the typical manual distribution center, workers must still travel to the items. All that walking often accounts for as much as 60-65%<sup>1</sup> of a picker's shift. Further, in conventional operations pickers often fill just one order at a time.

Limited by paper pick lists and a lack of picking optimization software, they may visit the same popular SKU pick faces multiple times in a day. For a facility with static shelving or pallet rack, this translates into pick rates of approximately 50 lines per hour.

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<sup>1</sup> Lee Rector, "Warehouse Slotting," Toolbox.com SCM Blogs, accessed January 5, 2014, <http://it.toolbox.com/blogs/warehouse-planning/warehouse-slotting-6655>



























