

Enhancing Alpen's Performance by Checking Its PULSE

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Abstract

Alpen Products Pty Ltd (Alpen) is a leading business-to-business commercial party and catering products manufacturer whose products sell in Australia and New Zealand. Alpen experienced considerable growth after its move to a new facility in 2007. The system they had at the time could not meet the demand. Therefore, Alpen began requirements modeling to determine what requirements a new system would need. The requirements were an automated process for handling paper flow, a way to address problems in the reporting structure, and to create effective processes for training new employees. In addition, Alpen wanted to increase the processing speed of the warehouse, update its technology, and boost employee morale. Alpen implemented the PULSE Warehouse Management System (PULSE WMS) with RFID technology. The PULSE WMS fulfilled the requirements by using automated processes. In addition to fulfilling the requirements, Alpen gained the benefits of accuracy, better warehouse management, and enhanced customer satisfaction. The implementation of the PULSE WMS was successful. I would not change anything. Sources used include a telephone interview with Andrew Barker, the general manager for Alpen and the project manager for the new system, an article from *MHD Supply Chain Solutions* magazine, the *PULSE Logistics Systems* website, and the *Systems Analysis and Design, Video Enhanced* textbook.

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Alpen Products Pty Ltd (Alpen), a leading importer and manufacturer of party and catering products in business-to-business commerce in Australia and New Zealand, was gaining business and its old system could not weather the increasing volume of orders. Alpen needed a way to not only keep up with its current amount of business but also increase the efficiency of warehouse operations and customer satisfaction. The solution was to implement the PULSE Warehouse Management System that uses RFID technology to increase the accuracy and efficiency of Alpen's operations ("New distribution centre and warehouse management system drive growth, customer service and bottom line," 2011). My research proves that this new system enabled Alpen to eliminate the problems in its warehouse operations and improve performance and customer satisfaction at the same time. This was a successful implementation.

The Problems of the Old System

Alpen spent two years planning, reviewing, designing, and implementing a system that fit the company's needs during its location change in 2007. Around that time, business began to grow, and the system was not as efficient as it could have been. It was time to find a solution ("New distribution centre and warehouse management system drive growth, customer service and bottom line," 2011). Alpen knew it needed a new system to handle the mission-critical processes in addition to providing performance enhancement to operations. It was during this point that Alpen looked into requirements for the new system.

The first requirement was to include a process for speeding up the paper flow. Andrew Barker, general manager for Alpen and the project manager for the new system, noted the office had to process each consignment note and invoice manually, and this slowed down production.

In addition, Alpen wanted to increase processing speed, and update warehouse technology (A. Barker, personal communication, August 15, 2011). Updated warehouse technology with automated processes would simplify many of the tasks that were time-consuming. This would speed up production also.

The next requirement was to address the problems in the reporting structure, which would increase employee job satisfaction. To accomplish this, Alpen wanted to give warehouse employees more responsibilities to help resolve problems as they occurred. The reporting structure in the warehouse was not effective for the new business growth Alpen experienced. Barker observes that in the old system, “people [would] come into my office, or the warehouse manager’s office, and tell us that items were missing or the stock count was incorrect” (personal communication, August 15, 2011). It took time to correct each instance and this led to delays in order fulfillment (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011). Creating a new reporting structure with more warehouse employee responsibility would increase the reporting of errors, and remove many delays in order fulfillment.

The third requirement was to create effective processes for training new or temporary warehouse employees. As the volume of orders increased seasonally for Alpen, the company often hired temporary warehouse employees. Greg Byrne, the managing director at Alpen, reports that by the time they trained the temporary warehouse employees under the old system, “they were no longer required” (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011). This was a problem because; they did not have the opportunity to use the workers to their full potential by the time their contract ended.

This type of information is exactly what the authors of *Systems Analysis and Design*, Gary B. Shelly and Harry J. Rosenblatt (2011), described during the systems analysis phase. The project manager discovers the development strategies for the new system by evaluating the old system. In the case of Alpen, it took “requirements modeling” to identify the areas that needed improvement (Shelly & Rosenblatt, 2011, p. 138). The office performed the inputs and output of the invoices and consignment notes manually, which slowed down production. There were no automated processes in place to do these tasks faster. The performance of the system lacked the capacity to fulfill the volume of orders at the speed needed to enhance productivity. The new system needed to fulfill these requirements as well as provide a way for employees to have more responsibility in the warehouse, and train new workers faster.

Benefits of the New System

During the build or buy decision, Alpen decided to buy the new system instead of build it in-house. While weighing the options of different systems, Alpen saw the PULSE Warehouse Management System (PULSE WMS) at a trade fair and decided to implement it because it fit their requirements. Barker added that the system centered on the warehouse, and this was better than “having an ERP (Enterprise Resource Planning) computer system and trying to tack on a warehouse module to that system” (personal communication, August 15, 2011). The PULSE WMS included all of the necessary software, hardware, and a RFID system created especially for warehouse systems (PULSE Logistics Systems, 2007). The PULSE WMS proved to be an excellent fit for Alpen that solved their problems as it already contained many useful processes.

The new PULSE WMS system solved the paperwork requirement instantly. Instead of manually completing these documents in the office, the automated processes in the warehouse

complete the paperwork. Barker explains that having a complete warehouse equipped with RFID enables Alpen to save time with orders. It could take up to two hours to complete the documents on the old system. Now, with the new system, Barker notes it takes “five minutes, not even that”, as there is “virtually no waiting time” (personal communication, August 15, 2011). Fulfilling the first requirement saved time by introducing an automated process.

The PULSE WMS fulfilled the second requirement by giving employees more responsibility in the warehouse. The warehouse employees interact directly with the automated processes by entering the information. This helps them feel more valuable to the company. Each warehouse employee is responsible for notifying superiors of stock problems. That way, all the warehouse employees know that they are contributing to Alpen's success. Byrne explains that the employees feel like part of the team and this raises employee satisfaction. Alpen was then able to remove the reporting structures from the old system, and create a new efficient one that solved problems faster (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011). The feeling of being part of a team creates workers that are more efficient. This is why the automated processes are so important to Alpen's success.

The PULSE WMS fulfilled the requirement for faster employee training with a new process. For Alpen, training new employees with the PULSE WMS is easy and effective. Alpen's new training process involves pairing up new employees with experienced ones. The new employees learn the PULSE WMS from the experienced ones. By the end of the day, the new employees are ready to be productive workers (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011). This process of

placing new employees with experienced employees gives Alpen the ability to use an employee's full potential in the warehouse.

The PULSE WMS fulfilled all of the requirements needed for the new system. Additionally, the PULSE WMS gave Alpen even more benefits. Alpen now has a new way to track progress. Alpen uses a new process for their "key performance indicators" ("New distribution centre and warehouse management system drive growth, customer service and bottom line," 2011, p. 43). The new system shows Alpen the progress of staff by the minute. They can instantly see what needs to be improved. Additionally, they can also observe which employees need more training. It is also simpler to watch employee progress. This new process makes it easier to motivate staff with rewards ("New distribution centre and warehouse management system drive growth, customer service and bottom line," 2011). Employees know that Alpen notices all of their work now. Whether Alpen rewards them, or encourages them to get more training, the workers know that Alpen appreciates them.

All of these benefits enhance the performance of Alpen's operations by ensuring both accuracy and speed in managing the warehouse. Barker notes the biggest improvement was accuracy (personal communication, August 15, 2011). The new system's processes uses the RFID to enable warehouse employees to accurately notify the managers of missing stock. Included in the PULSE WMS was a "nil pick" process (A. Barker, personal communication, August 15, 2011). According to Barker, when a warehouse employee would see missing or unavailable stock, they would enter the product and its location into the PULSE WMS. This then alerts management that they need to find the missing stock or write it off the stock. Furthermore, no other employees would return to that same location to pick the goods. This was a sharp contrast to the previous system. Barker explains that in the previous system, employees

would leave a note at the location, other employees looking for the stock would see the note, and someone would report it to the office for them to address the problem. Barker adds that this process took up to “a day or weeks” to complete on the old system. (personal communication, August 15, 2011). In addition, the PULSE WMS processes gave employees the ability to pick the correct stock more often than with the old system. Byrne notes the new system has “a stock-take result in less than point zero one percent discrepancy” (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011, p. 43). This accuracy results in maintaining speed and accurate order fulfillment.

The effects of the PULSE WMS system spread all over Alpen to the customer service department. With the new PULSE WMS, the customer service employees have no hesitation in taking urgent orders. This is because they know the warehouse can easily accommodate these orders now. Byrne reveals that offering more options to customers for urgent orders creates “enhanced customer service” (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011). This enhances customer value by showing them that fulfilling their orders are important to Alpen.

All of these improvements led to enhanced customer satisfaction and led to more repeat clients. Alpen's business clients are more than impressed with the new system's operational improvements. This satisfaction created loyal clients who routinely buy from Alpen. Byrne notes that Alpen's business is its customers. Byrne explains that Alpen “wanted to service them better and... now we are convinced we are doing just that” (“New distribution centre and warehouse management system drive growth, customer service and bottom line,” 2011, p. 42). By serving the customers better, Alpen increased its performance with the PULSE WMS.

Evaluation of Alpen's New PULSE WMS

If I performed a post-implementation evaluation based on the information I found, I would rate Alpen's PULSE WMS successful. Through my research, I discovered that the PULSE WMS fulfilled all the requirements. Moreover, it added more benefits to Alpen's operations with its many processes. The implementation of the new system was a complete success. If I were the project manager, I would use the exact same system. I could do no better, as it was completely successful.

Conclusion

After moving to its new location, Alpen experienced business growth. The company needed a new system to fulfill its requirements. The solution was to implement the PULSE WMS. It fulfilled all requirements and enhanced Alpen's operations with speed and accuracy. This was a large improvement over the old system, and it was completely successful. I could do no better if I was the project manager.

References

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