

Carousels, NA rack revitalize KaVo America

Revitalizing distribution with better materials handling doesn't always require installing new equipment or building a new warehouse.

Putting in rebuilt storage systems and using space more efficiently are among the techniques that can go a long way toward running an existing warehouse like a brand new, more modern one.

KaVo America, a distributor of dental equipment in Lake Zurich, Ill., took steps such as these with guidance from a systems integrator. It now picks far faster. It also ships 50% more packages a day using a smaller area in its warehouse than before. Mis-ships are far fewer. All this it does from a refurbished warehouse. And rebuilt horizontal carousels saved on its costs.

KaVo has been on a growth curve. With both yearly sales volumes and inventory required on hand more than

doubling compared to earlier levels, recalls Charlyne McGraw, KaVo's purchasing and logistics manager, the company decided early in 1999 it had to make changes.

"We had to cut our warehouse space down to 35,000 square feet from 55,000 square feet to make room for 20,000 square feet of office area," she explains.

Space reduction for warehousing meant that distribution had to run more efficiently with greater cube utilization, as KaVo's systems integrator suggested. That advice included several recommendations, which KaVo has implemented. Narrow-aisle rack storage replaced conventional storage racking. A rebuilt standup lift truck services this NA system. A decked, cantilever rack system was installed to hold large crates of dental lab equipment and appliances. Aerosol can storage was moved into a push-back rack

system. Existing shelving that stored small items (KaVo's hand piece lines) was replaced with a rebuilt system of horizontal carousels.

"The rebuilt and refurbished carousels were more cost effective," points out McGraw, "than new equipment." KaVo put in a four-pod carousel system, with 12-foot-high carousels, for about the same cost as it would have spent on two new, 8-foot-high carousels. The four-pod system has more than doubled small item storage capacity.

Included in this pick-to-light, horizontal carousel system are two light trees, a sort bar, and a lift table workstation. Carousel software drives the light trees and sort bar through a direct host interface with an SAP order database.

Despite greater sales volumes and more inventory in a smaller warehouse, McGraw now gets greater performance

from a smaller receiving, picking, and shipping labor force. Headcount is down to 6 operators from 10 previously.

Order picking time had averaged 5 to 6 minutes per order previously. Now picking time is between 1 and 2 minutes. "Order accuracy also has improved by at least 60% so far," McGraw adds, with more gains expected later on.

With more new products coming into the warehouse in 2001 as pallet loads, KaVo has begun work on further changes to its facility. The system integrator, for example, has recommended adding several rows of mobile aisle storage racking to hold these loads, and KaVo is acting on the advice.

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