

# Warehouse Stakeholder Case

## **Project Background:**

You have recently been assigned to a project that is focused on improving the warehouse operations of Sticky Glop Inc. The project sponsor, Jane Driven, North America's General Manager, has told you that this is her top priority. She pointed out that customer service has taken many orders for product that isn't available. This has led to \$5MM in orders cancelled by the customer when they found out that delivery would be late. The plant is unhappy because their master production schedule is constantly interrupted with rush orders. The transportation companies are raising rates because it takes so long to load their trucks as the warehouse tries to locate the needed product. Having the wrong inventory also costs the business as the product's shelf life means it has to be sold at a loss if more than 6 months old and scrapped if older than 9 months.

Customer orders are taken by a customer service representative using an order system, he then checks for the availability of inventory using the current warehouse system and then places the order back on the order system. The order system prints copies of the order in the warehouse foreman's office and in the shipping office. The warehouse foreman takes the printed order, looks up available inventory on the warehouse system and writes the aisle where the product may be found on the order copy creating a pick list. The shipping department, collects the printed orders and manually creates the shipping papers (labels, packing slip, load tender and bill of lading), once the materials are delivered to the staging area. Warehouse personnel also record inventory as it arrives from the manufacturing site. After orders are picked and the prepared for shipment, they are loaded onto the shippers trucks for delivery to the customer which the shipping personnel confirm in their warehouse system. The warehouse system processes all updates over night.

When there is a pending order and no inventory, the customer service team calls the plant and asks them to make a rush order. Rush orders are delivered to the warehouse and often loaded directly onto the shipper's trucks. Paperwork is often created manually to ensure prompt delivery.

As of the last cycle count, Inventory Record Accuracy was just about 80%.

The CEO, Doug Deeper, has told Jane that she has 6 months to finish this project and get her house in order. The CEO is looking for continued improvement for another 6 months after that before deciding the GM's fate.

Your first action was to meet with Jane, the project sponsor to understand the project and identify people to whom you might want to talk. Jane gave you a list of folks who you interviewed.

## **Your Current Task:**

You need to review your notes and identify who are stakeholders, subject matter experts, etc.

1. Identify all the stakeholders associated with this project and explain why you think they are a stakeholder.
2. Identify all the subject matter experts associated with this project and explain why you think they are SME's.
3. What further questions would you ask each stakeholder and SME's?

## **Your Interview Notes:**

Jane Driven, Project Sponsor

- She is being beat up by senior management, want improvement and want it now.
- She wants to get a system in here and fix the problem.
- She read an airplane article on RFID tags and thinks they would solve her problem.
- We only make a few products in the plant, move them to the warehouse, take the customer's order, and ship it to the customer. How hard can it be?

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### Kathy Perfect, Customer Service Manager

- Everything would be OK if plants just made what the CS team told them to.
- The warehouse people are useless, they never know what they have.
- Her people have to do everyone's job, check the inventory by phone, tell the plant what to make, everything!

### Wendy Wunderkin, Warehouse Manager

- Her people work very hard at tracking inventory.
- Her team collects paper from all over the warehouse every day by 3:00 to make sure its entered overnight so the CS team knows what is there the next morning.
- The rush orders cause chaos and the plant never provides the manual paperwork its suppose to.
- Inventory Accuracy is impossible with the old, general inventory management system they are using.

### Fred Burner, Forklift Operator

- He can't find anything.
- The system only says its in an aisle, there is no storage information like rack # and level
- IRA is a joke, they have all day to find stuff, realistically its probably more like 20%
- He has to get off forklift and search for product all the time.
- When they tell him to take the old stuff first, how is he supposed to know what's old from inside the forklift?

### Rocco Socco, Plant Manager

- Running a plant in this business sucks.
- Planning department provides a master production schedule that is worthless
- They have rush orders all the time.
- He has great schedulers and he needs them. They pull off miracles everyday.
- His schedulers have really great relations with Customer Service. They tell CS what they are making, what they can sell and ask what they need. Someone has to.

### Kathy Creepy, Supply Chain Manager

- Her team is trying as hard as they can to make a good forecast and supply plan.
- Demand for the new green product is growing fast, reliable supply is a big problem. We are making customers mad.
- Inventory system & sales only updated nightly.
- They create a monthly demand plan based on input from sales, but what a joke, they would do better using historical sales on excel.
- The plant has a real "hero" mentality and all their rush orders do is screw everything up.
- IRA is bad enough, but the problem is even worse. No one can find anything without manually looking for it.

### John Nordstrom, Sales Manager

- John thinks his team is great, they are out there selling, giving the customers what they need.
- They could sell even more if they didn't have all this office work to do. His team spends 40% of their time on their computers do useless office work like a ground-up demand plan. He wants them in front of their customers.

### Rich Rozilini

- Rich is an external consultant who specializes in warehouse management. Jane has asked you to work with him as he brings an independent view to the project.
- Rich suggests that investing in Quasimodo Software's WMS 3001.5 will fix all the problems and suggests just getting on with it.