



Latitude WMS Helps Omni Services Continue its Drive to Do More with Less

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Omni Services is a major fluid conveyance distributor in the Northeast with 10 locations and sales projected to hit \$25 million over the next five years. The company has a well-established history of investing in technology to help it compete against larger competitors and win.

Todd Keeney, VP of Operations at Omni Services, says operations are key to the company's growth. "Technology levels the playing field. If we can be competitive operationally, ultimately we'll win because of our strong applications knowledge and experience. We excel with customers by being genuine fluid conveyance specialists."

In 2007, as part of its growth strategy, Keeney deployed the Latitude Warehouse Management System (WMS) from PathGuide Technologies. Since using Latitude, Omni Services has achieved some critical productivity gains within the warehouse:

- Total man hours decreased by 18.5%
- Cost to receive / pick a line reduced by 7%
- Picking errors reduced by 44.2%
- Eliminated year end physical inventory
- Implemented cycle counting program

Omni Services chose Latitude because the system integrated with its ERP system and because both the product and company had been around a long time. "To be honest we were a little hesitant at first because PathGuide is a smaller firm, but we then visited another company nearby using Latitude and they spoke very highly of PathGuide, particularly regarding the post-sales support," said Keeney. "PathGuide walks their talk. They provide the kind of intimate, stellar service that you just don't find nowadays."

Latitude is a software suite that automates warehousing and distribution to provide real-time online information about inventory. Latitude automates all operations from receiving and order picking, to manifesting and truck route/stop management. It integrates seamlessly with major ERP business systems such as Microsoft Dynamics, Activant, J.D. Edwards and Oracle.

In preparation for deployment, two employees at Omni Services attended a week long training session at PathGuide's mock warehouse facility near Seattle. At the facility, Keeney and his colleague were able to run Latitude in an environment configured to mirror the system they would soon deploy. According to Keeney, this was highly valuable and later resulted in an extremely smooth go-live day back at Omni Services.

Latitude Brings Greater Efficiencies

Following deployment of Latitude, Omni Services noted a significant increase in inventory and order accuracy as well as pick productivity.

“Prior to Latitude we spent a lot of time looking for inventory and reordering things that we had in stock but simply couldn’t find. The result was that we’d hold more inventory than needed, or in the case of special orders, we’d eat the cost or write it off,” said Keeney. “We spent a ton of time on stock adjustments.”

Previously, Keeney recorded up to 15 errors per quarter with customer orders. Since using Latitude, Keeney has noted an average of four errors per quarter. With product bar codes being about 15 digits each, it was easy for employees to make mistakes when they manually key entered the data. A single digit difference could result in an entirely different product being picked.

With the improved accuracy came a more positive, less frantic atmosphere in the warehouse. By using handheld RF Terminals that integrate with Latitude, employees know exactly what to do and they receive an alert if they make an error. According to Keeney, before Latitude the warehouse was chaotic with people frequently yelling as they tried to find the location of an item. That’s now changed.

Latitude has also brought new picking and putaway efficiencies. Before Latitude, employees spent a lot of time going up and down the same aisles picking orders. With the new system, the warehouse is mapped in a logical flow, making wave picking and putaway much more efficient.

Wave picking means workers are assigned to zones where they pick items for an entire wave of orders. Wave picking is typically used in larger operations or for those with a large number of SKUs. With Latitude, Omni Services can create order waves and determine how much labor needs to be allocated as well as how much time it will take to complete each wave. As the wave builds through the distribution center, Keeney is able to adjust, if needed, Omni’s downstream operations.

The majority of orders are designated for fixed-wave picking. This means orders are not packed until the entire wave is picked. However, should an order's priority be changed to a rush order or "will call" order after it's batched within a current pick job, employees can pull-out the single order to expedite it into packing/shipping or for customer pickup.

With Latitude’s flexibility, Keeney can also generate different kinds of waves. For example, a wave of orders that are all shipping via a particular carrier ensures those orders are ready when the driver arrives.

Omni Services also relies on Latitude’s Cycle Counting module to increase operational efficiencies. Cycle Counting is an inventory management function where a subset of inventory can be counted on demand or scheduled across a given timeframe. With Cycle

Counting, Omni Services eliminated its year-end physical inventory count for 2007. In the past, the company would close the business for a week to conduct its year-end audit. “With Latitude, not only do we stay open, but we had our most accurate audit ever with just a few adjustments needed compared to the dozens we typically would have to make.”

Keeney also notes benefits from smaller Latitude features such as customer specific item label printing. “We used to handwrite item numbers and descriptions on the bags before they were packed and it just didn’t look good. Some employees had bad handwriting or they were always looking for a pen....Now the bag tags make the order look good. It’s a better finished product that goes out the door,” explained Keeney.

Today Omni Services remains committed to its strategy of using technology to “do more with less.” Future plans including rolling out Latitude in Omni Services’ other hub locations and continuing its aggressive business growth while limiting warehouse staff increases. Keeney also plans to implement Latitude’s vendor reporting capabilities to identify and reduce vendor errors. About 80% of Omni Services’ business comes from 20 vendors, therefore improving vendor accuracy is an important goal.

About PathGuide Technologies

PathGuide Technologies, Inc., a privately held company founded in 1989, is a leading provider of warehouse management solutions for small to midsized wholesalers and industrial distributors across North America. PathGuide’s software and services help suppliers increase productivity and order accuracy, improve customer service and lower labor costs, ultimately driving greater profitability. To learn how distributors of all sizes can benefit from improved warehouse management, visit www.pathguide.com.

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