

FORTNA

Customer Success Series

Callico Optimizes Operations with FORTNA Intelligent Slotting Software



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A time of rapid growth can be exciting for any company. But with rapid growth come challenges. Can your facility handle the increased volume? Will labor availability become an issue? And how will you scale your operations while keeping costs low?

Callico, a family-owned redistributor of paper, plastics, disposables and janitorial supplies in the greater Boston area, was met with similar questions as their operations saw major expansion. Maintaining an efficient warehouse, especially during a time of growth, is crucial to the success and longevity of operations. Callico understood this necessity and partnered with FORTNA to drive value by leveraging the FORTNA OptiSlot DC™ (FORTNA OptiSlot) Software Solution.

Advanced slotting software plays a vital role in optimizing inventory placement, reducing operational costs, and improving overall efficiency. By strategically placing items in optimal locations, the software ensures that warehouse space is utilized effectively, picking and replenishment times are minimized, and the risk of product damage is reduced. The FORTNA OptiSlot solution is designed to balance these competing goals, providing a comprehensive tool for warehouse optimization.

Initial project implementation

Growing consumer demands and a rapidly changing market continue to impact the consumer goods industry, meaning efficient warehouse operations are crucial. As with many organizations, Callico was highly selective about their investments, ensuring a strong return on investment (ROI) for every project. During the first engagement, Callico's focus was on maintaining pallet build quality while optimizing slotting to prevent damage to items like paper towels, which were previously at risk of being crushed.

The FORTNA OptiSlot solution was implemented to solve the paper towel challenge and to streamline inventory placement and improve slotting efficiency. The solution also empowered the Callico team to manage and maintain the system independently, reducing the need for external support. Through this project, Callico saw enhanced operational efficiency and substantial warehouse improvements.



Continued expansion through partnership

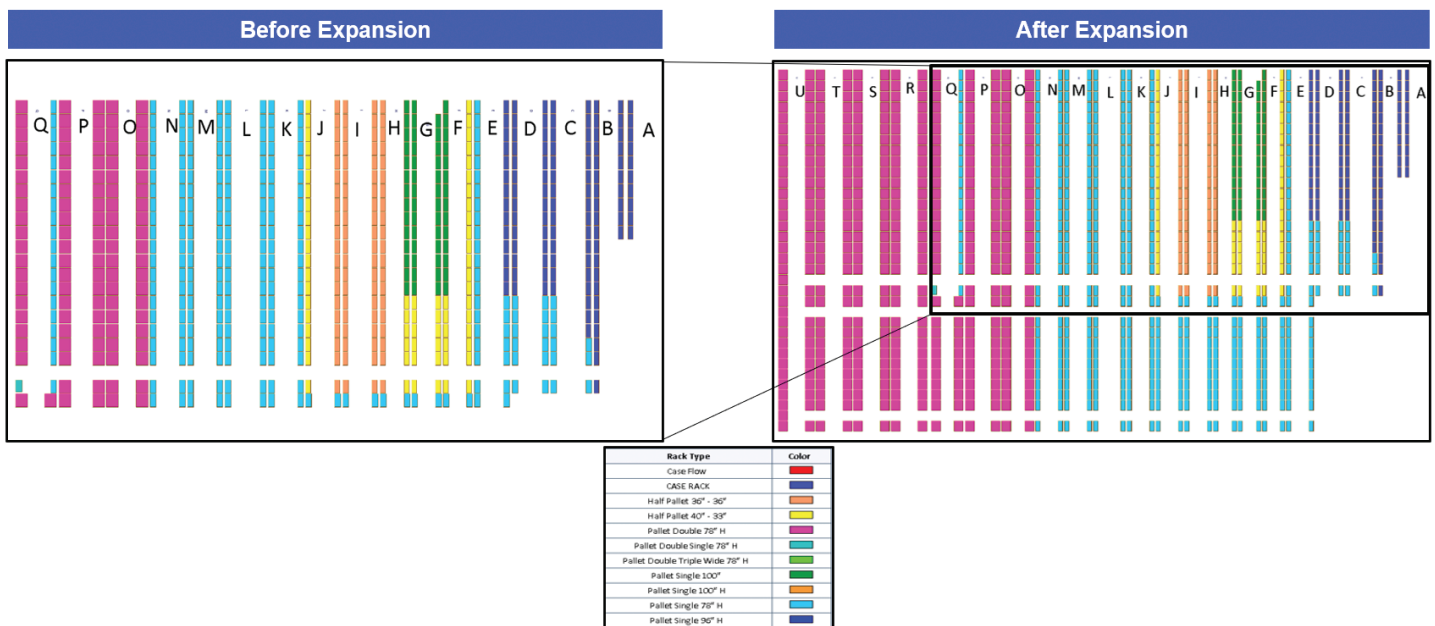
Callico expanded their operations in 2023, adding additional aisles of double-deep pallet rack locations to handle the increased volume and demand. This expansion required an updated strategy to handle increased volume and complexity. Once again, Callico partnered with FORTNA to design and deliver a strategy refresh to further improve their operations.

During the strategy refresh, several specific measures were taken to drive value:

- **Prioritize high-volume SKUs:** large cubic volume SKUs were prioritized for double-deep locations, ensuring efficient space utilization.
- **Address constraints:** constraints were identified and managed, such as keeping oil drums in single-deep pallet locations to prevent spills.
- **Rebalance inventory:** moves were targeted to ensure high-volume SKUs were placed in more accessible locations, while low-volume items were moved to less critical areas.

This phase focused on fine-tuning the existing system and retraining staff. An emphasis was put on strategic adjustments, realigning the slotting strategy to match current operational needs and market demands. Performance monitoring was also a priority to establish metrics to monitor the effectiveness of the new strategy, allowing Callico to make data-driven adjustments.

The FORTNA OptiSlot advanced software solution is particularly beneficial in such scenarios. It allows for more sophisticated inventory placement, adapting to changes in volume and product mix without sacrificing efficiency. The FORTNA experts also provided training and support, focusing on advanced slotting techniques to implement sophisticated strategies in order to manage the increased inventory more efficiently. An enhanced training program was deployed where in-depth sessions were conducted to enable the Callico team to fully leverage the capabilities of the FORTNA OptiSlot system. The primary objective of this phase of deployment was to empower Callico's team to be self-sustaining in their use of the software.



Results Delivered

These changes resulted in immediate improvements for Callico. Pre-implementation, Callico had approximately 900 replenishments per week. After implementing the strategy, this number dropped to 750, a reduction of more than 15%. Callico also saw better utilization of double-deep locations, with the amount of cubic volume picked out of double-deep locations increasing from 88% to 97%. High-movement SKUs were effectively reallocated to more efficient locations within the warehouse.

The collaboration between Callico and FORTNA delivered several key benefits:

- **Enhanced efficiency:** significant improvements in slotting accuracy and overall warehouse efficiency.
- **Cost savings:** reduction in operational costs due to better inventory placement and optimized slotting.
- **Scalability:** seamless scaling of operations with each expansion and strategy update.
- **Self-sufficiency:** empowering Callico's team to manage and maintain the FORTNA OptiSlot software independently, reducing reliance on external support.

>15%

reduction in replenishments
per week

9%

increase in cubic volume picked
out of double-deep locations

Long term success

The partnership between Callico and FORTNA demonstrates the effectiveness of designing and deploying the FORTNA OptiSlot software solution in small to mid-sized distribution centers. Through strategic implementation, targeted training and continuous improvement, Callico has not only seen immediate gains in efficiency but also positioned themselves for sustainable long-term success.

FORTNA

FORTNA Can Help

Slotting optimization software, powered by advanced mathematical algorithms, addresses distribution operation complexities improving efficiency by supporting efficient putaway, picking and pallet building; reducing product damages; improving space utilization; and increasing customer satisfaction. Leverage FORTNA's powerful slotting solution, developed by mathematicians and refined with domain expertise intel, to create a sustainable slotting solution for your organization.

Contact us today at www.FORTNA.com