

*PROVIDING INNOVATIVE SOLUTIONS WHICH OPTIMIZE SPACE &
ORDER FULFILLMENT WITHIN THE SUPPLY CHAIN*

Steps to Achieving Supply Chain Sustainability

Many people hear the word sustainability and think about the environment and earth's natural resources. However, sustainability in the supply chain is much more than the environmental aspect. Sustainability also includes social and economic responsibility. Economic sustainability focuses not just on a company's profits and losses but also considers the future of a company. Social sustainability is about people. Respect for all three of these pieces environment, people and profit are intertwined and a necessary for a successful supply chain.

Each of these areas are wide and vast. There is no perfect sustainability program for all companies to follow. Each initiative considered to be included in a program will lead to many other ideas of what else to include. For example, if a company focuses on making all packaging for outgoing shipments recyclable, should they take steps to reduce or eliminate the amount of unrecyclable packaging shipped in from suppliers? It all comes down to what your company wants to focus on changing and improving. A company that offers cloud-based web services would not have the same initiatives as a company that produces food for public consumption. Each organization must decide which areas to focus upon, how they would like to focus upon those areas, who will be responsible for each initiative and how they will measure their success in meeting their goals.

The first step in any sustainability program is the involvement of every employee in every position. It must become part of the company culture and mission. Communication, input, training and awareness of all staff at all levels are essential for a sustainability program to be successful. In some companies, there are rewards for employees for helping meet the sustainability goals. For example, a company may pay a bonus to employees for meeting a goal of no accidents with company vehicles for one full year. All employees involved in meeting the goal not only need to know the goal and the reward, but how they can help meet it. Input from these same employees may find additional training on accident avoidance or defensive driving may help meet the goal. If the program is not embraced and supported at all levels of an organization the goals will not be met.

The next step is to decide who will be responsible to create, set and measure the goals. In some companies, there may be a sustainability officer or director of sustainability. Other companies may decide that several employees from multiple departments should make up a sustainability committee. There is no right or wrong way to decide who will create, set and measure goals. Each company must decide what will work best for their organization.

The goals set in a sustainability program may need to include provisions for outside sources such as vendors, customer or the community. For many years in the apparel industry there was an issue with sweatshop labor. While a company said employees were treated well, the same company was unaware how vendors handled outsourced work. The company may have had a policy against such labor practices, but did not ensure the vendors followed the same policies. The results were devastating and the negative publicity that surrounded the findings caused damage not only to the people involved, but also affected the financial sustainability of all the companies involved.



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Achieving Supply Chain Sustainability (Continued)

Because financial sustainability is truly to focus on the future, companies need to consider products and services of the future. In the late 80's and early 90's the pager was the communication technology of the day. Some companies that offered pager-only products and services and did not focus on the future were soon bankrupt when cell phones started becoming more mainstream. Companies need to consider the possibility of a product or service becoming obsolete. Plans on how would the company adjust or find a new revenue stream need to be included.

When setting goals, they must be measurable and attainable. A company cannot state they will reduce paper usage by 70% without know how that goal will be attained. The amount of paper being used currently must be known. Specific actions plans must be outlined on how to reach the goal. Finally, having a method of measurement in place to track the reduction in paper usage is needed. If the goal is not met then the action plan must be reviewed and adjusted where necessary or the goal may need to be adjusted.

Consumers are no longer focused just on the price, safety and availability of a product. Consumers are also considering a company's environmental initiatives and business practices. Potential employees are looking at more than the financial sustainability of a company or the benefits package. Company policies, diversity, work/home life balance, and environmental practices, are just a few of the areas potential employees are reviewing before accepting a position. Although there is no perfect sustainability program for every company to follow, they are necessary for the future success of all companies.



Making sure your employees are safe is a primary focus issue for all employers, and running a facility that operates industrial equipment can add a whole new set of safety concerns. How many workers are injured each year as a result of forklift misuse? We could say “too many,” but to be precise, the total number of injuries per year (non-serious, serious, and fatal) is 96,785. That’s right, nearly 100,000 workers are injured per year due to improper training or sheer carelessness on the job.

Compared to the estimated number of forklifts in the United States (855,900), that means that each year, more than 1 in 10 forklifts are involved in an accident (assuming 1 accident per forklift). That equates to an accident happening almost every 6 seconds!

But how do Operations Managers help to prevent these types of accidents from occurring? Training is the obvious answer. It has been a federal law since 1969 that all operators be trained and evaluated prior to operating a lift truck, yet the number of accidents continues to rise. Although training is the first course of preventative action, to truly improve safety in your environment you must also be able to correct behavior and make adjustments to potentially hazardous conditions on a continual basis.

But how do Operations Managers always know if their lift truck operators have had an accident or if a certain area of the warehouse is not safe to operate industrial equipment? Of course if the accident is severe enough the manager will be informed but what about smaller accidents that can leave the rack structurally unsound and lead to a catastrophic accident in the future? Many times, because of the size and number of operators in a facility, the Operations Manager is not made aware of these because it would require the operator or their peers to report it.

The good news is that there are ways to enhance operational safety that help to address individual behavior as well as environmental conditions, such as the use of telematics and maintenance-cost monitoring.

Telematics is a way of monitoring the movements, status and behavior of a vehicle and its operator. This information gives management complete, real-time knowledge of their

Improving Operational Safety by Identifying the Cause of Accidents

fleet activities in one centralized interface. Many Operations Managers have looked to this technology to provide them with more data to gain insights on their operations, in the form of devices that are mounted on each forklift truck in their fleet. These truck-mounted devices record key data events and transmit them to a database where reports can be retrieved.

This means an Operations Manager can be notified at the exact time an accident occurs. This information will tell them who was driving the forklift and at what velocity they hit something. This information not only allows management to address the behavior of the operator right when it happens, it can also provide them with analytics to review trends per driver or type of truck. Although this information is a tremendous resource in the goal of improving safety it doesn't necessarily give you the entire picture. Although you will know when a forklift was in an accident you won't necessarily know how much cost was incurred as a result of it. Although you can't put a price on safety it is important to know how much money you are spending on repairs that were caused by an accident. This is where maintenance cost monitoring can help.

Avoidable repairs: Two words that no Operations Manager wants to hear. With material handling equipment typically being the third-highest cost driver in a warehouse environment, having unwarranted expenses incurred that could have been avoided altogether is a sore subject to say the least. For that reason, these types of repairs are the “low hanging fruit” that managers will focus on when it comes to cost reduction. But what about the impact on safety? Wouldn't it be great if the type of avoidable repairs that were occurring could help identify unsafe practices in the workplace? Taking that a step further, what if an avoidable repair could help identify unsafe areas in your facility? The truth of the matter is that they can.

By identifying root causes for avoidable repairs, determinations can be made which identify both, giving us the ability to make necessary changes in operational procedures and the facility itself, creating a safer environment for all. This method comes with its limitations as well. Unlike with telematics you may not know an accident occurs until weeks after the incident. Also, depending on how you assign your forklifts, you may not be able to determine exactly who was the driver at the time of the accident.

The unfortunate truth is that accidents will happen, and ultimately to achieve a high level of safety there is not one magic bullet. However by utilizing a combination of training, telematics and maintenance-cost reporting you can help to ensure these accidents happen less frequently, with fewer injuries and at a lower cost.



What is the Best Service Program for your Environment?

Most car owners know to perform regular maintenance to keep their vehicles running reliably. When an older car becomes too costly to repair, the owner needs to evaluate whether it's time to purchase a new one.

The same is true for forklifts. Once the initial investment is made to purchase a forklift, ongoing management of the fleet protects the investment. But there are more benefits to ongoing forklift maintenance than just extending the truck's life. With a properly managed lift truck, companies can also enjoy less downtime and increased productivity.

In today's environment, only about 20% of the total cost is associated with the acquisition of equipment, the other 80% is related to operator and maintenance costs. With such a large percentage of costs dedicated to maintaining equipment, companies can't afford to ignore the importance of a well-coordinated maintenance program. When a fork-

lift is not properly maintained, it may cause unexpected and extended downtime for repairs. Choosing the correct service program is essential for decreased downtime, increased productivity, and overall cost reduction. Below is an overview of some common forklift service programs:

Scheduled Maintenance Program: Your service provider will inspect and maintain lift trucks at specified intervals to ensure your fleet remains in top mechanical shape, and meets all safety requirements. Helps to maximize uptime and productivity by catching any minor issues before they become major repairs.

Comprehensive Fixed Price Maintenance Programs: Typically includes everything in the Scheduled Maintenance Program, but offers much more. With the exceptions of Damage/Abuse, the service provider typically covers all labor and parts for a fixed monthly fee. This essentially allows you to opt out of the forklift repair business and concentrate on running your own business. Additionally, it provides greater consistency in planning yearly budgets because of the fixed rate.

Block of Time Programs: This program allows you to essentially purchase a service technician's time

at a discounted rate. Very effective tool for environments that have in-house technicians who may be taking an extended leave or who have abruptly left the company. This also works well for environments that experience defined seasonality.

Break Down Only Service Calls: This is not a contact program but instead you would call for service only when your truck is broken. This strategy is used primarily with Companies that have in-house technicians and when the repairs may exceed the skill level of those technicians.

Rental Equipment: This strategy does not necessarily fall under the "service option" term, but is an excellent option for startup businesses that may not have the capital to purchase trucks. It also works well for environments with "peak seasons" or companies who have constantly changing needs.

The ultimate goal of any forklift user is to keep moving products quickly and inexpensively with as little downtime as possible. Outsourcing lift truck maintenance to an authorized equipment dealer will provide more time to focus on core business activities and reduce the time spent worrying about forklifts.

Rack Repair Identification and Replacement

One of the most common safety concerns in many warehouses and distribution centers today is rack damage caused by lift truck impact.

To help prevent any potential safety issues it is imperative that inspections for damaged racking be part of your company's daily routine. A common concern among Warehouse Managers when inspecting rack is knowing what to look for and how to determine when a rack needs to be repaired. Below are some examples that will help you identify when it is time to replace your rack:

Needs to be Monitored for Potential Failure

- Dents up to 1 inch depth of the face of the upright
- No creases in the steel
- No broken welds

Needs to be Repaired to Avoid Potential Failure

- Dents beyond ½ in depth of the face of the upright
- Creases in the steel
- Broken welds
- Torn steel

Once you have identified that you have rack that needs to be repaired it is imperative that you fix the issue

immediately to avoid any potential disaster. In many cases rack repair is an easy on-site option that can help ensure your structure's integrity and safety.

For years, addressing warehouse rack damage was a matter of replacing of rack components, especially the load-bearing columns. However, the pressure to maintain continuous product flow and the substantial costs associated with this investment often overrides replacement of damaged racks.

Today rack replacement is not your only option and there have been dramatic improvements in the technology used to repair damaged racks. Rack repair can cut out the damaged areas of the rack and add a new post for a more impact-resilient solution. In most instances, there is no need to unload the pallet rack. These repairs can be done on site and offer minimal facility interruption. Additionally, the repair will maintain the structural integrity of your system and reduce maintenance costs.

Damaged pallet rack is an important safety consideration in any warehousing environment. As the warehouse is potentially one of the most dangerous places to work, it is therefore imperative that your racking is up to stringent health and safety standards.

Upcoming Events

Event: Modex

About: MODEx is the expo where manufacturing and supply chain professionals go to find solutions to futureproof their business success. With solutions from over 850 of the world's leading providers, MODEx 2018 is where you'll meet the industry's best and brightest, see their equipment and systems in action and determine which solutions fit your future supply chain needs

When: 4/9/18-4/12/18

Where: Atlanta, GA

Register: www.modexshow.com

Event: Loyola's 4th Annual Supply Chain Leadership Conference

About: This one-of-a-kind event will bring together supply chain experts and professionals from a wide array of backgrounds and industries to discuss today's hot supply chain topics. With a broad array of educational sessions, product demonstrations, solution applications and peer-to-peer networking opportunities this is a can't-miss event for every supply chain leader.

When: 6/7/18

Where: Addison, IL

Register: Coming Soon!

In the Press

Associated Recognized as one of Chicago's Largest Privately Held Companies

Associated has been recognized as one of Crain's Chicago Business' Largest Privately Held on their 2017 list. Tim Combs, President/CEO of Associated said, "We strive to satisfy the needs of our customers and look forward to the continued growth and development of our organization that will put us in an even better position to do so. Over the years, our success has been driven by our employee's efforts which have earned our customer's loyalty and dedication."

Associated Receives MHEDA's MVP Status

Associated has been awarded the prestigious MVP (Most Valuable Partner) Status for 2018 in a program from the industry's trade association, MHEDA (Material Handling Equipment Distributors Association).

To view entire press releases please visit our website at: www.associated-solutions.com/about-us/news



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Associated University

Upcoming Associated University Events

Topic: The Dark Side of E-Commerce: Reverse Logistics

Date: Wednesday, February 21, 2018

Time: 12:00 PM - 1:00 PM CST

To Register: www.associated-solutions.com

About Associated

Celebrating over 55 years of providing customers with innovative solutions that optimize space and order fulfillment operations within their supply chain, Associated understands that handling materials in the supply chain should be more than material handling. By utilizing their unparalleled experience and industry best practices they are able to evaluate current methods and processes for storage, order fulfillment, labor and equipment utilization and recommend practical strategies to enhance their effectiveness and reduce overall cost.

Featuring leading-edge engineering, fleet optimization and labor management solutions to complement industry-leading sales, service, rentals and parts, Associated has been the recipient of multiple awards in recognition of being a premier organization in the supply chain industry.

Our Locations:

- Illinois: Addison, Bloomington
- Indiana: Indianapolis, Fort Wayne
- Iowa: Ankeny
- Minnesota: Eagan

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