

# Gain greater warehouse efficiency with a WMS

**Goggin Warehousing:** The paradox of excellence



**K.Motion Enterprise 3PL supports application of paradox of excellence principles to multi-facility Goggin Warehousing operations of Shelbyville, TN.**

#### Company profile

Goggin Warehousing is a Shelbyville, Tennessee-based third party logistics provider with roots in a major southeastern trucking and public warehousing company. Goggin spun off as an independent entity when the trucking operations were sold in the late 1990s. From an initial five warehouses it now has over 30 facilities and over 2.5 million square feet of owned or leased warehousing space serving the automotive, food service, chemicals and building materials industries.

By design, the company tends towards relatively small facilities that currently range from 27,000 to about 80,000 square feet, with twenty-one located in Tennessee, one in Arizona, two in California, six in Georgia, three in Mississippi and one in Illinois. An exception is a 250,000 square foot single-customer facility that services a nationwide distributor of food service products to retail and restaurant operators.

#### Quick facts: Goggins Warehousing

- **Locations:** 30 warehouses
- **Headquarters:** Shelbyville, TN
- **Solution:** K.Motion Enterprise 3PL

**“By concentrating on small warehouses with a limited number of customers in each one, we can assure our customer of a highly personalized level of service, including customization of processes and procedures around their needs. Because K.Motion Enterprise 3PL is so flexible, it is relatively easy to do this.”**

– Kevin Collier, director of operations at Goggins Warehousing



**GOGGIN**  
WAREHOUSING  
LOGISTICS • TRANSPORTATION • STORAGE • DISTRIBUTION

## Situation

Goggin specializes in vendor-managed inventory, in which has been particularly effective in services to/for its automotive industry customers. Goggin acts as the middleman between inventory owners and ultimate users, one of which services two plants; and a major OEM and after-market products manufacturer, for which it services three plants. A friend passed Goggin President Jack Coop a small business book entitled *The Paradox of Excellence*. The premise of the book is simple: when you perform at an exceptional level over an extended period, you risk being taken for granted, your service becoming “commoditized” and your company becoming invisible in the minds of your customers – until there is a mistake.

Jack Coop’s answer was to take a proactive stance. He enlisted Director of Operations, Kevin Collier, to extract information from the company’s K.Motion Enterprise 3PL hosted logistics management platform, format the information, and issue it as a report to the company’s customers on a consistent timetable and in easy-to-read form.

## Solution

Goggin Warehousing initially sought to simplify its warehouse logistics processes using a custom programmed management system that depended on paper slips and manual processes. The software proved inadequate for third party logistics: data integrity issues were a constant, and the system offered no possibilities for customizing processes around customer requirements – something Goggin had determined it must do to grow in the markets that it had selected.

Issuing more than a dozen RFPs, Goggin settled on K.Motion Enterprise 3PL for its versatility, field-tested effectiveness, comprehensive feature set, easy customization and data transparency. With the availability of a hosted solution, it also satisfied the company’s initial price constraints.

## Workflow

For most of its customers, Goggin employs conventional paper-based warehouse practices using forms generated by the Körber software. It inputs receiving information from inventory owners to the Körber system, which assigns storage locations and procedures according to rules set up in the software. The system manages the picking and shipping processes for outgoing orders, some of which arrive via EDI. Orders for automotive components, for example, normally arrive electronically, with Goggin converting them to paper and picking and shipping by means of Körber generated documents. The software also manages any kitting or special handling functions called for in

the customer’s specifications. Goggin accepts the orders, picks and delivers the product and reports to the inventory owners, who invoice their customer.

At Goggin’s largest facility – a single client warehouse dedicated to food service supplies – the company exercises its Körber system more technologically than at the others. Not only is the warehouse larger, but the inventory is more complex, with nearly 1,300 SKUs, and with more varied storage management requirements. The product line is diverse, from food supplies that don’t require temperature control to such items as paper products and janitorial supplies.

When product arrives, Goggin scans pallet barcode labels with wireless Intermec RF guns to obtain lots and expiration dates, which it uses to turn product according to customer FIFO rules. Körber captures the information and directs the storage of the merchandise. When it is time to ship an order, the software directs the picking. The barcode labels serve as gates enforcing the FIFO rules, with pallet tags telling the operator how to pull product in the proper sequence.

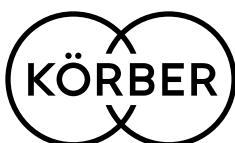
## Results

Because the earlier warehouse management solution lacked the ability to assemble and correlate data, Collier lacks specific comparatives to indicate improvements occasioned, at least in part, by the K.Motion Enterprise 3PL solution. Nevertheless, the volumes that the company handles on a daily/weekly/monthly basis, fast and with a 99.986 accuracy rate, speak for themselves: Company-wide figures for January 2009 showed a combination of 4,379 Bills of Lading and Receipts, representing a total of 34,000,000 pounds in and out and 28,310 lines picked or received. The 250,000-square foot facility, which operates less conventionally than the others, showed the following January 2009 totals:

439 orders	215 receipts	305,904 cases out
8,786 pick lines		6,239,553 pounds in
4,865 receipt lines		5,774,168 pounds out.
288,836 cases in		

## Paradox avoidance

A business book entitled *The Paradox of Excellence* so impressed Goggin President, Jack Coop, that he urged his staff to read and respond to it. The premise: when your company operates at a high level of excellence over time, it can become invisible until a mistake is made. At that point, the mistake is the only thing that is visible, looming far out of proportion. In the book, a mistake nearly costs a trucking company its largest customer, with potentially crippling results.



Using the Körber system, Collier conceived a four-phase approach to preclude such a situation:

- Capture metric data: with the Körber system in place, the data from all of the facilities is maintained automatically
- Select the data to be used and create a formula that works: K.Motion Enterprise 3PL's CRM module tracks and classifies it
- Create a report that is easily understood by our company and our customers
- Enforce the procedure and ensure it is followed.

Customer calls are coded and recorded in the Körber CRM module, where the company can track them and find out (1) if there is an error, (2) the nature of the error and (3) the source of the error, and (4) who is responsible. If Goggin's fault, it is coded as a "service failure" or an "incident" (a service failure that costs the company money) and it factors into the performance calculation.

The reports are also used for internal management, performance monitoring and employee incentive programs. In the reports, error rates are cast against the total production for the month to reflect the quality of the overall company and individual facilities' performance.

Kevin Collier, Goggin Warehousing Director of Operations, said, "By concentrating on small warehouses with a limited number of customers in each one, we can assure our customer of a highly personalized level of service, including customization of processes and procedures around their needs. Because Körber Enterprise 3PL is so flexible, it is relatively easy to do this."



**"We needed to know how long the company had been around as well as assurance that all of the bugs had been worked out. The Körber solution ... was well thought-of by its users and it offered the features and ease-of-use that we were looking for.**

**We can hook up from anywhere. We don't need I.T. staff, just a connection and workstations in our warehouses."**

– Kevin Collier, director of operations at Goggin Warehousing

