



OPTIMIZING CONTRACT WAREHOUSING

A Case Study in 3rd Party Labor Management

Manufacturing Efficiency through Strategic Outsourcing

The most critical key to manufacturing success? Running efficient supply chain operations. Despite best efforts, many manufacturers struggle to optimize their warehouse operations, leading to wasted resources, reduced productivity, and increased costs. Even the most successful, well-resourced companies often find it challenging to excel in every aspect of supply chain management. Luckily, contract warehouse labor provides a strategic solution for manufacturers looking to optimize existing infrastructure while enhancing logistics expertise.

This case study shows how a Fortune 500 manufacturer leveraged WSI's expert warehouse labor management to transform operations at a critical site, yielding remarkable efficiency, safety, and cost savings, including:

- Achieving **99.9% inventory accuracy**
- Surpassing Load Readiness goal with **98.9% performance**
- Slashing asset downtime by **92%**

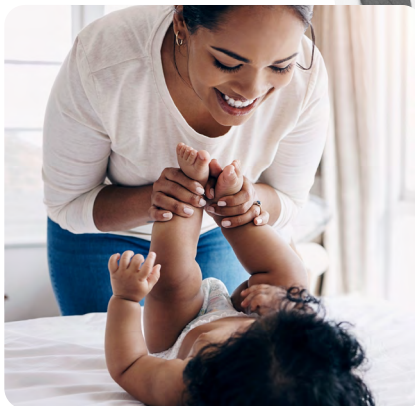
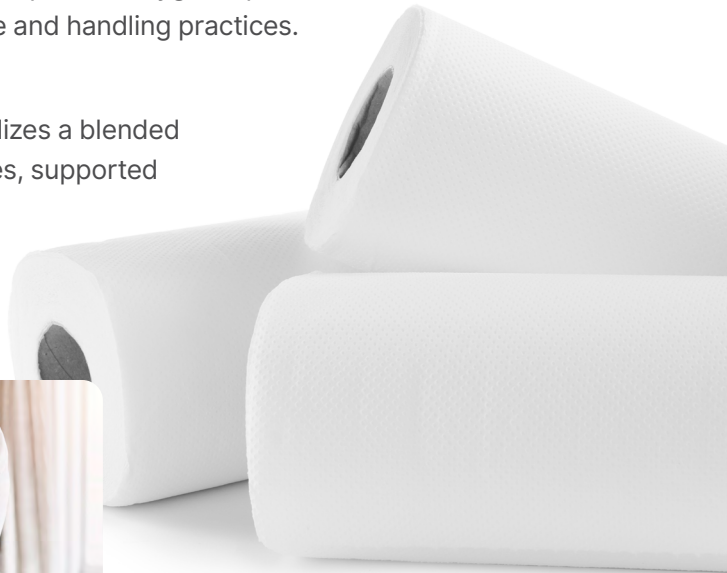


Meeting the Needs of a Global Leader



As a well-established global manufacturer serving millions worldwide, our customer has complex supply chain needs that require both consistency and flexibility. Their essential consumer goods, which include paper household essentials and personal hygiene products, demand precise inventory management and compliant storage and handling practices.

To address their complex needs, the company strategically utilizes a blended network of owned and leased facilities across the United States, supported by carefully vetted third-party logistics (3PL) partners. The company's dedication to excellence is evident in rigorous qualification criteria for 3PL selection and regular warehouse health audits to ensure compliance.



The Challenge

Recently, the manufacturer faced significant logistical challenges at one of their 24/7 production sites, stemming from their existing 3PL's inability to meet agreed-upon key performance indicators (KPIs). In addition to efficiency and quality issues, the site was often hit with avoidable penalty costs such as receiver chargebacks and carrier charges such as detention and canceled truck orders.

The site encountered numerous issues, including:

- High Employee Turnover
- Inefficient Asset Utilization
- High Damage Rates
- Low Inventory Accuracy
- Avoidable Penalty Costs



It was clear to the company that they needed improved performance, reliability, and a better workplace culture at this critical site.

Not only this, but they required a collaborative expert who could enhance efficiency, productivity, and employee satisfaction within their existing warehouse infrastructure. So, they began their search for another logistics partner that could revitalize operations.

As a veteran logistics provider for paper and forest products, **WSI has been a trusted partner for this Fortune 500 company for decades, successfully managing storage and handling operations across multiple states.** Understanding the customer's need, WSI leveraged its extensive experience to deliver a proposal for a tailored solution that would significantly strengthen performance at the site.



The Power of Strategic Outsourcing



Reliability is critical in supply chain operations, particularly for manufacturers relying on Just-in-Time inventory strategies. Minor mishaps can halt production lines, leading to costly consequences. To ensure reliability, WSI focuses on managing the perfect collaboration between **talented people, efficient processes, and scalable technology**.



People

WSI's first set of priorities included hiring and training associates, focusing on establishing a strong culture of safety and collaboration to improve employee engagement and retention.



Process

Drawing from WSI's extensive experience and the customer's insights, WSI assessed warehouse and management processes to minimize room for error and improve accountability.



Technology

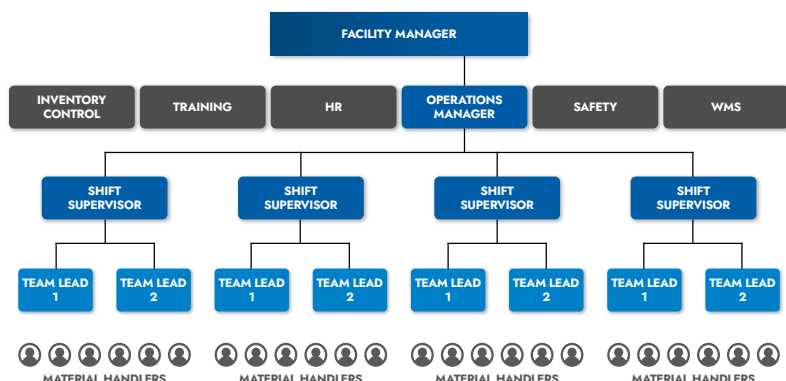
The customer required a 3PL willing to work within their tech stack and WSI was willing to learn the new systems and offer expertise for improving system capabilities.

One Team, One Goal: Cultivating Collaboration

Thanks to WSI's experienced operational leadership and culture-building expertise, the 3PL staffed the site with 101 newly trained hourly employees within months.

Since the site operates 24/7, managing staff and schedules is extremely important. After assessing historical data and manufacturing forecasts, WSI recommended a team management structure that facilitated better scheduling options for hourly employees and more efficient collaboration between leaders.

The site is run in 4 shifts, each with two team leads and a shift supervisor who reports to the Operations Manager. Additionally, the operation has on-site support, including inventory control, human resources, training, safety, and warehouse management systems.



Under the leadership of an experienced Facility Manager, the operations manager and support staff had a clear structure for accountability. Daily leadership presence on-site along with regular customer meetings made it possible to forge relationships and receive real-time information on wins, challenges, and support requests.

This consistent, responsive approach ensured stakeholders understood WSI's commitment to supporting their needs, driving incremental improvements in results over time.

"Challenges occur in every supply chain partnership, and how your partner navigates them is vital to success," says Carey White, Director of Operations at WSI. "As concerns arose for this customer, **we immediately addressed them and identified root causes to prevent reoccurrence.**"



Challenges occur in every supply chain partnership, and how your partner navigates them is vital to success."



Carey White
Director of Operations at WSI
(Warehouse Specialists, LLC)

Safety and Accountability: Protecting People, Products, and Operations



In manufacturing safety is a major consideration, and that is also true within WSI's warehouses. Safety is a core value of WSI and this is evident based on the company's OSHA reportable incident rate, which has remained well below industry averages for years.



Through comprehensive training and a robust safety culture, WSI protects employees and customer products, preventing costly disruptions to ensure uninterrupted supply chain operations. This dedicated customer site is regularly audited for safety and performance, ensuring accountability and driving a **two-year OSHA recordable accident-free streak**.

Additionally, Facility Health Checks help measure every aspect of this operation, with several cross-company audit teams working through comprehensive checklists, employee interviews, and structured observations. **WSI boasts an impressive 96% facility health score**, reflecting the 3PLs emphasis on continuous improvement. These high marks are a direct result of the strong processes, checks, and expectations that the WSI Team has established - and while the scores are a snapshot in time, they reflect ongoing efforts to uphold customer standards.

96% WSI's facility health score



Transformative Results

The partnership between WSI and this Fortune 500 manufacturer exemplifies the power of collaborative logistics and manufacturing expertise. By leveraging combined strengths with WSI, this customer achieved remarkable outcomes within months. In recognition of this achievement, the customer awarded the WSI-supported operation as their **Most Improved Production Site**.



Most Improved Production Site — By the Numbers

99.9% ▲

Achieved consistent inventory accuracy.

99% ▲

Exceeded load readiness target.

92% ▼

Reduction in asset delivery and retrieval downtime.

37.6% ▼

Decline in raw material damage costs.

61.5% ▼

Reduction in finished goods damage rates.



By tailoring its warehouse labor management solution to meet the customer's unique needs, **WSI delivered transformative results: cost savings, productivity gains, and efficiency enhancements.** In addition to significantly improving key performance indicators, WSI has been regarded as an expert in

the customer's tech stack. The WSI-operated site has been selected to test innovative features and the talented staff supports training and knowledge sharing with others across the customer network.



We aim to be true partners to our customers. It doesn't matter how many green KPI's you report. If the customer's trust in the 3PL is not strong and the relationship is not collaborative it will not succeed."



Reed Becker
Facility Manager at WSI
(Warehouse Specialists, LLC)



About WSI

WSI is a leading provider of third-party logistics services, delivering tailored solutions to meet the complex needs of its customers. The company's expertise spans warehousing, labor management, e-commerce fulfillment, transportation management, and value-added services, including specialized handling, storage, and transportation of sensitive materials. WSI's proven track record, innovative approach, and comprehensive capabilities make it the ideal 3PL choice for businesses looking to optimize their distribution and warehousing strategy while growing their business.

wsinc.com | solutions@wsinc.com | 920.830.5000

