

Case Study

The Hillman Group

Location: Forest Park, Ohio

Industry: Hardware

Application: Retail Order Distribution

Lightning Pick Solution: LP Pick

Warehouse Management System:

Manhattan Associates WM for System- I



The Challenge

The Hillman Group, Inc. distributes nuts, bolts, screws and other hardware products to home improvement giants, such as The Home Depot, Lowe's as well as traditional (mom-and-pop) hardware stores. Founded in 1964 by the Hillman family under the name Hillman Fasteners, The Hillman Group has continued to broaden its product line through acquisition to include products as diverse as preprinted signs, engraved items and keys. Sales in 2006 topped the 400 million mark.

Increased order volumes and an expanding product line prompted Hillman to build a new distribution center. The distribution center was to be located in Forest Park, a suburb of Cincinnati and about 2 miles from the existing DC and corporate headquarters. Designed to be 340,000 sq ft the new DC would serve customers directly and provide central stock for Hillman's other eight (8) North American regional distribution centers.

The Solution

Hillman realized it would require a mixture of technologies to adapt to the diverse SKU base and profiles in the new facility. Keogh Consulting was brought in to layout the facility and help with the selection of key suppliers.

Manhattan Associates WM for System-i was chosen to manage the facility.

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We met with the engineering interface team from Manhattan and Lightning Pick for one day—that was all it took. From that point forward they took care of all the details. Having the Pick-to-Light interface nailed down allowed us to get the other equipment vendors moving along the same lines".

Dave Tyler
Senior Director, Operations
The Hillman Group, Inc.



LIGHTNING PICK

Fast Facts

Industry:

Hardware

Platform:

I-Series

Headquarters:

Cincinnati, OH

Size of Warehouse:

Forest Park Facility- 340,000 sq ft

Volume Throughput:

120,477 Units, 8,715 Cartons &
2,492 Orders

Manhattan Products:

Warehouse Management

Slot Optimization

Pick-to-Light Equipment:

Lightning Pick

Hand Held Scanners:

Symbol, HHP

MHE Equipment:

HY Systems, Diamond Phoenix

Facility Consultant:

Keogh

The Solution (Continued From Page 1)

Lightning Pick would provide Pick-to-Light for the fastest moving SKUs. This was to be provided in two 3-story pick modules comprising over 7,000 pick locations. The balance of the lower volume SKUs would be packed through a combination of RF and carousel picking.

An automated conveyor system designed to tie all the pick areas together and provide routing to the dock would be furnished by HK Systems.

“One of our largest concerns was ensuring that all of this technology could communicate together,” said Dave Tyler, Senior Director, Operations for the Hillman Group. “We decided early on that WM should directly oversee all the pick areas and integrate with the major vendors”.

Real time system-to-system communications were going to be central to the new operation’s ability to perform as needed. However, Hillman does not have large in-house IT staff that could be called upon to oversee the project. Hillman was most concerned about the information flow between Manhattan and Lightning Pick because that was going to account for the majority of their unit volume.

“One of the key reasons for choosing Lightning Pick was their experience in interfacing with Manhattan and the fact that they are a Manhattan Alliance partner”, Dave continues. “We met with the engineering interface team from Manhattan and Lightning Pick for one day and that was all it took. From that point forward they took care of all the details. Having the Pick-to-Light interface nailed down allowed us to get the other equipment vendors moving along the same lines. It really helped the project flow and allowed us to concentrate on other details we needed to attend to”.

The Implementation

Dave continues, “Go-Live started up in December 2002. We had assumed that there could be training issues with the new equipment and planned for several months of overlapping operations with our existing facility about two miles away. However, our people took to the Pick-to-Light method immediately and we encountered very few training issues”.

With the new system, information from Manhattan’s WM directs shipping cartons along the conveyor to arrive at the right pick zone.

Next, the operators use cordless scanners to trigger the order and turn on the correct lights in the Pick-to-Light area. Then, they pick the quantity displayed on the light modules into the shipping cartons, and press the confirmation button when finished. The operators also keep an eye on the bay displays because they indicate when all the picks in the zone are done. Thereby they push the shipping carton onto the take away conveyor for delivery to the next picking zone or shipping.

“Our Pick-to-Light operators quickly exceeded rate expectations by over 20%”, reports Dave.



The Implementation (Continued From Page 2)

He continues, "We've been pleased with the accuracy. Many of our fastener boxes look very much the same and it's easy to get boxes confused. But what we've found is that if we get the product into the right place, which is tightly controlled by the Manhattan replenishment functions, the Pick-to-Light system ensures that we get it into the right order".

Another advantage is the additional capacity Lightning Pick provides Hillman's pick process.

"There are always those times when unforeseen circumstances can mess up the day and put us way behind", said Rick Buller, VP of Distribution for The Hillman Group. "With Pick-to-Light we know we can just throw a ton of people at the work. Pick-to-light can handle that and still keep the team organized, allowing us to catch up fast".

Benefits

Rick shares, "The success of our new DC is allowing us to ship out 300% additional orders per day than we did at peak in our old facility. Currently we are experiencing a 35% increase in productivity using Pick-to-Light versus the old facility's paper pick system".

"Like most vendors, our customers have asked us for more order customization and more frequent shipments. The Lightning Pick system has allowed us to meet these challenges without raising our costs".

The Future

With the Forest Park site as a model, Hillman has implemented the Manhattan WM product in four (4) additional regional distribution centers. Additionally, it is their plan in the next couple of years to have WM in all of their North American distribution centers.

Hillman has also attended the Lightning Pick User Conference and upgraded their Lightning Pick system several times to stay current and add new features. They also are looking for ways to open up more pick faces which could be added to Pick-to-Light.

"I'd get everything under Pick-to-Light if I could," says Rick Buller. "There may be other opportunities in our remote DCs. We are challenged there due to the limited scale of the facilities, but we keep looking."



For more than 30 years and across 500 installations worldwide, Lightning Pick has delivered advanced light-directed technologies on time, on budget, every time. Our best-in-class pick-to-light, put-to-light, pack-to-light, pick carts and other solutions optimize material handling processes — from manufacturing through order fulfillment. Today, we're the number one provider of light-directed solutions in North America, providing our customers increased productivity, higher quality and improved process efficiency.



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