

HYPERFORMANCE

unrivaled results.

**There IS Life After
Implementation...Be Prepared, Scout!**

Track 6 Session 5

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Abstract

When you are up to your conveyor belt in test engineers, you may wonder if there's life after implementation. Rest assured, there is. But just because you've led your project to a successful go-live doesn't mean your work is done. This session will provide project teams and DC operations leaders with a proven toolkit of concepts and ideas to prepare you during the planning phase of a project, immediately after go-live and into the future when your business evolves. Whether this is your first project or you're an industry hero with multiple implementations to your name, you will leave this session with powerful ideas that can drive performance now!

Agenda

- **AmerisourceBergen Facility Engineering**
- **Plan Your Work**
- **Work Your Plan**
- **Life After Implementation / Post Go-Live**
- **Key Takeaways**
- **Conference Cloud**
- **Questions**

AmerisourceBergen

AmerisourceBergen is a Fortune 50 health care services company with distribution centers located nationwide. Over the last 13 years over 20 large scale DC facility projects have been successfully completed providing the capacity and throughput to support continued growth. These projects include new Greenfield distribution centers and large scale reworks of existing facilities. This session is designed to share best practices, watch outs and lessons learned before during and after implementation. There is life after implementation, let's talk about how to get there.

AmerisourceBergen Facility Engineering

- **Facility Engineering Team**
 - (2) Project Directors
 - (5) Project Managers
 - (4) Project Engineers

- **Automation Solutions Team**
 - (1) Solutions Manager
 - (3) Solutions Analysis

AmerisourceBergen Facility Engineering

- **Project Phases / Lifecycle**

- Phase 1
 - Build the business case
- Phase 2
 - Project approved
 - ▶ Detailed design
 - ▶ RFP's
- Phase 3
 - Implementation
- Phase 4
 - Post go-live support



Plan Your Work

- **“If you fail to plan, you’re planning to fail”**
- **Project Charter**
 - Current state
 - Goals
 - Objective
 - Scope
 - Constraints and Assumptions
 - Team / Key Stakeholders



Plan Your Work

- **Executive Support**
 - Project Charter
 - ROI vs Capacity vs Other
 - Understand the level of detail that will be required
 - How much & how long?
 - Intangible Benefits



Plan Your Work

- **Picking the right team**

- Understand the skillsets required to be successful
- Select those who want to be on the project
- Have time to dedicate to the project

- **Setting the tone**

- Project kick-off:
 - Review of goals and project charter
 - Ground rules for the project
 - Schedule review
 - Design review
 - Reporting structure



Plan Your Work



- **System Design**

- What are you designing
 - Garbage in, Garbage out – Know thy data!
 - Operations involvement
 - To simulate or not to simulate?
 - Expert involvement (internal or external)
 - Review drawings, DOs, functional specifications, controls layouts, etc.
 - Accountability

Work Your Plan

- **Communication**

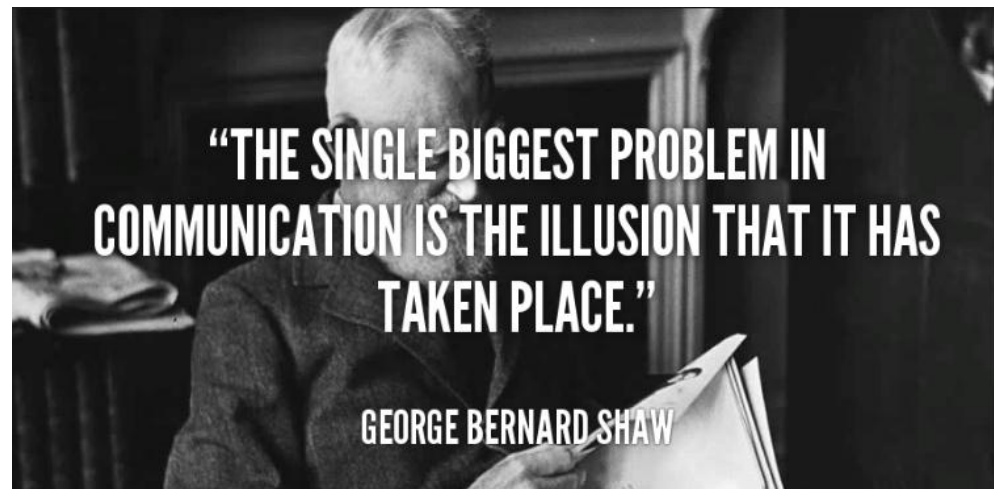
- Project team
 - Schedule
 - Status update calls
- Key stakeholders
 - One page PM

- **Scope Creep**

- Document and approval process

- **On-site PM**

- Imperative to coordinate on-site activities

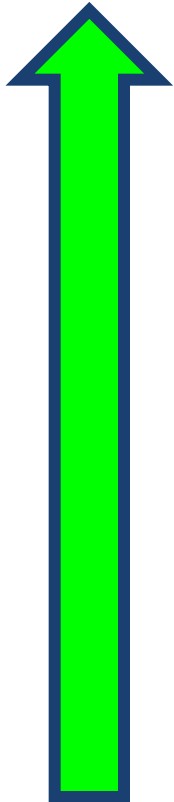


Work Your Plan

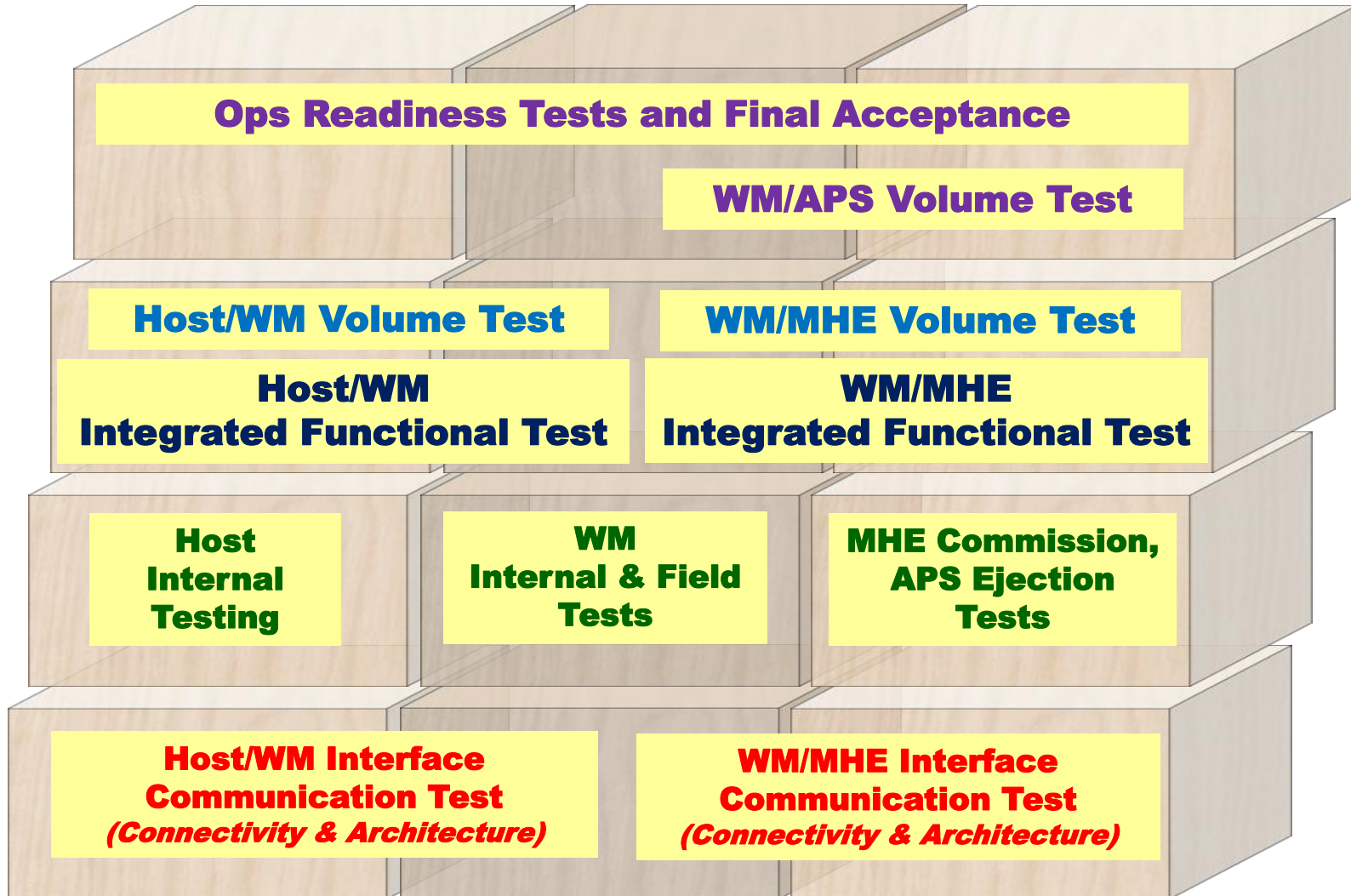
Test “Building Block” Phases



Testing Completion



Testing Foundation



Work Your Plan

- **Successful Go-Live (We're almost there!)**
 - Operational readiness
 - Operations has a chance to use the system in a test environment
 - Go-live stand-by support
 - Vendor partner support
 - Internal support

Life After Implementation / Post Go-Live

- **What's Next?**

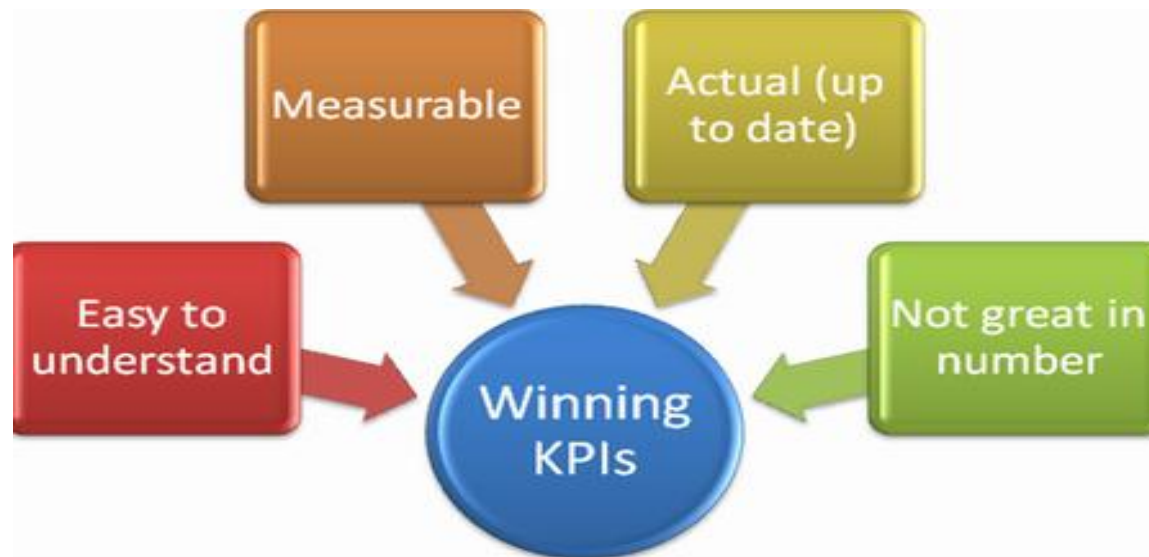
- Project Close Out:
 - Validate contracts
 - Lessons learned
 - Archive project material
 - Budget review
 - Confirm as built drawings and specifications
 - Warranty



Life After Implementation / Post Go-Live

- **What's Next?**

- Development of meaningful system KPIs:
 - Measure system performance against specifications
 - Continuous Improvement (no-reads, slow zones, etc.)
 - Identify meaningful KPI's
 - ▶ Provide information not data



Life After Implementation / Post Go-Live

- **What's Next?**

- MHE System KPI Examples:

- Totes / orders inducted by hour / minute
 - Missed destinations
 - Mid-conveyor induct
 - Tote recirculation
 - Scanner no reads
 - Average tote time in system
 - Average tote time by zone
 - Automation picking errors
 - Jams
 - Scanner read rates

Life After Implementation / Post Go-Live

- **Maintenance:**

- Training
 - Project
 - In-house
 - 3rd party
- CMMS
 - What level of CMMS is required?
- Support
 - Hotline
 - In-house support / expertise
 - Vendor managed PMs
- Spare Parts



Life After Implementation / Post Go-Live

- **Operations:**

- Support
 - Life is just starting for operations when you turnover the system
- Close out documentation
- Close out review



- **Ongoing Optimization:**

- Convert the project team into a steering committee
- Work with engineering / project team leads
- Identify and prioritize opportunities for improvement
- Periodic reviews / audits

Life After Implementation / Post Go-Live

- **ABC Support Structure:**

- In house:
 - On-site maintenance teams
 - Automation support (software / PLC)
 - WM Solutions
- 3rd party support:
 - Hotline support (MHE)
 - WM Support contracts
 - PM contracts
- Continuous improvement:
 - Periodic system audits and reviews
 - Stay informed on new developments in MHE

Life After Implementation / Post Go-Live

- **Future Considerations:**

- Simulation
 - Breakpoint analysis
- Site audits
- On-going capacity tracking (inventory / throughput)
- Fleet management
- Maintenance contracts
- MHE camera system



Life After Implementation / Post Go-Live

- **Simulation:**

- Simulate existing facilities once there is meaningful data to populate the model

- **Site audits:**

- Conduct periodic site audits once after the system has some run time

- **On-going capacity tracking (inventory / throughput):**

- ABC built internal models to measure
 - Impact of line / inventory level growth on capacity
 - Tote throughput modeling

- **Fleet management**

- **Maintenance contracts**

Life After Implementation / Post Go-Live

- **Camera system:**

- Several ABC sites have begun to install camera monitoring systems at critical points along the MHE
 - Tote induct
 - Picking
 - Merges & Sorters
 - Automated label / lid and strap
 - Shipping
- Benefits:
 - Operations (local and corp.)
 - ▶ Birds eye view on the operation
 - Maintenance
 - ▶ Great for troubleshooting

Key Takeaways

- **Executive support**
- **Plan your work....then work your plan**
- **Stakeholder involvement in the process**
- **Never overlook the importance of maintenance**
- **Proper close out with project teams and contractors**
- **Continuous improvement - Always look for ways to improve the system**

Conference Cloud Additional Resources

- www.oppmi.com (One Page PM)
- www.werc.org (Warehousing Education & Research Counsel)
- www.pmi.org (Project Management Institute)
- www.mmh.com (Modern Material Handling)



Questions



Material Handling & Logistics
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