

Case study

Warehouse Management



# Medifast Shapes Up Warehouse Operations

# 30%

decrease in labor costs in shipping function

# 15 to

# 20%

Saved in annual shipping costs

# 8X

reduction of unloading time for trucks

## Productivity improvement:

Real-time visibility into what is happening and what needs to happen on the warehouse floor has empowered Medifast's staff to make quicker and more effective decisions, resulting in increased employee productivity.

## Challenges:

- As Medifast started to experience greater volume in each of its distribution centers, it was important to scale the company's ERP system to accommodate its growing business.
- Medifast's goals were to decrease labor costs in shipping function, save in annual shipping costs and reduce unloading time for trucks by optimizing their distribution center operations.

## On improved efficiency:

With the direct-to-work queue in warehouse management, about 40 percent of Medifast's distribution employees are working on tasks assigned by the system. The solution has eliminated paperwork and movement transactions, enabling Medifast's employees to work in real-time alongside the system.

## On achieving cost savings on labor and shipping:

Prior to implementing Blue Yonder Warehouse Management, Medifast employees were hand-selecting boxes, measuring efficiency based on speed, and required two employees to scan, weigh and apply shipping labels. Now that the company has the product weights and dimensions loaded into the WMS, excessive use of void fill and delays from repacking can be avoided. The system can choose the right box and apply the shipping label on the front end before the order is picked. Products go right into the shipping box, instead of into a tote first reducing double touches and wasted labor.



### **Solution benefits:**

- With the direct-to-work queue in warehouse management, Medifast employees are working in real-time, resulting in improved employee productivity and headcount optimization.
- Visibility into dimensional analysis reduces double working a pick and pack, reducing overall time to ship and labor costs, which in turn increases margin.

### **Blue Yonder's expertise:**

While Blue Yonder was a natural candidate because Medifast was already using its web commerce solution the company also considered four other software providers. In the end, by conducting site visits with existing customers and attending industry events, the team at Medifast decided Blue Yonder was the right partner.



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