REDUCING DC LABOR COSTS WITH LABOR MANAGEMENT SYSTEMS

How do you reduce labor costs while keeping up with order volumes? It's a challenge, but distribution centers (DCs) are finding success with labor management software (LMS).

From rising wages to labor scarcity, operations managers are using software to reduce costs and improve efficiencies.



More than half of DC operators say that the inabilities to attract and retain employees continue to be major issues. Other factors include:

- **Aging workforce:** contributes to skilled labor shortage
- **High turnover:** reaches 40 percent in DCs
- **Competition for labor:** warehouse growth has outpaced labor supply
- **New hire costs:** $4,425 per employee, plus expenses for overtime, errors and lower performance while training

It's not affordable to have a relaxed approach to staffing. DC operators are using LMS to optimize labor utilization and costs, increase productivity, and maintain high customer service levels. LMS platforms have proven highly effective in providing DC operators with the visibility and predictive planning capabilities to make key decisions and determine:

- How many employees they will need to run at peak efficiency
- Where each employee will work most effectively
- Which incentives will motivate them to get their jobs done
- Who's at risk for leaving

Honeywell Intelligrated

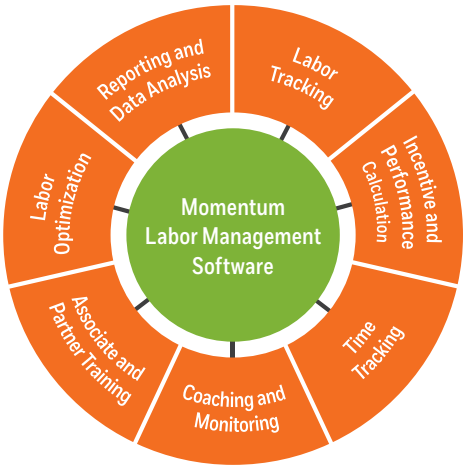
OPTIMIZE EVERY LABOR MANAGEMENT FUNCTION

Momentum Labor from Honeywell Intelligrated brings increased visibility and control with reduced overhead costs, enabling management to invest in the workforce and maximize overall productivity in a variety of applications.

- **Employee performance evaluation —** Use automated labor tracking and specially engineered performance standards for transparent, error-free assessments.
- **Workforce development —** Scale employees up to target productivity with training curves, and use coaching tools for individual and process improvements.
- **Resource planning —** Utilize accurate labor estimates based on historical performance and current demand expectations to reduce labor costs from overstaffing and the risk of insufficient staff.
- **Enterprise-level visibility —** View enterprise-level reports and drill down to more specific views to compare individual facilities and processes.
- **Workforce motivation —** Clearly communicate the relationships of individual contributions with business-level goals and reward effort with incentive pay.
- **Execution monitoring —** View real-time execution of labor plans for resource balancing and 100 percent service level agreement (SLA) achievement.

SOFTWARE INTELLIGENCE THAT DELIVERS

Momentum Labor from Honeywell Intelligrated provides the on-demand intelligence to measure, manage and plan labor for increased productivity, efficiency and facility performance in distribution and manufacturing operations. Through user-friendly tools, Momentum Labor offers enterprise support for engineered labor standards, performance pay and continuous improvement with reporting, analytics and executive dashboards to fuel strategic labor decisions. Honeywell Intelligrated backs each installation with comprehensive lifecycle support, along with the expertise to enable fast return on investment (ROI) and continuous improvement throughout the life of the program.



FLEXIBILITY AND POWER TO MEET ANY LABOR CHALLENGE

In time-sensitive distribution operations, effective workforce management requires flexibility to address variable skill levels and experience, with implementation support to deliver fast results. Momentum Labor offers quick startup with pre-defined interface connections and simplified data management, resulting in easy integration with Honeywell Intelligrated warehouse execution systems (Momentum WES), warehouse management systems (Momentum WMS) or any other WMS and/or ERP. This delivers faster ROI and improved visibility, both across the enterprise network and between individual sites. Data analysis and automated tracking help identify training deficiencies and enhance resource planning with more accurate labor estimates. Configurable incentive rules and extensive coaching, mentoring and tracking tools improve management control and employee engagement, ultimately reducing turnover while improving service cycle times and throughput capacity.

Learn more about Momentum Labor from Honeywell Intelligrated by connecting with us here.

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