

# > MOD-PAC CORPORATION

WAREHOUSE OPTIMIZATION



## RESULTS

- The improvements within the FG area caused Mod-Pac to reduce order picking time by 34%.
- Inventory accuracy, based on cycle counts, increased by 4% to 99%.
- Positioned the company for continued sales growth.
- Negated need for warehouse expansion & related costs of racking.



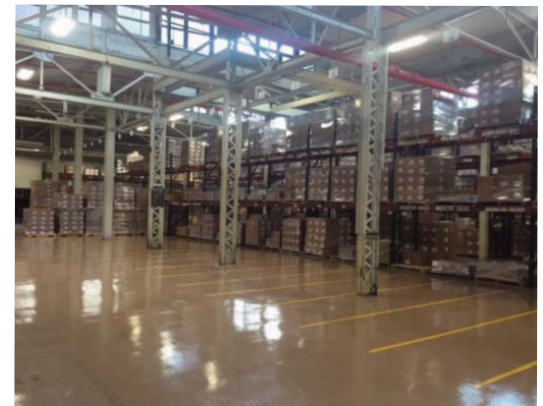
Before

*"Insyte was able to provide the proper expertise to help us improve our warehouse processes. They integrated well with our teams and gave us achievable recommendations that we have been able to implement and sustain."*

- David Lupp, CFO & COO

## COMPANY

Mod-Pac Corporation is a high value-added, on-demand print services manufacturer; converting raw paper rolls into products in three categories: custom folding cartons, stock folding cartons and personalized print services. Their reputation among their customers is one of quick turnaround of custom items.



After

## SITUATION

Mod-Pac warehouse operations are contained in a series of connected structures, separated by type of material stored within: raw material, corrugated, stock boxes and finished goods. As with many companies, Mod-Pac's inventory has expanded to their storage capacity. This disjointed expansion has led to a situation that the inventory is not as effective and consequently a warehouse operation that is not as efficient as it could be.

## SOLUTION

Insyte and selected Mod-Pac personnel assessed the current situation, through: observations, review of historical data; and discussions with warehouse and supporting personnel. A series of short and long term recommendations for each of the material categories were developed and discussed with Mod-Pac management. Mod-Pac management evaluated and prioritized the recommendations and started initiatives within each of the storage areas.

**Raw Material & Corrugated:** Located high volume material close to the first processing step – reducing material handling time and distance traveled.

**Stock Boxes:** Replaced pallet rack with flow rack for selected SKUs - decreased order picking time.

**Finished Goods:** Removed double deep racks, rearranged remaining racking, established visual floor locations for high and medium volume product – increased inventory accuracy, reduced put away and pulling time and decreased time of cycle counting.

Relocated removed racking into separate area to increase storage capacity.