



Driving Performance in Your Warehouse

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Agenda

Driving Performance In Your Warehouse

- An Introduction to ProCat Distribution Technologies
- Warehouse Order Picking Methods
- Factors to Consider When Choosing Technology
- An Introduction to PickRight by ProCat
- Questions & Answers

About ProCat Distribution Technologies

ProCat Distribution Technologies

- ✓ **Founded in 2001 with a mission of improving warehouse operating performance**
- ✓ **Supporting 200 warehouses in 41 States employing 2500 workers**
- ✓ **Leadership team collectively has over 150 years of combined experience**
- ✓ **All-star support staff resolving questions/issues in under one hour**

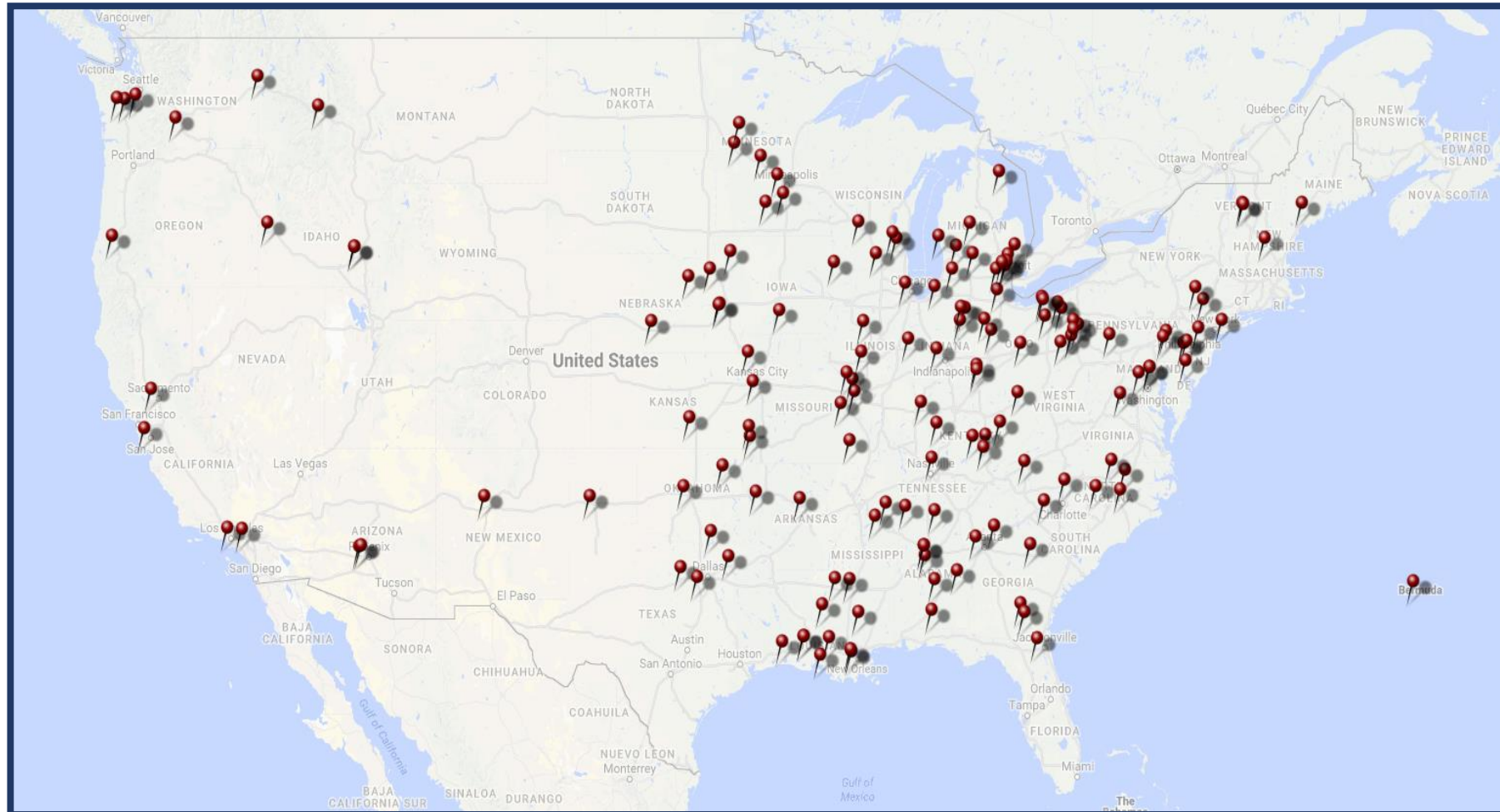


ProCat Distribution Technologies

- We measurably improve KPIs for receiving, put away, replenishment, picking and shipping
- Our barcode scanning solutions reduce labor costs, remove errors, and increase customer satisfaction
- Management analytics and reporting suite provide real time visibility into operation



ProCat's Customer Map



ProCat Modular Warehouse Solutions



PICKRIGHT

Order Picking

Picking Perfect Orders
with Barcode
Scanning

RECEIVERIGHT

Purchase Order Receiving

Confirming
the Accuracy of
In-Bound Freight

SHIPRIGHT

Truck Route Delivery System

Perfect Customer
Deliveries

STOCKRIGHT

Stocking & Replenishment

Combining ProCat's
Suite of Systems
into a
Warehouse Management
Solution

COUNTRIGHT

Cycle Counting

Inventory Counting
Solution

RETURNRIGHT

Returns Processing

Managing the
Disposition of
Customer Returns

***ProCat Solutions Drive Employee Performance
Using a Fully Integrated Barcode Scanning Platform
Introduce Modules ON YOUR TIMELINE***

Track and Trace Solutions

- ✓ **PickRight** – Solution for customer order picking
- ✓ **ReceiveRight** – Solution for PO receiving
- ✓ **CountRight** – Solution for inventory cycle counting
- ✓ **StockRight** – Put Away and Replenishment – WMS
- ✓ **TrackRight** – Solution for long term data storage/reporting
- ✓ **ReturnRight** – Solution for managing product returns

Outbound Logistics Solutions

- ✓ **StageRight** – Solution for staging packages on loading dock
- ✓ **LoadRight** – Solution for accurately loading trucks
- ✓ **ShipRight** – Solution for drivers to scan packages at delivery
- ✓ **PalletRight** – Solution for building logical pallets

Complementary Solutions

- ✓ **WeighRight** – Solution for product labeling
- ✓ **IncentRight** – Solution for a pay for performance system

Warehouse Order Picking Methods

Picking Is A Critical Area

- Picking is the core function in warehouse logistics
- The picking function accounts for about half of overall warehouse expenses
- Picking also directly impacts customer order quality and all the costs associated with picking errors
- There is plenty of savings potential, which can be fully exploited with the use of modern technologies
- Question for the group



Order Picking Through the Years



✓ Paper and Pencil Picking

- Inadequate but common warehousing practice

✓ Pick To Light

- Very expensive, not flexible
- Challenge for case picking

✓ Voice Picking

- Major software companies are financially motivated to sell voice pick systems
- These companies are not objective

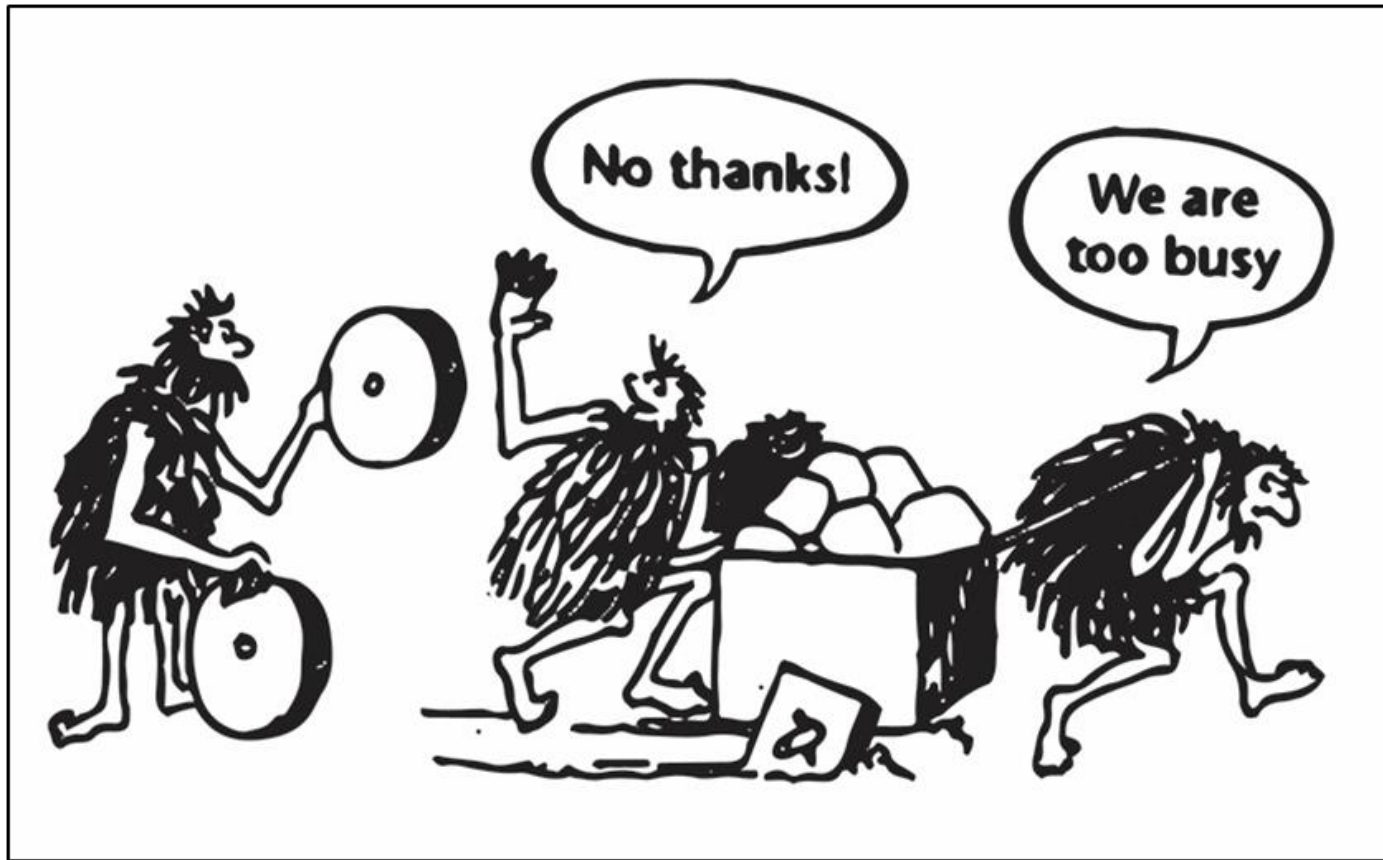
✓ RF Hand Held Picking

- Low cost option, but not user friendly
- Very limited reporting

✓ PickRight

- Best in class technology built on scanning products with visual tools

Even if it isn't broke, you can still make it better



The Picking Process Impacts Productivity

Picking Method	Description
Basic Picking	Picking one work order at a time. Picker walks and puts items into container.
Batch Picking	Picking multiple orders simultaneously. The picker selects items for a group of work assignments to be picked concurrently.
Consolidated Pallet Picking	Picker is prompted with predefined work assignment (may be multiple orders) specific to a pallet.
Double Pallet Picking	Picker is prompted with work assignment for 2 pallets (may be multiple orders) to be picked concurrently.
Zone (Pick & Pass) Picking	Pickers assigned to a specific range. The container travels along a conveyor to adjacent zones.
Wave Picking	Sequencing of work assignments (may be multiple orders) based on criteria other than routes.
Team Picking	Multiple pickers picking one large work order.

Factors To Consider When Choosing Technology

Why Companies Implement Technology

Going Green

Eliminating paper
in picking process

Customer Service

Greater accuracy &
reduced claims
= happier customers

Accuracy & Productivity

Faster picking
Less manual = Less errors
Lower labor costs

ROI

Across most technologies,
typical return lead-time is
6-24 months


Factors to Consider When Purchasing Technology

Choose technology that enhances business value and performance

- How well does the technology help achieve strategic objectives?
 - Accuracy
 - Productivity
- Does the technology provide a favorable return on investment?
- Are separate investments required for the technology to work?
- Does the vendor have a quality reputation?
- How easy will this be for my warehouse?
 - Installation
 - Day-to-day usage
- What type of post-installation support is included?



Compare Options - Picking Technologies

Technology	Company Size	Benefits		Draw Backs
Paper Picking	Small to mid-size	<ul style="list-style-type: none"> • Low cost • Low risk 		<ul style="list-style-type: none"> • Low pick rate • Low pick accuracy • Labor intensive
Hand-held RF Picking	Small to mid-size	<ul style="list-style-type: none"> • High accuracy • Paperless • UPC verification 		<ul style="list-style-type: none"> • Low pick rate (often the same as paper) • Not hands free • Requires barcodes
Voice Picking	Mid-size to large	<ul style="list-style-type: none"> • High pick rate • Medium to high accuracy • Hands free 	<ul style="list-style-type: none"> • Paperless • Real time reporting 	<ul style="list-style-type: none"> • High capital costs • No product verification • Requires a WMS
Scan Picking 	All size companies	<ul style="list-style-type: none"> • High pick rate • High accuracy • Hands free • No WMS required • UPC Verification 	<ul style="list-style-type: none"> • Data capture capabilities • Real time reporting • Real time label printing • Phased implementation • Paperless 	<ul style="list-style-type: none"> • Requires a data interface between host system and PickRight • Requires barcodes

Factors To Consider When Calculating ROI

Expense Reductions

- Labor costs
 - Picker productivity
 - Checkers
 - Administrative labor
- Customer claims costs
 - Average cost per claim

Investment

- Solution costs
- Equipment costs
- Support costs
- Wireless Network
- Per diem costs
- Section 179 tax savings
- 5 year savings forecast



Evaluate Warehouse Labor Productivity

Savings from doing the job better due to technology.

Eliminate time spent checking orders, repacking and shipping.

Headcount Savings

Productivity Benefit

Number of Pickers	24
Hourly Labor w/Benefits	\$ 13.00
Weekly Labor	\$ 12,480
Annual Labor	\$ 648,960
20% Annual Productivity Benefit	\$ 129,792

Eliminated Positions Due To Process Change

Checking Positions	2
Other Positions	1
Annual Salary w/Benefits	\$ 35,000
Annual Payroll Reduction	\$ 105,000

Quantify Reduced Customer Claims

How many customer claims do you receive per week?

What is the average cost per claim?

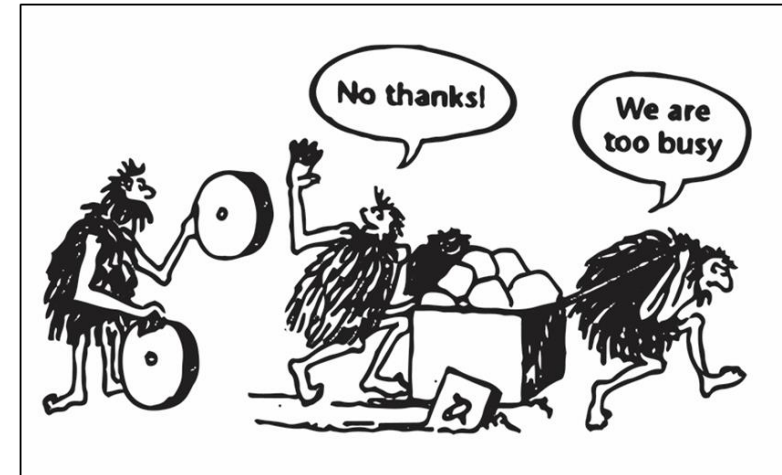
How can this cost be reduced?

Quality Benefit

	Weekly Customer Claims	125
	Cost Per Claim	\$ 35
	Weekly Cost of Claims	\$ 4,375
	Annual Quality Benefit	\$ 227,500

Reasons to Delay Implementing Technology

- Too busy with current projects
- Previous bad experiences with technology
- Our operation is different
- No budget left for this year
- Staffing issues/constraints



~~\$3.5
Million
In Savings~~

~~\$1.7
Million
In Savings~~

~~\$1.1
Million
In Savings~~

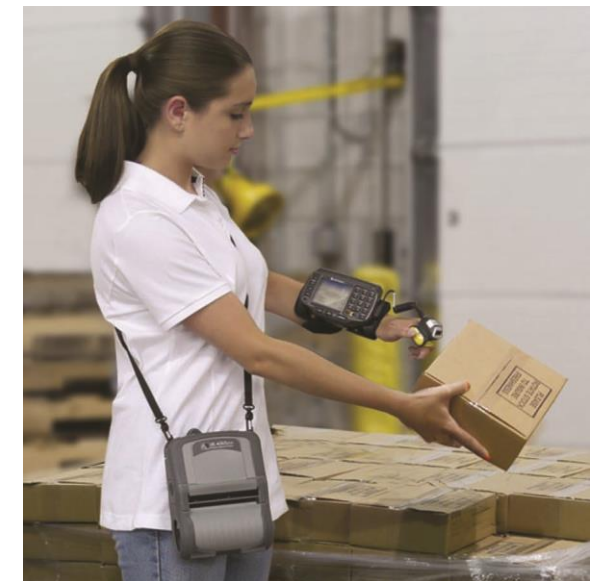
Introduction to PickRight



**Simply The Best Order Picking Solution
for Small to Mid-Size Distribution Businesses**

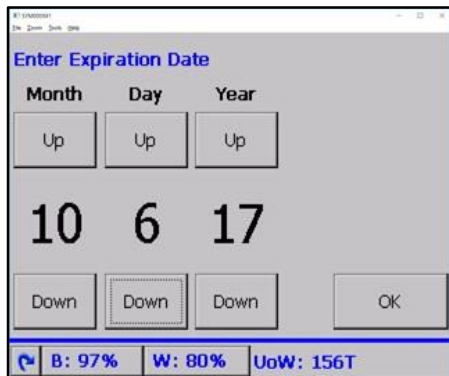
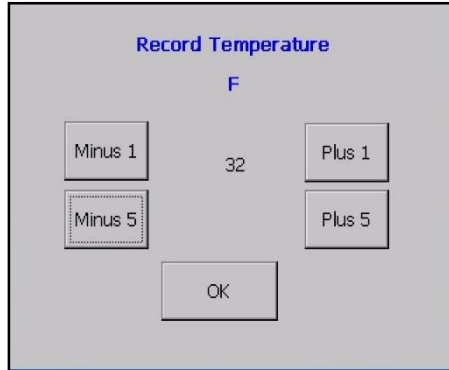
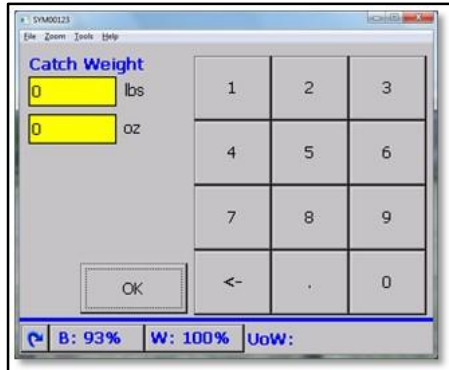
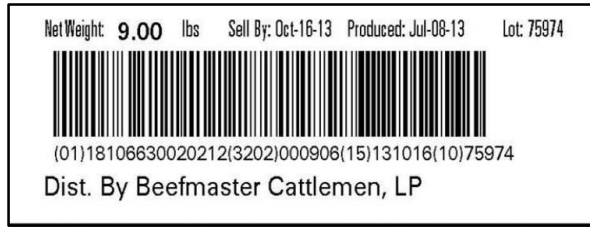
What Is PickRight?

- ✓ **PickRight is a hands-free barcode scanning solution for distribution centers**
- ✓ **Uses a hands-free wrist worn display and ring scanner**
- ✓ **Real time label printing**
- ✓ **Includes an extensive real time management reporting suite that gives visibility into worker performance**
- ✓ **Multi-lingual display capability**
- ✓ **Allows for look ahead when picking orders**
- ✓ **Easier to build pallets and fill totes**



Companies nationwide are benefitting from the immediacy and accuracy of PickRight

PickRight Food Distribution Features Overview



✓ GS1 Barcode Extraction

- Extract embedded data from a GS1 barcode

✓ Catch Weights

- Minimum and Maximum Catch Weight parameters in PickRight
- Cumulative Catch Weight capabilities

✓ Temperature Capture

✓ Expiration Date Capture

- Designated expiration date threshold by days per customer in the import file
- A prompt will appear asking the picker to confirm the product expiration date falls within that threshold

✓ Lot Number Capture

- Scanning the product UPC and Lot Number for product recall tracking

✓ Product Recall

- Data captured summarized in report for recall support

Why Choose PickRight?

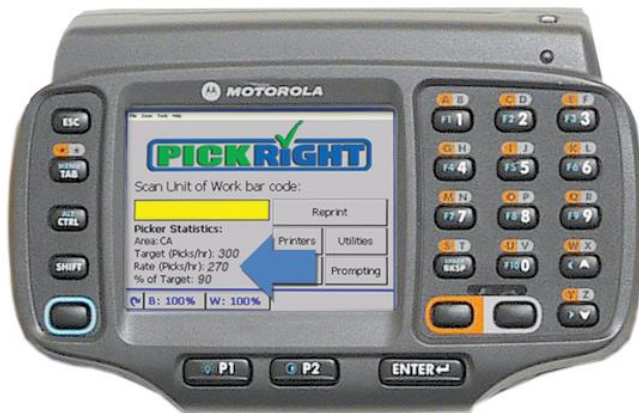
- ✓ **No WMS required and works with all ERPs**
- ✓ **Easy and fast implementation with less risk to on-going operations**
 - 8 weeks from customer commitment to start-up and start-up is 1 week
- ✓ **Hands-free scanning based platform**
 - Scanning is fully integrated into the ProCat technology and the way it is developed
 - Scanning technology allows for immediate product verification and high accuracy
- ✓ **Improved accuracy, productivity, and management visibility via reports**
 - Eliminates 90% of claims from customers for picking errors
 - Increases productivity by 20-40%
 - Reduces labor costs
 - Management reporting suite is real time
- ✓ **Customers Report Improved Employee Retention**
 - Easy to learn, easy to use – new hires are trained in 30 minutes
 - Immediate feedback on performance
 - Employee satisfaction increases from making less picking errors



Comparing PickRight to Voice



- ✓ **PickRight scans product UPCs or shelf tags for accuracy**
 - Voice requires check digits for accuracy
- ✓ **PickRight can print labels real time**
 - Voice requires preprinted package labels
- ✓ **PickRight's touch screen is easy to learn**
 - Voice requires pickers to memorize prompts
- ✓ **PickRight does not require a WMS**
- ✓ **PickRight is a fixed price project**



Companies That Are A Perfect Fit for PickRight



What are the characteristics of a company that will benefit from PickRight technology?




- ✓ Companies picking with paper pick tickets
- ✓ Companies that have between 4 and 75 pickers
- ✓ Companies picking products with barcodes
- ✓ Companies who have aging voice systems
- ✓ Companies who are using hand held RF guns



**If this describes your business,
then we should talk!**

Innovia Welcome Customer Promotion

- ✓ Buy PickRight
- ✓ Get 50% OFF another ProCat Solution (a \$7,500 value)

Receiving	
Cycle Counting	
Truck Loading	
Pallet Building	
Incentive Pay	
Labeling Solution	

- ✓ Offer is valid for Companies who purchase PickRight before September 30, 2019.
- ✓ Receive the \$7,500 credit by choosing and installing your additional ProCat Solution by December 31, 2020.

What Other Companies Say About PickRight

"The impact on the company has been wonderful. It is by far the best investment we have made in my forty years of business."

George Nasif, Jr,
President
Vicksburg Specialty Company

"My only Regret is not implementing PickRight years ago."

Lisa Smith, Vice President
Ashland Specialty Company

"PickRight is making an important contribution to Merchants' mission of operating a company with high ethical standards and high quality service. When our customers get perfect orders delivered week after week we are building long term relationships on trust."

Robbie C Surratt
Merchants Grocery Co

"Employee acceptance has been incredible and the learning curve is very short. Picking rates have increased by 30 percent and our picking accuracy is simply amazing."

Charles Schimmel, Vice President and
General Manager
Lyons Specialty Company



"Our aging voice system always had an accuracy challenge. After we saw PickRight and understood the high accuracy that it produced we wanted it for our operation. Moving from voice to scanning was an excellent decision for our company."

Brian Eidsvold,
4th Generation Owner and VP of Operation's
Henry's Foods

"PickRight was our solution to a costly problem: mispicks. To help our order selectors with accuracy we chose PickRight with barcode scanning accuracy. After only a short time, we knew PickRight was the right solution."

Marie Pinto
L.J. Zucca, Inc.

Thank You

ProCat – Solving business challenges for distribution centers all across America



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