

Case Study: Kenco



3PL RETAIL CASE STUDY

Overview & Challenge

Kenco is the largest woman-owned third-party logistics company in North America. In its 800,000 ft² Jeffersonville facility, operations fulfill a start-up's B2B and B2C e-commerce orders for distribution across the continent.

Recent economic changes have caused an increase in online orders, a shortage in labor, and competitive increases in wages for retail and 3PL industries. In order to reduce the impact of these factors, the team at Kenco looked for an automation solution that would be quick to install, easy for the team to use, and handles a high velocity of each picking.

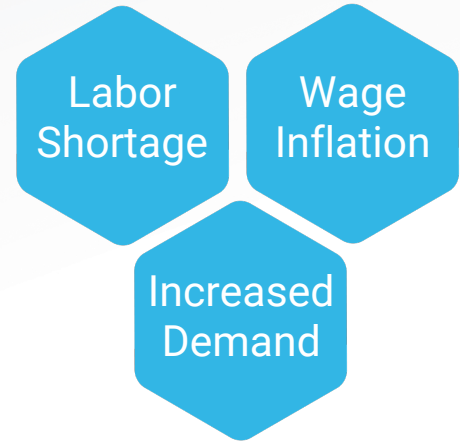
“We chose Locus for the ease of doing business. With a short lead time to installation, they cut to the chase and very quickly provided data analysis,” said Jason Minghini, Group VP of Kenco Commerce Solutions. Jason also cited the ease of integration and a good fit with the business profile to be important factors of consideration.

Additionally, the Robots-as-a-Service purchasing model allowed Kenco's customer to avoid a large capital expense by reallocating the cost into the operating budget with the ability to increase and decrease with order volumes.

We were able to handle Peak throughput and volume with a lot less temporary workers

Kristi Montgomery
VP of Innovation, Research and Development

Critical Factors for Implementing Automation at Kenco





AMRs overcome labor shortage, wage inflation, and increased orders for 3PL, a 275% productivity increase

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Results

Locus deployed a warehouse execution platform and autonomous mobile robots (AMRs) along with a suite of dashboards and actionable reporting tools at the site.

Immediately, the team at Kenco saw inefficiencies like walking, extra touches, and extra movements reduced which converted associates' time into more value-creating work.

“Prior to the LocusBots, we were at 30-40 units per hour per picker. We’re now in the range of anywhere from 120-150 units per hour. We’ve also increased our volume and throughput and increased our visibility to what’s happening on the floor,” said Kristi Montgomery, VP of Innovation, Research and Development.

The team has also been able to get orders out on time to avoid penalties to meet SLAs and improve customer satisfaction. “The customer loves it, they’ve been extremely happy with the increased efficiencies, output, and the labor savings; and the accuracy is greatly improved as well,” said Dan Magnusen, Account Manager of E-Commerce.

The Locus solution provides data and reports that have helped the Kenco team give valuable, actionable information about ordering habits to its start-up customer, which sometimes has difficulty forecasting demand changes. “It allows us to peak up and down, so it’s been a great fit for us to be highly flexible and adaptable to the change that’s been happening with this customer,” said Kristi.

Kenco is looking forward to the future of optimizing operations by converting more value-creating work with AMRs.

Results



Productivity Increase



Peak Throughput Increase

I use the dashboard data mainly to keep track of productivity. It also allows us know where we stand for the day and how many people I need to add or take away based on our volume

Steve Straub
Operations Supervisor



From an employee morale & retention perspective, we do find that the employees enjoy working with the robotics, and so we do have a smaller turnover rate

Kristi Montgomery
VP of Innovation, Research and Development



We can bring inexperienced people in and have them picking product at a high rate within a couple hours.

Jason Minghini
Group VP of Kenco Commerce Solutions

