

Associate Involvement Key to Successful Transition of Sam's Club DC

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– Sheila Taylor
VP of Sam's Club Logistics



Situation

National retail chain, Sam's Club, wanted to work with fewer, strategically chosen third party logistics (3PL) partners. For its busy Brownstown, MI cross-dock facility, the company transitioned the business to Kane Is Able (KANE), which also operates cross docks for Sam's Club in Pennsylvania, Maryland, New Hampshire, and Ohio.

Sam's Club goals for the transition were:

1. Keep the transition invisible to customers
2. Improve operational performance
3. Reduce costs and introduce gainsharing
4. Lower the safety incidence rate.

Strategy

A multi-disciplinary KANE team worked closely with Sam's Club to manage every last detail of the transition. Several key strategies defined KANE's transition process.

Culture Change

KANE has cultivated a customer-first culture since its founding in 1930, and its business relationship with Sam's Club dates back to 1988. All associates were thoroughly oriented on the KANE culture and the company's unique brand of customer service.

Associate Empowerment

KANE immediately instituted several of its standard practices for creating an engaged and empowered workforce:

- **Associate quality.** KANE increased the ratio of permanent to temporary workers and made sure competitive wages were in place to drive retention.

- **SOS cards.** Associates must submit a "Safety Observation System" card weekly that either recognizes good performance or identifies something that needs fixing.
- **IdeaScale.** This web-based software makes it easy for associates to submit money-saving, time-saving ideas.
- **Recognition Awards.** For instance, if the team goes 90 days without a safety incident, free lunch is brought in.

Safety Training

To bring down a high recordable incident rate (RIR) for safety, KANE conducted extensive training. The drive for safety became a key transition priority.

Results

- RIR went from 6.0 to 0.0
- The Brownstown, MI location went from 9th place to 3rd place on the Sam's Club operational index of 25 facilities.

In recognition of the seamless transition in Michigan and excellent operational performance across all cross-dock facilities, KANE was named the Sam's Club 2014 **3PL Partner of the Year**.

"KANE has been a tremendous partner during our more than 20 year relationship," says Sheila Taylor, VP of Sam's Club Logistics. "KANE-operated facilities consistently rank among the highest performers in our network."

Kane Is Able is a third-party logistics provider that helps consumer packaged goods (CPG) companies warehouse and distribute goods throughout the U.S.