

LINCOLN COMPANY'S HIGH-TECH WAREHOUSE



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Brad Dean Jr., left, Greg Foreman, and Bradford A. Dean stand in Dean Warehouse Services' Lincoln facility. Dean has 13 locations in Rhode Island, and it moved about 18 million cases of product through its warehouses last year.

An easier way to find things

Dean Warehouse Services uses computers and radio frequency scanners to keep track of customers' products.

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LINCOLN — Finding customers' products used to require searching up and down the aisles of Dean Warehouse Services' 1.8 million square feet of warehouse space across the state.

Memorization came in handy, said Greg Foreman, the company's president.

Next, once a customer's products were located in the warehouse, there was a report, often as thick as 400 pages, that listed each item. As the items were pulled from the shelves, each had to be checked against the huge list.



Kenneth Roy, director of technology, demonstrates the touchscreen system.

It was an inefficient process, susceptible to human error.

"Trying to locate product was just unbearable," said Foreman. Companies hire Dean so they don't have to do their own warehousing, paying Dean for storage, handling and transportation.

So in 2001, the family-owned, Cumberland-based warehousing and distribution company started developing a technology platform that could manage information about customer orders and give the warehousing sector an easier way to move, process and locate products.

It took Dean five years and about \$1 million to build the custom system.

In January, Dean started rolling out the technology. It now has 40 forklifts outfitted with computers that pick up signals from radio frequency hand scanners that employees

The company's warehouse management

software, which has only been fully implemented for one customer, will end up cutting Dean's labor hours in warehousing by 30 percent, estimates Foreman. The company has

49 more warehouse customers to go, and predicts the technology rollout will take about two more years to complete.

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Warehouse

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"One of the big trends [in the industry] is being able to quantify the productivity metrics of their work force. Companies are constantly trying to increase the throughput in there. By automating some of the stuff, they can gain greater efficiencies," said Ed Pritchett, director of Warehousing Management Systems Development for Logility Inc., a warehouse management and logistics software company based in Atlanta.

Almost all warehousing companies nationally have software to help manage storage and movement of products, said Robert L. Shaunnessey, executive director of the Warehousing Education and Research Council, an industry organization in Oak Brook, Ill. But those that are also using radio frequency transmitters to track products see immediate improvements in efficiency, he said.

"Two major benefits are accuracy in the scanning itself ... and speed," said Shaunnessey. "The speed of getting information back to your client or your system is much better. If it's designed right, it should be more efficient as well."

Previously, it was easy to write down the wrong product number when pulling products from the

shelves, said Foreman, but the new system has just a 0.5-percent error rate. That's a significant improvement considering Dean has 13 locations in Rhode Island, and it moved about 18 million cases of product through its warehouses last year.

Ultimately, figuring out how to effectively store and move massive amounts of products is a good problem to have. Dean Warehousing, started by Bradford A. Dean in 1981, was an offshoot of his transportation business. The company started warehousing with just 40,000 square feet of space. By 2001, it had 16 employees and 500,000 square feet of warehousing space. As Dean continued to buy and lease space for warehousing, his son Brad Dean Jr. and Foreman — a former consultant in California — came in to manage the business' growth. The company now has 50 warehouse customers, 75 full-time employees and annual revenue between \$13 million and \$15 million.

One of Dean's largest customers is Huhtamaki, which makes cups, paper plates and other packaging — and it was the company's first test case. Dean spent \$300,000 to get Huhtamaki up and running. Dean required Huhtamaki to sign a long-term contract for warehousing, before upgrading the system.

For Huhtamaki, it was worth the investment, Dean says, pre-

dicting that customers will see a return on their investment within a year. And Huhtamaki estimates it will see a return on the final implementation within one quarter.

"As a result of this partnership, the savings will reach both organizations through increased productivity, which will result in a lower overall billing for Huhtamaki Americas and expense reductions at Dean," said Barbara Irwin, a Huhtamaki Americas spokeswoman, in an e-mailed statement.

"We have a business model that is efficient and cost effective," said Foreman. "That's how we compete with the national players."

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