

### Connect Logistics Services: 3PL Competing With Itself to Be the Best

*Connect Logistics Services (CLS) was founded in 1994, when the Canadian province of Alberta privatized its liquor distribution and warehouse system. Since then, CLS has served the Gaming and Liquor Commission, supplying spirits, wines and beers to 1,500 retail outlets throughout the province. The company is a subsidiary of internationally acclaimed Tibbett and Britten Group Americas (TBGA), a \$2 billion company dedicated to providing physical distribution, logistics and associated services. True to its lineage, CLS upholds the highest performance standards and strives to be a model in the third-party logistics (3PL) business. That's why CLS put voice technology to work.*

#### The Challenge:

##### Correct Orders – The First Time

As the first Canadian jurisdiction to privatize its liquor distribution and warehouse system, Alberta became a model in many ways. And so did Connect Logistics, the service provider charged with making the new system not only work, but work exceedingly well.

Among CLS' duties: working with agents and suppliers to receive products for sale throughout Alberta, accepting orders from retail outlets, and assembling those orders and shipping product out to the storefronts.

Every step is under close scrutiny by the Liquor and Gaming Commission, plus more than 1,500 stores, hotels, casinos and other establishments that rely upon CLS to come through for them.

*"If you're perfect, no one can be better. That's why we're so committed to accurate orders at CLS — and why we're running Vocollect's voice solution."*

#### Rainor Webb

IT Manager

Connect Logistics Services



To tackle the job, the company operates a 430,000 square-foot distribution center — large enough to hold nearly 1.5 million cases — as well as a storage facility. CLS carries 20,000 registered SKUs, and keeps 11,000 or more in stock at any given time. While the average wholesale price of an item is \$100, some cost considerably more: as much as \$1,500!

The DC works five days a week and runs two shifts a day, each with 20 or more full-time order selectors. On average, it ships nearly 800,000 cases a month — 35,000 - 40,000 every day! At that volume, and with the expensive nature of its products, order accuracy is imperative for CLS.

That's why, even in this fast-paced environment, CLS' standard procedure had been to double-check orders: every case on every pallet checked at the end of the trip and then again at the dock.

The result was exceptional accuracy going out to customers, but at a substantial cost. Moving forward, the challenge for CLS was to keep the former — and lose the latter.

## Voice Results

### Objectives

- Accurate orders without extensive auditing

### Application

- Order selection: case picking

### Installation

- JD Edwards WMS (existing)
- Vocollect VoiceLink™ middleware
- 35 Vocollect Talkman T2 computers
- Symbol 2 mb backbone, 802.11 RF system

### Results

- 4 - 5 times fewer mispicks
- Accuracy up to 99.997%
- 5 -10% improvement in pick rates

### ROI

- Quick payback, based on accuracy gains alone

### Future Improvements

- Voice-directed replenishment
- Voice-directed receiving

*"We'll ultimately spend five times less on re-work and auditing because nearly all the pallets are accurate when they arrive at the dock."*

### Ken Collins

Project Leader  
Connect Logistics

### The Solution:

#### Voice-Directed Picking 35,000+ Times a Day

After investigating voice technology, Connect Logistics launched a pilot to see what voice could do for its operation. CLS knew exactly what it wanted: 99.99 percent accuracy — or it would not proceed.

With this requirement in mind, CLS selected Vocollect, the global leader in voice-directed distribution systems that integrate voice recognition software, warehouse process logic, and wearable computers designed to withstand harsh work environments. Vocollect's 15+ years of experience and proven results were among the deciding factors for CLS.

Using Vocollect VoiceLink™ middleware, the system integrated seamlessly with the existing WMS from JD Edwards; the warehouse implementation process was completed in 15 days. Deployment time was only 10 days, since voice makes work processes, as well as communications with the WMS, easier and more natural. Each worker created a "voice template" and, in a matter of minutes, the Vocollect system knew how he or she pronounces the entire set of requisite vocabulary words.

Most important, the voice implementation quickly proved itself, achieving 99.99 percent accuracy in the pilot. At that point, there was no doubt about moving on to a complete roll-out. During the pilot, and since, there have been many instances when CLS exceeded 35,000 picks a day without a single unidentified picker error: an almost incredible 99.997 score on accuracy.

Most errors are stopped in their tracks through the use of random numbers as check digits at each location. For CLS' application, the Vocollect system was easily configured to withhold a command until the worker confirms the correct location by reading the assigned digits.

CLS also requires an automatic "count-back" function as a second check. After completing an assignment, order selectors must count and report back the correct number of cases on their pallet; an "over" or "under" sends the order to the trouble area for a full audit.

### The Result:

#### Unbeatable Accuracy at a Reduced Cost

Once the voice system was fully implemented, CLS switched over to partial audits for orders selectors who achieved high performance standards for three consecutive months. The bar is set at 1 error in 10,000 cases picked (99.99 percent accuracy) or 7,000 picks per month without a single error.

By moving to a random-audit system that checks approximately 10 percent of orders, CLS has been able to pare back from five full-time auditors to three, without compromising the extraordinary level of service customers have come to expect.

Today, with voice, CLS encounters four to five times fewer errors at the internal stage. With fewer trips sent to the trouble area and fewer problems to deal with, there's less re-work — and even less chance for "out the door" errors. For a 3PL handling expensive items and serving brand-loyal consumers, delivering the right order is the bottom line.

In addition to accuracy, CLS is enjoying other significant benefits. Worker retention is up; training costs are down. Real-time visibility into many warehouse functions has been improved, and managers have a clear sense of the manpower required to complete the day's orders.

Another big plus for a firm serving the beverage industry: breakage is down at CLS, now that workers' hands are free for lifting and stacking cases that weigh 40 pounds or more.

And, if a mishap does occur, whether in picking cases or maneuvering pallet jacks, all a worker has to do is tell the system about it and pick up his replacement(s). Pallet counts are automatically adjusted — and always correct. 🎯



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### Vocollect. Voice-Directed Distribution.

Since pioneering voice recognition for industry in 1987, Vocollect has set the standard for warehouses and other business settings. Together, its market-leading Talkman® wearable mobile computer and integrated software suite cut operating costs by eliminating errors and improving worker productivity shift after shift.

Leading WMS providers, material handling integrators and specialty voice solution providers around the world choose the performance and reliability of Vocollect to deliver integrated voice-directed distribution solutions. And every day, over 60,000 workers around the globe rely on Vocollect's integrated voice solution to help improve their operations.