

SITE REPORT

ShopKo Stores, Inc.

Retailer Uses Put to Light to Improve Efficiency and Reduce Costs

CHALLENGE: When retailer ShopKo Stores, Inc. decided to expand its distribution center in Omaha, Nebraska and consolidate it with a subsidiary's nearby facility, it was looking for ways to increase efficiency and reduce costs.

SOLUTION: Diamond Phoenix replaced the previous put to light system with a DirectPick™ put to light system in order to streamline the distribution process and give ShopKo the flexibility it needed to handle two separate operations.

BENEFITS:

- ◆ Increased accuracy
- ◆ Improved efficiency
- ◆ Flexible, self-configurable system that is easily adjusted to adapt to changes
- ◆ Excellent metrics and reporting tools



ShopKo Stores, Inc.

ShopKo Stores, Inc., headquartered in Green Bay, Wisconsin, is a chain of multi-department stores serving mid- to large- sized cities. It provides home goods, casual apparel and seasonal products, and many locations also include pharmacies and optical centers.

Pamida Stores, a division of ShopKo which is headquartered in Omaha, Nebraska, serves smaller, rural communities and is a "one-stop shopping" experience, offering consumables and convenience items.

In all, they have 359 stores in 23 states (141 ShopKo Stores, 218 Pamida Stores) throughout the Midwest, Western Mountain, and Pacific Northwest regions.

ShopKo recently began looking toward the future and started developing various strategies for growth, which included revising internal processes and finding ways to increase efficiency and reduce costs.

After careful consideration, ShopKo determined that its current pick to light system was not meeting its needs. They turned to Diamond Phoenix to help them design a paperless order fulfillment system that made sense for their business, was flexible enough to handle both the ShopKo and Pamida operations, and was able to easily adapt to any changes.

"Diamond's DirectPick product is easy to use and the system is flexible enough to adapt to changes. In addition, Diamond Phoenix was willing to work with us and customize parts of the system to meet our specific needs."

**Kail Plankey, Mgr. of Distribution Systems
ShopKo Stores, Inc.**

ShopKo selected Diamond Phoenix not only for its vast experience with order fulfillment and consolidation, but because its DirectPick™ Put to Light system was the perfect solution. It is intuitive, self-configurable, and offers excellent reporting tools that allow ShopKo to measure productivity and plan its work.

Diamond Phoenix designed a system in which containers from vendors travel along the conveyor to a put station. The operator removes items from the containers and places them in totes on the rack, following the put lights which indicate how many items should be placed in each tote. When a tote is full, the operator pushes the tote through the rack. The totes are then placed on another conveyor and they head to shipping where they are sent to stores to replenish inventory.



ShopKo is very pleased with the new system. Since its implementation, accuracy has surpassed expectations for the year, reaching 99.69%. They are ready to handle any future growth and are confident that DirectPick™ was the right solution.

Headquartered in Lewiston, Maine, Diamond Phoenix has been providing innovative material handling solutions for companies like the ShopKo Stores, Inc. since 1979. For more information on Diamond's high performance material handling systems and capabilities, please call **888-233-6796** or visit www.diamondphoenix.com.



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