



CHALLENGE SOLVED

DON CADDY CEO ENGINEERING INNOVATION, INC.



TAMING THE SORTING CHAOS: AUTOMATION CONQUERS E-COMMERCE PARCEL CHALLENGES

E-commerce parcel shippers must navigate a dynamic and demanding landscape that's always in flux. Without the right solutions and tools in place, companies end up dealing with efficiency, profitability and customer satisfaction issues, among other challenges. Add the warehouse labor shortage, rising business costs and increased competition to that list and you get a perfect storm of obstacles that companies have to be able to navigate if they want to survive and thrive.

To help, Engineering Innovation, Inc. (Eii) has established itself as a leader in the development of automated equipment for presort mailing applications inside parcel-handling businesses and commercial mail houses. The company offers automation and manifesting solutions for letters, flat packages and parcels, and has deep experience in site-specific process evaluation to optimize every company's throughput and destination accuracy.

Recently, one cross-border e-commerce shipper called on Eii for help keeping up with its growing volume of parcel shipments in a labor-constrained environment. Don Caddy, Eii's CEO, walks us through the pain points that the company was dealing with, the solutions it implemented and the return on investment (ROI) that the company has achieved by automating its parcel shipping operations.

Q: What business was this customer in?

A: It was a large cross-border exporter that ships packages from the U.S. to customers in other countries.

Q: What challenges was the company dealing with?

A: When we started having conversations with them, it was clear that their operation was growing steadily and their current systems couldn't keep up with that growth. The company was processing, routing, labeling, weighing and dimensioning packages manually across about 40-50 different processing stations in its facility. The bottom line is that it was struggling to keep pace with a growing volume of business while also dealing with a constrained labor market.

Q: How did you start working with them and what solution did they choose?

A: They had looked at other solutions and even purchased one prior to meeting us. They considered that a failed project, so they were cautious about making another investment in automation. After an in-person meeting at our facility, the customer decided to implement our Chameleon® parcel sorting automation platform. This scalable, modular system can be easily adapted to existing space and workload requirements. It's a great choice for rapidly-growing parcel processing operations that need a solution that can be put in place now and that can be adapted as parcel volumes and/or market requirements change.

Q: What was unique about this implementation from Eii's perspective?

A: The ability to adapt and problem solve

once the machine hits the floor is paramount to offering good customer service. Sometimes you just don't know what obstacles you may face until you're onsite with the customer, and this customer was no different. We spent a lot of time onsite, working with our customers to ensure a successful onboarding process ensuring multiple operators were trained on the system before our techs left.

Q: Once the system was in place and running, what happened next?

A: The customer pretty much immediately decided to get another Chameleon machine for another site. That second implementation was even easier because of the time and care we took during the first installation. Because of the partnership we built while optimizing their first machine, the company has since bought six more machines for its operations. Today, they have a total of eight machines at four different sites.

Q: What core benefits has this customer seen since implementing its new automated parcel sorting technology?

A: Their COO called us at the end of their peak season and said that costs were down 17% year-over-year thanks to the automation that they installed. Their manual operation was running about 200 pieces per hour per person; today they have two people manning a machine that's running 2,400 pieces per hour. So basically two people are doing the work that it previously took 12 people to manage. These

are significant gains in an environment where companies are having a really hard time finding and retaining warehouse and DC labor.

Q: What makes Eii's offerings different from anything else that's available on the market?

A: We go beyond making a sale and pushing our products. We're hardware-agnostic, in fact, and care more about putting the right solution in place for the right application. It all starts with a site visit. We want to see what the operation is, what's happening on the warehouse floor and how processes are handled during work shifts. Then, we develop holistic solutions that solve customers' parcel shipping challenges and that deliver real results.

Q: Can you share some words of wisdom for e-commerce companies that are dealing with parcel or mail shipping roadblocks in today's dynamic selling environment?

A: Yes, I would tell them to look for a scalable solution that doesn't take years and millions of dollars to install and get right. The proper modular system should adapt as your company evolves, and not require a "shoehorn" for a good fit. Also, think outside of the box when installing automation that may be able to multitask across different functions. For example, we recently installed a machine with our image-based barcode reader. Once they realized that we now had a picture in addition to the data, we made a minor software tweak and delivered double the anticipated ROI for the customer.

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