

# Standard Process



## Leading Provider of Nutritional Supplements Improves Shipping Efficiency by 35 Percent

### Company Profile—Standard Process Inc.

Standard Process, based in Palmyra, Wis., has been a leader in the field of nutritional supplements for 75 years. The company is committed to a whole food philosophy first introduced by its founder, Dr. Royal Lee. To preserve the nutrients of the whole food, concentrated supplements are created using a unique manufacturing process. This process involves raw foods grown on company-owned, organically certified farmland; state-of-the-art manufacturing equipment; and continual testing to ensure quality control. The company processes between 600 and 700 orders per day for a customer base of 20,000 qualified healthcare professionals nationwide.

### Challenge

Standard Process began the search for a new warehouse management system (WMS) to improve its outdated and inefficient practices for inventory, fulfillment and distribution. Although the company had a business system in place to guide accounting activities, the warehouse was completely paper-based. All picking and put-away activities had to be manually entered by the accounting team

in batch format. “There was as much as a 30-day lag between the inventory levels in the warehouse and what we had in the accounting system. Because of this, we had to rely on safety stock,” said Scott Anderson, plant manager of Standard Process.

**“ONCE WE GOT DOWN TO IT, THE BASE HIGHJUMP SOLUTION OFFERED EVERYTHING WE WANTED IN TERMS OF FUNCTIONALITY AND NEEDED MINIMAL MODIFICATION.”**

**-Scott Anderson  
plant manager**

But sometimes even carrying safety stock didn't cover the company's needs. “We could be in the middle of mixing a batch of product and realize that although we thought we had enough of a certain ingredient, we didn't,” Anderson said. “When this happened, we had to put the partial batch back into inventory—which required extra labor and space.” There was often an added delay in completing the batch in cases where the missing ingredients had long lead times.

Furthermore, the company lacked formal put-away procedures. Both raw and finished goods were put away without a formal record of their locations. “We wasted a lot of labor each week just wandering around the warehouse looking for things,” Anderson said.

Standard Process had two main objectives in finding a new WMS. The first was to find a best-of-breed system that contained the depth and breadth of functionality the company required to tighten inventory practices and shorten lead times. The second was that the system had to be Windows®-based, running on SQL Server® as the back-end database to provide greater integration flexibility for a future move to an MRP/ERP application. “We really wanted a system we could use to grow our business,” Anderson said.



## Solution

After six months of carefully evaluating dozens of vendors, Standard Process narrowed the field to four, ultimately selecting the HighJump™ Warehouse Advantage WMS from HighJump Software. This solution contains best practice-based functionality gleaned from years of implementation experience. “Once we got down to it, the base HighJump solution offered everything we wanted in terms of functionality and needed minimal modification,” Anderson said. “We felt it gave us the most bang for the buck in terms of both functionality and price.”

HighJump Warehouse Advantage plays a key role in nearly all of Standard Process’ production and warehousing operations, including mixing, tableting, capsuling, packaging, put-away and picking. The company has more than 900 inventory SKUs to manage, representing all components involved in creating 385 distinct product variations. In all of these processes, Standard Process employees interact with HighJump Warehouse Advantage via hand-held computers and a wireless network from Intermec Technologies Corp.

Standard Process also extended the HighJump WMS with two additional modules. The HighJump management visibility solution gives Standard Process the ability to track employee performance metrics and plan production months in advance. The HighJump containerization solution allows Standard Process to eliminate the time-consuming pick-to-tote procedure and put products directly into optimized shipping containers.

Standard Process trained its team on exactly what to expect during the implementation by simulating daily warehousing tasks to prepare for the official system go-live. “The implementation went very smoothly. In fact, it couldn’t have gone any better,” Anderson said. Soon after, Standard Process successfully

implemented the Microsoft® Business Solutions-Great Plains® system to complete the seamless information transfer loop across all aspects of its business.

## Results

According to Anderson, Standard Process has achieved excellent results from the system. “We’ve increased packages shipped per labor hour, a measure of shipping efficiency, by 35 percent,” he said. Other quantifiable results include a 16.5 percent reduction in finished goods inventory. “The reduction in finished goods inventory by itself has more than paid for the HighJump system,” Anderson said. “In addition, the HighJump containerization solution has given us a substantial reduction in shipping expenses.”



Customer service benefits from the system as well. Even though Standard Process is growing its volume of products and shipments, the system allows them to maintain excellent levels of customer service where orders received by 3 p.m. are shipped the same day. HighJump Warehouse Advantage also helps ensure the high level of quality control Standard Process requires in its manufacturing operations. Using directed, optimized work direction communicated via the Intermec® hand-held radio frequency (RF) computers, the system tells the picker the exact amount of each product required for the batch being prepared, as well as where each is located in the warehouse. “We’ve sped up the entire process while ensuring mixing accuracy,” Anderson said.

After nine months of running the system, the company had achieved such high levels of inventory accuracy that it decided to eliminate physical inventory counts altogether, representing a significant savings of labor. Now Standard Process simply performs a cycle count by location once each quarter. “We’ve gone from having recorded inventory levels lag 30 days behind actuals to instantaneous visibility of what we have in stock. We’re also adding new products and growing in volume, yet our finished goods inventory is down, and we’re making much better use of our warehouse space utilization in terms of pallet storage. We were running out of room before.”

As for the overall performance of HighJump Warehouse Advantage, Anderson has no regrets. “When we first rolled the system out, we told everyone that it would be a lot of work to change the way we do things. But we were crazy to keep doing business using the old, inefficient processes the way they were,” he said. “If you asked people today if they could run without this system, they’d say ‘no.’ It has made all of our jobs a lot easier.”

## Continuous Improvement

Standard Process is extending the visibility of the main warehouse to the farms by networking HighJump Warehouse Advantage into each remote location. This will eliminate the need to manually enter raw goods information. Anderson is evaluating the use of radio frequency (RF) scanning to complement the virtual terminals scheduled to be utilized at their farms.

Standard Process is also considering the addition of pre-allocated inventory quantities for orders that are placed months in advance. This would allow them to generate automatic purchase orders when inventory levels are scheduled to run low.

