

Sarah Caudill

Retail Logistics Manager – Berea College Retail Locations

# Inventory Receiving Process



# Mission

The Manager of Retail Logistics facilitates the receiving of merchandise into the Point of Sale system and pays invoices of retail merchandise in order to stock the Log House Craft Gallery and Visitor Center & Shoppe in a timely manner, while eliminating errors and increasing on-time payments.

# Vision

By Spring 2022, the receiving process will be reworked and documented, as well as increasing Rolled-Throughput Yield by 25%

# SIPOC for Retail Logistics Manager

Suppliers	Inputs	Policies	Outputs	Customers
<ul style="list-style-type: none"> <li>• Campus retail store purchasing team</li> <li>• Campus retail store vendors and their accounts receivable (AR) offices</li> <li>• Student Craft production areas</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase orders</li> <li>• Invoices</li> <li>• Substitute W-9s</li> <li>• Inventory items in LightSpeed (POS system)</li> <li>• Packing lists</li> <li>• Credit Memos</li> <li>• Transfer sheets</li> </ul>	<ul style="list-style-type: none"> <li>• GAAP</li> <li>• Campus retail store inventory management</li> <li>• Payment due dates of vendors (range from pre-pay to Net-90)</li> <li>• eCom picture</li> <li>• Vendor lead times</li> <li>• LightSpeed</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Received and tagged merchandise to stock campus retail stores</li> <li>• Storage of bulk merchandise orders</li> <li>• Check requests</li> <li>• Purchase-card reconciliation</li> <li>• Merchandise samples of eCom pictures</li> </ul>	<ul style="list-style-type: none"> <li>• Campus AP office</li> <li>• Campus retail stores</li> <li>• Campus retail store vendors and their AR</li> <li>• Campus retail store eCom teams</li> </ul>

# Future State – Metrics Compared

**Current State Metrics:**  
Touch Time: 205 min. (3.41 hrs)  
Cycle Time: 5 days  
Non VA Steps: 49  
VA Steps: 5  
Rolled Throughput Yield: 5.4% or 0.054

**Future State Metrics:**  
Touch Time: 180 min.  
Cycle Time: 0 days  
Non VA Steps: 45  
VA Steps: 5  
Rolled Throughput Yield: 51.9% or 0.519

**Metric Improvements:**  
Touch Time: - 25 min.  
Cycle Time: - 5 days  
Non VA Steps: - 4  
VA Steps: + 0  
Rolled Throughput Yield: + 46.50 percentage points or .4650

# Results- Check

- How the metrics improved?
  - 25 minute reduction in touch time per order
    - $25\text{min/order} * 670 \text{ orders/year} / 60 \text{ min/hour} * \$30/\text{hour} = \$8,375$  saved per year
  - 5 days of cycle time saved per order , reduced to 0 days
  - Increased RTY by 46.5% : from 5.4% to 51.9%
- How has the balancing metric changed?
  - Better at on-time payments and fewer mistakes made throughout the process.
- How has this event affected the original problem statement/mission?
  - The process is much more efficient and runs more smoothly.
  - Log House and Visitor Center receives stock more quickly.
- How will the change be institutionalized?
  - All of the process improvements made will be documented in box and will be used for the training of future labor students and employees.

