



Flexibility in Distribution Operations



Overview

- GENCO ATC Company Overview
- BD Site Operations Overview
- What is Flexibility in our World?
- What does success look like?



GencoATC at a Glance

- **North America's 2nd largest 3PL**
 - 37 million square feet under management
- 112 year, privately held, non-asset based company
- **120+ operations throughout North America**
- **10,000+ award-winning teammates**
- The leader in Product Life Cycle logistics
- Innovative leader in supply chain technology, R&D and implementation
- Full suite of supply chain visibility and data analysis tools
- Over \$1.5 billion in freight managed annually (and visibility to \$3.5 billion in parcel freight annually)
- Over \$5 million worth of product liquidated daily
- Formal process to provide initial and ongoing value



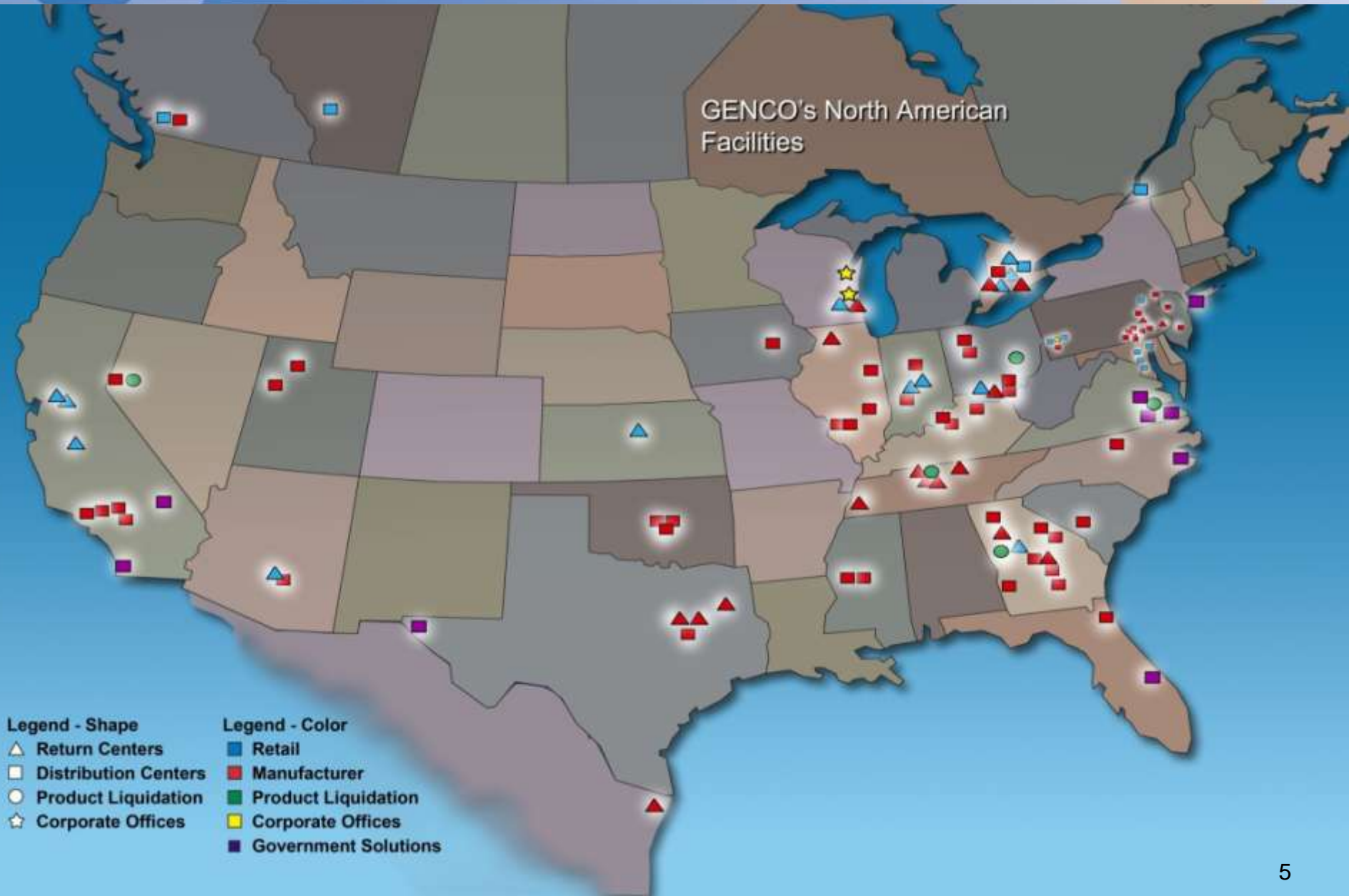


Sample GENCO ATC Customers by Industry

<p>Electronics</p>	
<p>Healthcare</p>	
<p>Retail</p>	
<p>Food & Beverage</p>	
<p>Consumer Product Goods</p>	
<p>Chemical & Industrial</p>	
<p>Government</p>	



GENCO's North American Facilities



Legend - Shape

- ▲ Return Centers
- Distribution Centers
- Product Liquidation
- ★ Corporate Offices

Legend - Color

- Retail
- Manufacturer
- Product Liquidation
- Corporate Offices
- Government Solutions



PRODUCT LIFE CYCLE LOGISTICS



GENCO ATC - BD PLAINFIELD



Becton Dickinson
Midwest Distribution Center
Plainfield, Indiana



Becton Dickinson (BD) at a Glance:

Founded in 1897

BD is a medical technology company that serves healthcare institutions, life science researchers, clinical laboratories, industry and the general public.

BD manufactures and sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products.

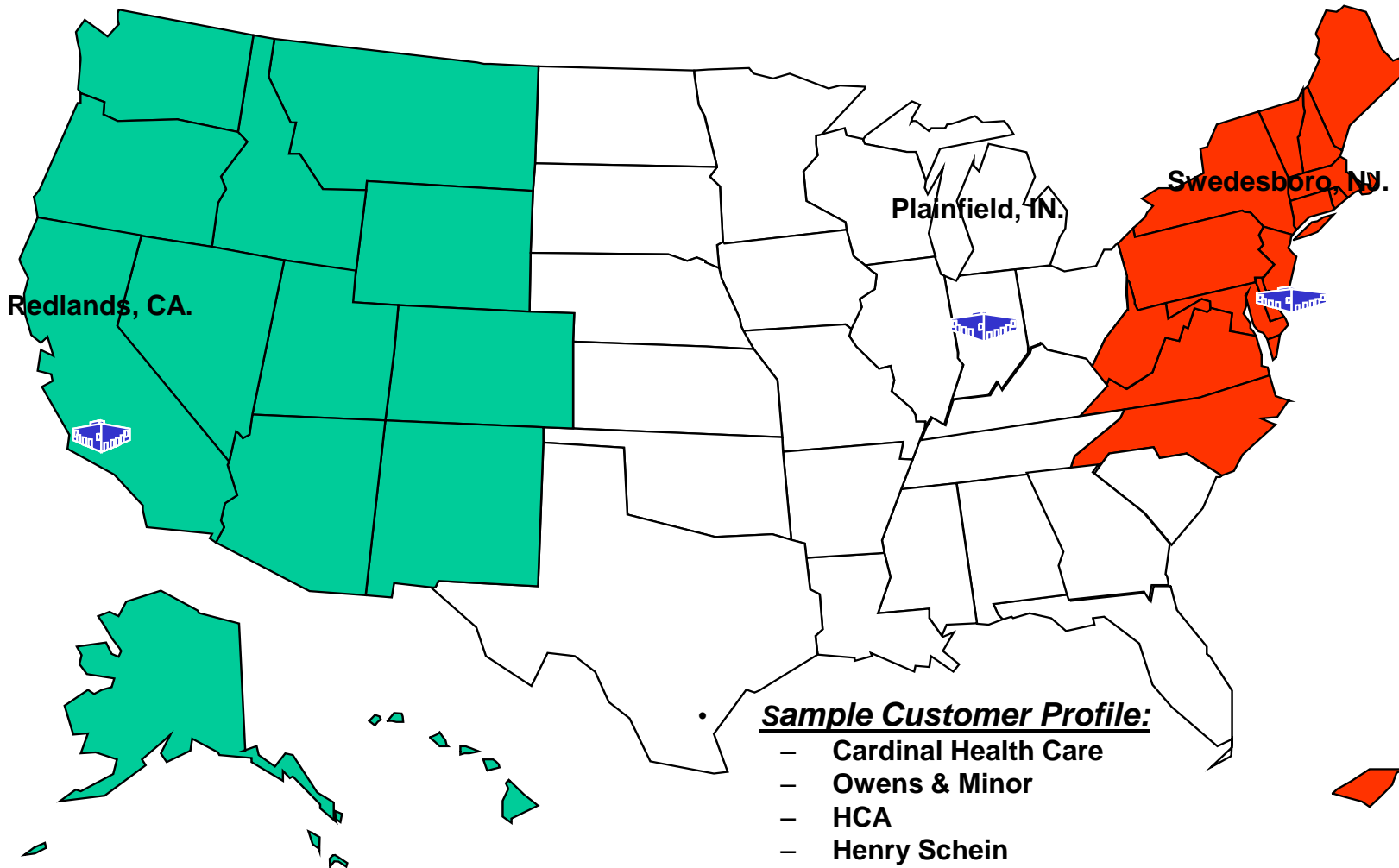
BD is headquartered in the United States and has offices in nearly 50 Countries.

Purpose:

Helping all people live healthy lives



Plainfield – Service Area: 24 States – 52% North American Volume



Sample Customer Profile:

- Cardinal Health Care
- Owens & Minor
- HCA
- Henry Schein
- McKesson
- Fisher Healthcare
- Walgreen's



BD Facility Profile:

- **Building Statistics:**

- **655,000 Sq. Ft**
- 40 ft. Ceiling
- 6 High Double Deep and Single Deep Racking
- 81,000 Total Pallet Positions
- Temperature Controlled.
- **2 Miles Conveyor**
- Dual Side High Speed Sorter.
- 4 High Speed Auto Wrappers
- 64 Dock Doors
- 300 Trailer Storage Capacity.

- **DC Operations:**

- 190 Total Teammates
- **24 States Serviced**
- 13.5 MM Cases Per Year Shipped
- 62 Total Material Handling Units Utilized
- Pallet & Slip Sheet Operation
- **3 Shifts / 5 Days per Week**



Flexibility ? – in Medical Device Distribution?

Why would a Medical Device Company need Flexibility in their Distribution Model?

- Pandemic (Swine Flue) PLFD supplied 80% of materials for vaccinations.
- Catastrophic Disasters (Haiti Earthquake – Japan Tsunami) First to send support supplies
- New Products
- New Customers
- **(Save People's Lives)**

What is Flexibility in our world?

(Operational challenges on a daily basis - 75,000 cases to ship with staffing for 65,000)

How do we get it done? Promote & Demonstrate a Culture of Success & Continuous Improvement.

- Focus on Cross Functional core teams of Leaders and Teammates
 - Individuals that can perform multiple job related functions at or greater than performance & quality expectations while leading others to do the same.
 - How do we find & develop people to meet these attributes:
 - Behavior Based Interview Program (Select the right people to work as a team)
 - Development our people
- Build Flexibility into our business model.
 - Shift hours & Days – Staffing Levels – Part Time Workforce – Equipment



What is Flexibility in our world?

(Reduce cost per case by 35% in one year to meet financial goals)

How do we get it done?

- Know what we can do and how fast we can do it.
 - LMS (Labor Management System) – Reporting is a key tool for providing the necessary feedback for capacity planning by Function and Teammate.
 - Everyone pitch in – (take on any role ask of you)
- Set clear goals to support our business model and have team “Buy-In”
 - Leadership team is involved with setting the goals and everyone has a vested interest in their outcome. (Hourly teammate incentive programs & management bonus opportunities)
- **We help & hold each other Accountable for meeting these goals.**



Core Team Leaders

- **Operations**
 - Shift Managers & Supervisors
- Support Teams
 - **Teammate Services**
 - Staffing and Teammate Relations.
 - **Customer Service**
 - Outbound Planning & Customer Care
 - **Quality Control**
 - Regulatory, Procedural, and Quality Compliance.
 - **Inventory Control**
 - Inventory Management, Product Integrity, Process Improvement
 - **System Administration**
 - WMS and Systems Management
 - **Maintenance & Engineering**
 - Maintain Integrity of Facilities, Conveyor, and Material Handling Equipment.



What does success look like?

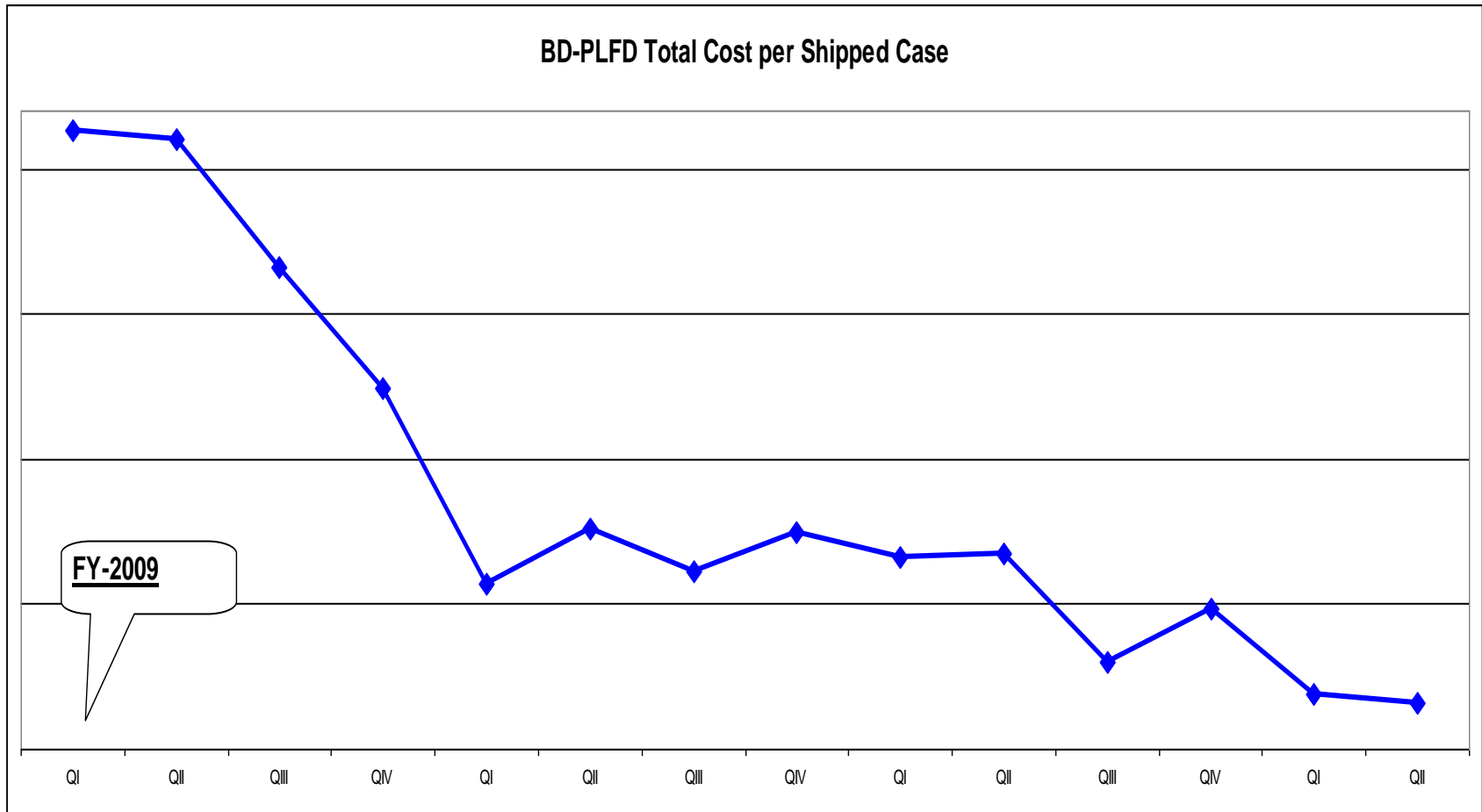


Operational Milestones

Site completed May 2006

- **JUN 2006 - Staffing and Teammate Selection – Go Live**
- **2007 Stabilize systems and processes.**
- **Sept 2008 – Deploy Continuous Improvement Model & Lean Initiatives - capacity expansion to 13 Million annual cases. – 41% Increase in Daily Volume**
- **Sept 2009 – Achieved Capacity Goals, met all SLA's, and delivered 34% Cost Reduction Initiative**
- **Sept 2010 – Supplier of the Year Award & HP Becton Award Finalist**

What does success look like? Financial Bottom Line





What does success look like? – Keep it simple!

Right Customer

Right Product

Delivered at the Right Time

Right Cost

There are a lot of moving parts!