

Making Labor Management Mission Critical at DSC Logistics

Result

• **20%** reduction in variable labor costs

The critical importance of labor management

“It has really been a key foundation for our success, and I would say when we first rolled it out, you could look at that as a pivot point within DSC’s journey and our history.”

— Sr. Director, Industrial Engineering & Continual Improvement, DSC Logistics

Challenges

- From its humble beginnings with one facility on the South Side of Chicago, third-party logistics (3PL) provider DSC Logistics has grown to over 50 logistics centers with more than 20 million square feet of space and over 3,000 employees.
- In order to meet the challenge of providing customers with accuracy, damage-free and on-time delivery, safety and low costs, DSC Logistics needed to optimize its systems and gain complete visibility to be effective and efficient every step of the way.
- DSC Logistics’ goals were to become experts at managing its labor, ensure that they are the low-cost provider when it comes to labor, raise the level of accountability for everyone in the company, and gain the ability to analyze labor cost impact on ROI for prospective technology initiatives.

Reducing labor costs

DSC achieved a 20-plus percent reduction in its variable labor spend across its logistics network after implementing labor management. “If we’re looking to do voice pick, count-back, pick and load, any kind of technology that we might be looking to embark upon, we use the tool to analyze and help us understand what our true ROI is going to be when we engage in that kind of initiative.”



Differentiating in the 3PL market

“With our labor management program that we’ve been using with Blue Yonder, it’s a complete differentiator for us. It’s allowed us to have more visibility into our labor that we never could’ve imagined over ten years ago.”

A culture of accountability

“From the forklift operator all the way up through to our CEO, we look at the information every single day. It’s a centralized program where every site communicates out to every other site on a weekly basis to say, ‘Here’s how we did.’ It’s been just a game-changer for us.”

Blue Yonder’s customized approach

“There was a lot of engagement, and I think that really helped us to make sure that this was going to be a program that was DSC’s and not a real cookie-cutter-type approach.”

DSC learned enough about the capabilities and implementation details of labor management to gradually take over subsequent site implementations itself.

Solution benefits

- By considering current and historical data, labor management provided DSC Logistics with the ability to more accurately forecast long-term workforce requirements and effectively schedule based on current demand, events, weather, types of automation and associate preference, ultimately reducing waste at the beginning and end of shifts.
- Blue Yonder’s labor management solution enabled DSC Logistics to create a standard methodology for associates to do their jobs, measure true productivity, decrease costs, and improve throughput.
- Labor management made important data more visible, giving DSC Logistics the ability to analyze labor cost impact on ROI for prospective technology initiatives.

Blue Yonder’s expertise

“We had a whole matrix to rank all the vendors, and Blue Yonder rose to the top. The biggest key that we saw was the software itself, because we knew that we could maintain, and manage, and grow a relationship. But if the software doesn’t do what we need it to do, that’s a big show-stopper.”

— Sr. Director, Industrial Engineering & Continual Improvement, DSC Logistics