

## Keeping count

### Seaquist Closures increases productivity and inventory accuracy with Glacier Computers

Warehouse managers know that conducting a physical inventory can be a cumbersome, labor-intensive and disruptive process. “We used to hire 35 people to come in on a Saturday, once every quarter, to do an inventory,” says Thom Raddatz, Warehousing Manager at Seaquist Closures, a leading designer and manufacturer of dispensing closures and systems. “Normally, we run 24/7, 363 days per year, except when we have to shut down to perform a physical inventory.”

However, physical inventories are becoming increasingly rare, and may soon become extinct at Seaquist’s Mukwonago, Wisconsin location, where closures that allow consumers to easily pour, squirt and spread everything from sports drinks and grape jelly to toothpaste and laundry detergent, are produced.

#### **Cycle counting is better**

Instead of conducting quarterly physical inventories, Seaquist Closures now uses rugged mobile computers from Glacier Computer on its 14 forklifts, and warehouse management software from SAP to perform cycle counting, an inventory management procedure that systematically counts a different subset of inventory every day. Take, for example, the situation where a forklift operator is performing a pick operation at a particular pallet that is scheduled for cycle counting. After the barcode for that pallet is scanned, the Glacier system requests a count of the number of boxes remaining on the pallet. If the number the operator enters on the touch screen is different than the number recorded in the database, the computer asks, “Are you sure?” and the operator performs a recount.

In this way, Seaquist Closures maintains a continuous audit of the accuracy of its inventory numbers. Unlike the traditional physical inventory process, cycle counting has the advantage of providing ongoing feedback to the warehouse operation, so that any procedural problems can be addressed quickly. “By acting on this feedback, we have been able to consistently achieve better than 99 percent accuracy, which means that we rarely encounter any variance between the physical inventory and the book values,” says Raddatz.

As a result, Seaquist has gone from quarterly physical inventories to a single year-end physical inventory. Because the year-end checks have verified the accuracy of the cycle count during the past five years, Raddatz expects that the accounting department no longer will require any physical inventories. The cycle counting procedures meet the stringent reporting requirements of the Sarbanes-Oxley Act.

#### **Increased productivity by 35%**

More accurate inventory management is just one of the benefits of Seaquist Closures having fully automated their finished goods warehouse and raw materials warehouse. In the five years since the Glacier forklift computers were installed, productivity has improved significantly, with the Seaquist Closures warehouses handling 35% more inventory with no additional staff or equipment.

Automation also has dramatically improved service. For example, once a forklift operator presses “yes” on the touchscreen to confirm that a truck is loaded and ready to go, the billing processes starts automatically. A legend with barcodes for each of the top 25 freight companies makes it easy for the operator to generate a pick up record (PRO) number for the truck driver. If the customer calls a minute later, a customer service representative can respond immediately with the status of the order and detailed shipping information.

Seaquist Closures is currently installing its second generation of Glacier rugged personal computers. “We originally chose Glacier because they were the only company that was capable of providing both color touchscreens and CPU processing capability that could support the SAP graphical user interface. They also were able to meet our tight delivery schedule,” said Raddatz. “It would have been a disaster if our SAP system was up and running but we lacked the wireless computer terminals on our forklifts to take advantage of the new system.”

### **Rugged and easy to use**

Now, five years later, Seaquist Closures has moved its five-year old Glacier M-stations to mobile carts and fixed locations and replaced them with the newest generation of Glacier rugged PCs. It’s easy to remount the Glacier rugged computers because, unlike other systems, they require no special shock-resistant mounting. Raddatz chose the Glacier model GX-1200 which has a soft-shutdown capability. However, this feature may never be needed, because the GX-1200 also has an internal uninterruptible power supply to power the computer on the rare instance when forklift batteries are being replaced.

“The Glacier rugged computers have been critical to the success of our warehouse automation programs,” says Raddatz. “The Glacier PCs are extremely reliable and easy to use. Our cycle counting procedures and other automation initiatives have succeeded because our people are happy using the Glacier computers and they can perform tasks quickly, easily, and accurately – all of which is good for employee morale and good for business.”