

HOW ONE DISTRIBUTION CENTER FIXED THEIR PRODUCTIVITY FRUSTRATIONS

The distribution center for a national retailer was using multiple temporary staffing agencies to unload freight from overseas. Despite all of that staffing power, the agencies were continually falling behind, resulting in months of sleepless nights at all levels of the facility.



THE CHALLENGE

It was fall and the distribution center was at the height of their peak time, which would go through Christmas. The staffing agencies were behind schedule by more than 500 unworked containers. They weren't doing the job they had been hired to do, leaving the DC in a bind. The impact was felt throughout the retail chain.

Despite plenty of staffing and multiple agencies on the scene, the staffing providers weren't able to execute in a timely manner.

The pressure was palpable, and the stress wasn't limited to the management team — it ran all throughout the distribution center. People at every level were working 12- to 14-hour days, seven days a week, to get through that volume. The relentless pace went on for months.



THE SOLUTION

In March, the facility reached out to Eclipse IA. They were looking for a long-term partner to take over the import off-loading — someone who could provide labor that would keep up with demand and provide a measure of reliability, and do it safely and efficiently.

The distribution center had heard about Eclipse IA's unique productivity pay model and its promise of greater productivity. Exhausted and frustrated with the standard hourly model of staffing, they decided to try a new approach.

The productivity pay model, or team-based pay model, is an incentive pay system that rewards all of the members of a team with the same rate of pay. TBP is based on their performance to complete a productivity goal, such as the number of cases packed or trucks loaded.

Unlike hourly pay systems, TBP rewards the output of the team as a whole and divides the rewards equally among team members. It's a bold and innovative approach, but studies show that it boosts productivity — and it retains more workers.

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THE RESULT

PEAK PERFORMANCE

As we rolled into peak a year later, it was a far cry from the previous year.

At the height of the peak, the highest on-yard container count was a full 70 percent less.

Within the first eight months, Eclipse IA unloaded over 12 million cases, surpassing last year's numbers by 1.4 million cases within the same time frame. This was a huge success and was celebrated as such!

REAL-TIME RESPONSIVENESS

The distribution center sees extreme ebbs and flows of volume throughout the fiscal year. Suddenly there's a peak and the DC needs to bump up the staffing immediately.

Eclipse uses data tracking and on-site managers to anticipate staffing needs ahead of time, and

to adjust in real time. "Because our staffing managers are at the facility, they have an insider's understanding of the client's needs as they arise, and they know how to fill those needs appropriately", states Dale MacAllister, VP of Operations, Eclipse IA.

QUALITY COMMUNICATION

Eclipse's managed team approach also means a quality of communication that the distribution center had never experienced before. Staffing managers are continually in contact with the client and offering proactive solutions to anticipated needs. This gives the DC an advantage in getting ahead of peaks and adjusting to valleys as their needs fluctuate — something they had never experienced before.

This managed team model also means that Eclipse managers know what the employees are doing at the site. They see all day long what the team is doing, and they can make real-time changes to ensure the work is getting done.



THE ECLIPSE IA ADVANTAGE

For companies that need to control costs and increase throughput, productivity pay delivers proven advantages. Our team of experts can guide you through the process, from exploration to implementation. We'll help you think through your particular situation and provide the answers you need to determine whether the productivity pay system makes sense for your warehouse.

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