



## ONE OF PUERTO RICO'S LARGEST DISTRIBUTORS ENJOYS MASSIVE INCREASE IN PRODUCTIVITY AND REDUCES OVERTIME BY PUTTING POWERS IN THE MIX

*Facing unprecedented customer demand and rapidly changing market conditions, V. Suárez, one of Puerto Rico's largest distributors in food, beverage, and consumer goods, turned to the team at POWERS for rapid improvement.*

### BACKGROUND

Founded in 1943 by Vicente Suárez Alvarez and two partners, José Alvarez and Arcadio Suárez, V. Suárez & Co., Inc. has consistently grown through the years with a healthy blend of classic traditions and a modern outlook.

V. Suárez & Co., Inc. is a wholesale and distribution powerhouse. They are one of the largest distributors in Puerto Rico with a diversified product portfolio in the beverage, food, household goods, personal care, and pet categories.

Their organization is renowned for setting standards of performance and integrity within the distribution industry and discovering new possibilities and opportunities.

Faced with unparalleled demand pressure that tested the limits of this vaunted organization to remain competitive and satisfy their diverse and changing customer needs, they turned to the team at POWERS.

### SITUATION ANALYSIS

During our discovery process, our team found that in addition to heightened demand, the makeup of the warehouse picking they performed had changed from primarily pallet-picking to mostly case picking and affected performance.

Our team also uncovered that the facility lacked discipline in its processes and was missing several methods to facilitate efficient warehouse management. The inefficiency led to hiring additional employees that added to the facility's overall efficiency and operating costs.

The Distribution Center (DC) had few performance metrics in place from which to manage the business, and the reported information was often inaccurate.

As a result, we identified several opportunities in the DC, focusing our efforts on the inbound, picking, outbound, and warehouse layout.

### PERFORMANCE RESULTS

Increased Receiving Productivity

**64%**  
Increase in Receiving Productivity

**35%**  
Increase in Picking Productivity

Increased Picking Productivity

Increased Outbound Productivity

**7%**  
Increase in Outbound Productivity

**16%**  
Reduction in Overtime Expenditure

Reduced Overtime Expenditure



## SITUATION ANALYSIS (CONTINUED)

The partner's demand forecasts expected demand to decrease with the ending of pandemic-related benefits. Thus, they wanted to use that transition time to provide our services to their leadership team.

We also looked at the company culture and the behaviors they wished their leaders and team to embody. We found that the client partner's leadership team did not engage well with the employees from a company culture perspective. There were no formal meetings to set expectations, and there was no accountability from the supervisor to the workforce.

## SOLUTIONS IMPLEMENTED

We implemented a plan to evaluate the critical areas of the Distribution Center for improvement opportunities. Our primary goal was to give the leadership team a complete understanding of the activities in the center and the time and resources those activities required to perform accurately and efficiently.

We worked with the frontline leadership team to develop coaching protocols to engage more effectively with their teams, and the team responded very well.

From there, we worked with the partner to develop a staffing plan by work area to manage personnel and overtime. The staffing plan allowed departments to flex employees to other areas of the DC to assist with meeting customer demand.

And finally, we worked with the client's management team to determine the necessary Key Performance Indicators (KPIs) required to measure performance and institute actions to improve performance by area. These metrics included productivity performance, carrier on-time arrival, picking accuracy, and much more.

## THE RESULTS

Our leadership training and development helped instill the behaviors to embody the company's core values and be accountable for performance at a much higher level.

From an operational performance KPIs perspective, receiving productivity increased 64%, picking productivity increased 35%, outbound productivity increased by 7%, and we achieved a 16% reduction in overtime.

## IN OUR CLIENT'S WORDS

"Powers has established sound foundations for us to continue moving forward, it's a business relationship but also a friendship that we've established. It's been an evolution of this process through the [Business Review Meetings] and I believe today we can be satisfied that we are an operations management team that is very professional and that we can up against anyone in this industry."

~Diego Suárez, CEO

"The whole process was a growth experience for the Team and myself. Filled with challenges and learnings about best practices, opportunities and specially about our goals and perspective regarding the operation, our culture and how to manage it with performance metrics, without losing its core building blocks."

~Vicente Suárez, President

"I feel that we have advanced a lot, we have done multiple small things that have added a lot of value. The challenge we have before us is to maintain and improve upon all the metrics that Powers has made available to us. I would like to thank [Powers] for their effort. This will be for us to carry on."

~Edgardo Conty Pérez, VP of Operations

"They gave us tools for the areas that we were not measuring. These tools helped us with our daily workload and plan for the day. The metrics that we are measuring have helped us to make decisions more effectively. The workshops were excellent and they gave us a more positive outlook. I have grown professionally, I see things from a different perspective, I am more analytical, I see more metrics and reduced waste"

~Javier Vasquez, Manager Outbound

"The tools we are using help us better understand our Operation. These are tools that give greater structure to our Operation."

~Ana Seda, Manager Inbound

"During this project I learned the importance of collecting, measuring and analyzing valuable information on the operation so that, with it, I can make the right decisions and improve the performance of the company."

~Steven Aviles, Supervisor Inbound

## IN OUR CLIENT'S WORDS (CONTINUED)

"During this learning process of the Aurora Project, I managed to acquire a series of tools that will help me become more efficient as a Supervisor. Comparing daily, weekly and monthly results of my work area (DWOR) help me identify and have answers for barriers that prevent me from continuing to increase my productivity and efficiency. I am sure that by considering and using these tools actively I will be a better leader and help and guide my "muchachos" so that they continue to grow professionally.

**~Juan Caballero, Supervisor Inbound**

"With the Powers team I have learned to manage and give more life to the numbers, reports, and tables. To see that they are not only generated to merely inform, but used to be analyzed and make improvements. It has changed the way of seeing the entire DC as just one team, and improving communication for the success of everyone, the department, and the company. I have learned that the key to everything is to follow-up on how things are going, how changes are executed and to see that everything is done as established."

**~Hugo Nieves, Manager Picking**

"With the work of the Aurora Project we can conclude that compared to dates prior to the start of the project, it was possible to create metric standards and identify a projection of the numbers or the place in which we should position ourselves. In the case of the beginning of the project we were able to identify a large number of barriers that had not allowed us to fully reach the numbers we are looking for, but we also see a greater speed when taking action and working with these barriers. We are now able to connect with our staff by communicating to them where we are and where we want to reach, and being specific about how teamwork will always be the key to success."

**~Zuleika Suárez, Supervisor Picking**

"Over the past few months we have made a number of modifications to our execution system based on recommendations from our Powers teammates who have helped us create and/or maximize execution tools to measure and track our employees' performance. They have provided us with new tools that give us a more complete view of what we have in our team as well as tips to facilitate our work. Personally I am very grateful for what I have learned during these past months and I know that all this will help us achieve our goals in the near future, I know that these tools and knowledge will continue to be part of our daily lives and will be passed on to future generations of employees of our V. Suárez family."

**~Allen Forti, Supervisor Picking**

