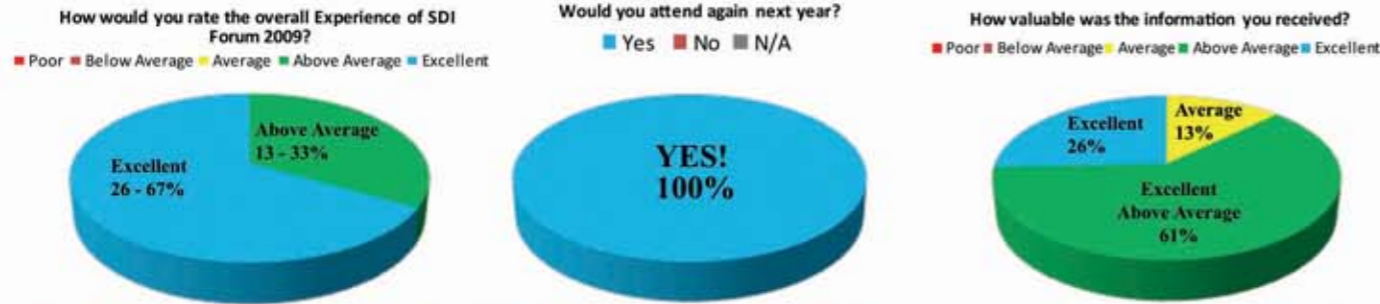


SDI Logistics & Supply Chain Forum 2009

"Partnering with the right companies and honing in on prudent logistics strategies will help companies survive the current down cycle and prepare themselves to get a jump when it turns up", said supply chain executives speaking at the 4th annual SDI Industries Logistics & Supply Chain Forum, held April 2-3 at The Venetian in Las Vegas. Speakers included logistics leaders from Nike Inc., Loehmann's, NYK Logistics Inc. and others, who joined visiting executives from Nordstrom Inc., JC Penney, Byer California, Baby Phat Clothing, Levi Strauss & Co. and Hot Topic, among others, to discuss topics such as globalization, cost savings, reverse logistics and operational improvements. As import activity remains sluggish and expenses remain high, visiting warehouse managers and logistics officers were looking to the conference to improve efficiencies in order to improve their shrinking bottom lines.



Attendee Feedback



EMPLOYEE focus centre



Since 1997, Shemiran Petros has been a key member of the SDI team. Shemiran's specialty is in both DC & Store Logistics Solutions. She has worked with Nordstrom's Inc. to provide back of house solutions that enable employee's to handle product efficiently. Shemiran's main focus on any project, is efficiency, accuracy, project fulfillment and great customer service.

Shemiran is just one of SDI's employees dedicated to logistics solutions for customers. SDI would also like to congratulate Shemiran on the recent marriage of her daughter. SDI wishes Shemiran and her family the best in the years to come.

SDI News

May 2009



Story by Krish Nathan
Executive Vice President
SDI Industries/ USA



"THE LOS ANGELES BASED INTEGRATED MATERIALS- HANDLING COMPANY MEETS NEW CHALLENGES ON THE LOGISTICS FRONT"

"Over the years, we have seen the distribution model shift to offshore sourcing as well as the growth of e-commerce. We have adapted to the changes. Retailers used to do store allocation in their distribution centers. A t-shirt maker, for example, would ship in bulk to a retailer. That retailer would perform store allocations and send the products to various stores. Retailers have been pushing this activity and hard work upstream to their vendors. They're saying, "I want my merchandise packed and ready for my stores so that it can be cross docked through the distribution center to the store." (It's a huge trend that's one of the areas we've been able to help). We understand the retail business. Our company is set up to serve companies such as Nike, as well as smaller operations like those for Pasadena, California.- based start up MyShape.com and Los Angeles based Ed Hardy. The recent downturn in the economy, has forced us to adapt to the clamp on capital outlays for equipment and software systems. Retailers and wholesalers are trying to gain margin. They are selling less product so they have to get more efficient. One way is to get more out of less. We are doing more retrofits. We maximize volume and throughput within the existing four walls. It's helping our customers to save money. We still see plenty of opportunities to help companies who are in a manual or semi-automatic mode of operation. Companies generally don't think about distribution activity as a way of enhancing margins. We're able to give them more savings, which eventually drops to the bottom line."



AISL/SDI installs state of the art solutions

Interview granted by Gabriel Ortiz, DC Manager for Ripley & Cristian Castro, Planning & Control Manager at the Redex DC.

Q: Can you comment on your general appraisal of the installation items already in place at the new distribution center and which were supplied by AISL/SDI?

A: "We rate the items already fitted at the new Redex distribution center as "state of the art" (meaning to say they encompass the highest development level). Such items are indeed the best and most modern goods available when it comes to their design, engineering and equipping factors. One of the most note-worthy aspects is that all the assembly, mounting and commissioning stages were carried out and completed in a period of 12 months."

Q: What are the main features of the installation work carried out by AISL/SDI, and is such work contributing to the optimization of the logistical processes performed at the Distribution Center?

A: "One of the differentiating features of the Redex Distribution Center is its high degree of automation. The noteworthy illustration we can quote here is the 10,000 meters long state-of-the-art conveyor belting that allows for a superb optimization in the flow of all goods inside the premises. This feature fits in nicely with the minimum staff movements now needed when meeting such requirements. These conveyors are well integrated with the Warehouse Management System (WMS) that manages the storage facilities in real time while achieving a higher level of visibility and control of the overall operation. Another differentiating factor and perhaps unique in Latin America, are the fully automated machines allocated to the sorting out of clothing items. The Ripley Distribution Center is fitted with three units of this kind (hang sorters) and one equivalent used for sorting out folded garments (flat sorter). First and foremost, these equipment items allow the Distribution Center to secure productivity levels that may double or treble in some cases the output of an equivalent manual operation, as well as retaining accuracy levels close to perfection. It goes without saying that these features do finally translate into optimum service level and world class costs."

Q: What influenced your decision to go forward with the AISL/SDI on this project? Did their experience bear any weight in the implementation of such retail industry distribution center?

A: "Certainly the know how and reputation of AISL/SDI were crucial at the time of deciding who should team with us in the project development stage. AISL/SDI has a track record extending over many years and has performed similar contracts with noteworthy retailers of the likes of JC Penney, Nordstrom and others. Further more, AISL/SDI has the capability of integrating the business processes of any company with its storage and distribution needs while delivering the best results you can possibly expect. It is not only a question of supplying inordinate amount of goods and arranging for their installation, but making a real contribution that will translate into an efficient logistics operation for Ripley."

"Indeed, we have allocated a very positive mark to AISL/SDI's formal handover of the Distribution Center works, whose technology allows it to rank as the most modern of its kind in Latin America. It is a building that we are using in line with our transition process' requirements and has fully observed the timetable highlights issued by the AISL/SDI staff. This Distribution Center allows us to put to good use a splendid possibility of improving the service to our suppliers, stores and end customers alike. Meeting our efficiency and commercial objectives by means of a competitive tool that differentiates us from all other retailers comes as a very welcome plus factor".

-Gabriel Ortiz,
Distribution Manager at Ripley.



Total surface: 667,000 Sq. Ft.
Pallet positions: 17,000
Extra wide racks: 5,400
Cranes: 38
Hang down line: 7 miles
Conveyor belting: 3.8 miles
Locations: 69,817
Shelving positions: 36,000
Floor positions: 500
Doors: 102

An original Company for more than 150 Years

Levi Strauss & Co. operates 84 company owned retail stores in the United States. In order to support their retail strategy, LS&CO. contracted SDI Industries to design, engineer and implement a new retail distribution process. After extensive analysis and considering a variety of alternatives, SDI and Levi's launched a separate, self contained retail processing area within their existing 1.1 million sq. ft wholesale DC in Canton, MS. The design utilizes leading technology to fulfill store orders. SDI implemented their WMS Lite software solution, a fully functional warehouse management system that handles all aspects of inventory control, receiving, put away, picking and shipping. In order to deliver an economical solution, SDI effectively re-used an extensive amount of existing racking and conveyors. The solution also required full integration of the FKI manufactured Accuzone. All routing and conveyor controls were successfully interfaced with the WMS by SDI's Warehouse Control System (WCS).

The new facility was a tremendous success for Levi Strauss & Co. It separates wholesale & retail processing and adds significant throughput capacity. It's capable design will effectively support future growth.



"SDI provided a cost effective solution that meets the challenging demands of our retail strategy. SDI delivered on their commitments by ensuring that our new retail processing area opened on- time and on- budget."
-Brian Wehner, Director of Retail Logistics



SDI WMS 'Best of Breed'

SDI WMS (Warehouse Management System) is designed to maximize the efficiency of warehouse operations. By employing the 'Best of Breed' features, the SDI WMS can be implemented at a lower cost without requiring costly customizations to the software. The SDI WMS system is flexible and will allow clients to maximize their operations efficiently while handling larger volumes with more complexity as their business grows. Whether your operation is simple or complex, the SDI WMS has robust features that are intuitive and easy to use. The SDI WMS will track and control all processes including receiving, putaway, inventory management, order processing, and shipping while maintaining near 100% inventory accuracy and maximizing productivity. SDI Industries can enhance and improve your companies operations by intergrating more complex material handling solutions that seamlessly interface with the SDI WMS. Please visit our website at www.sdiindustries.com to obtain information on SDI professional services offered.

For more information on the SDI WMS, please contact Wes Downie at (678) 232 - 9611 or WDownie@sdiindustries.com.

