

**SDI Announces our new NEW JERSEY Maintenance Office!**



SDI is pleased to announce that the Maintenance Division has opened a new full service office in the New Jersey Region as of July 2009.

This new office will allow SDI to be more responsive to the needs of its clients in the East Coast Region. SDI Teams of highly trained technicians can now ensure that you receive optimal performance and uptime on your equipment.

Director of Maintenance: Jim Baum  
 Cell: 818.425.9130 Tele: 719.382.3312 [jbaum@sdiindustries.com](mailto:jbaum@sdiindustries.com)  
 100 Middlesex Center Jamesburg, NJ. 08831

**"She received a symbolic carton"...  
 President Bachelet inaugurated Ripley's DC in Chile.**

At the very end of the carton sorter installed at Ripley's brand new distribution center, the Chilean President Mrs. Michelle Bachelet received a symbolic "presidential courtesy carton" at the conclusion of the official inauguration ceremony. These key facilities are now in full operation, after several months of unofficial operation, becoming the most advanced full line retail DC in South America. Senior company executives summarized this inauguration in the following statement: "This \$48 million, 62,000 meter distribution facility incorporates "State- Of - The - Art" technology that cannot be found elsewhere throughout the region. This initiative will enable our company to further improve the service standards afforded to our customers and suppliers alike".



Chilean President Mrs. Michelle Bachelet receiving a symbolic "presidential courtesy carton" which signalled the conclusion of the official inauguration ceremony.  
 Far Right: Gabriel Ortiz Ripley Distribution Manager.

The inauguration ceremony was attended by Chile's President, Mrs. Michelle Bachelet and the Minister of Labour, Mrs. Claudia Serrano. They were hosted by Mr. Felipe Lamarca and Mr. Lazaro Calderon, Ripley's Chairman and General Manager respectively. The founders of the company, Mr. Marcelo and Alberto Calderon Crispin were also in attendance. Mr. Patricio Berstein, General Manager of AISL, the local SDI company and other senior executives also attended this significant ceremony. Mr. Berstein was accompanied by the SDI team of professionals and workers that were involved in the design, execution and equipment implementation stages of the new DC, some of whom are posted on site to provide on-going maintenance and support.



Pablo Damas was born in Mexico City and shortly after receiving his B.A. in Electrical and Mechanical Engineering, moved to Los Angeles. Pablo first worked as a project engineer for Panasonic. There he was in charge of supervising 6 production lines and designing fixtures for mass production of rechargeable battery packs. Pablo has been with SDI going on ten years and is currently an associate in our consulting division. Over the years, he has worn many different hats designing materials handling systems design, engineering, research and development and project management.  
[pdamas@sdiindustries.com](mailto:pdamas@sdiindustries.com)/ 818.890.6002 ext. 226

**SDI...**  
 News

**SDI SEES LIGHT:**



Most of us within the Retail Supply Chain Community have felt some degree of pain resulting from the recent massive downturn in the global economy. SDI is fortunate to announce that even under these very difficult conditions, we have recently signed contracts with clients both new and old. Our hope is that this is an early sign that the economy is beginning to get its legs. SDI has recently secured contracts with top retailers such as Jimmy Jazz, UPS, JC-Penney and Nike.

The Nike project is an expansion of an existing SDI installation. This includes SDI's Bomb Bay Flat Sorter with associated conveyor systems. The installations at UPS that SDI is nearing completion on consists of a motor conveyor, utilizing a 24 Volt MDR (Motor Driven Roller), which is also an SDI product. JC Penney recently placed an order to extend and increase capacity on an existing hang sorter. The retrofit will be 30% faster than earlier models. With much to be grateful for during these trying times, SDI realizes that the rough seas of today's economy are far from settled. We value our partnerships with customers and vendors alike, and our commitment continues to center on delivering efficient solutions at the best value.

**THE STRONG WILL SURVIVE...**

**How the global crisis is dramatically impacting us today.**

The global crisis is having a dramatic impact on all of us. We have seen government intervention to encourage spending and restore confidence. In spite of this, many retailers reported negative comp store sales in July.

Retailers that "bucked" the trend included, TJX +4%, The Buckle +2.8%, and Aeropostale +6% (source CA. Apparel News). However, even though the ICSC (International Council of Shopping Centers) predicts weak sales will continue in September. Many organizations have made a decision to focus on improving efficiency. For example, consolidating two facilities into one or bringing an out-sourced activity in house. The trend is definitely taking hold as we see organizations begin to think more strategically.



**SAVE THE DATE**  
**APRIL 29-30th 2010**



**SDI Industries Presents: The Fifth Annual Logistics & Supply Chain Forum at the Four Seasons in Las Vegas, NV. April 29th-30th, 2010**

SDI Industries is gearing up for our Fifth Annual Logistics and Supply Chain Forum. We have reserved a block of 150 rooms for our visitors and locked in a great early booking rate at The Four Seasons Hotel in Las Vegas NV. To Register and sign up for our free room give- a- way, go to our website at [www.sdiindustries.com](http://www.sdiindustries.com)

# Auto Pac

## #1 in Distribution Automation...

Schenck Company, currently one of the top 20 beer distributors in the country, is a home grown, Central Florida based organization that began operating in 1954. Since then, Schenck has grown from a staff of six employees distributing Miller Brewing Company products, to a multi-faceted company of over 600 associates. Schenck represents more than 70 different suppliers, more than 190 brands and provides services to over 5,000 retail outlets. Its portfolio includes multiple product lines from core beer offerings such as Miller, Coors, Heineken and Corona, among others, to some of the best craft beers, non-alcoholic beverages and snack foods. Schenck operates in 6 counties in Central Florida. The company has been recently recognized as one of Florida's top 100 privately held companies.

### THE CHALLENGE

The Schenck Orlando distribution operation builds pallets of beverage cases to fulfill orders for its clients. This process for beverage distributors requires a great deal of labor. Joe Puglia, the Schenck Vice President of Operations, saw an opportunity for significant improvements in efficiency and labor cost by automating the process.

### THE SOLUTION

Real Time Integration with SDI Industries controls and software integration division, were contracted to integrate the system operation. Working with Schenck, the pick system software designer, the conveyor vendor, and the automated palletizer vendor, RTI developed and implemented a reliable accurate system for automatically building pallets of beverage cases to fulfill orders.

### THE SYSTEM

The system has four principle areas for automated conveyor controls. These include the in-feed conveyor, the case dispenser, the out-feed conveyor and the automated palletizers. Lift trucks load the cases onto the four in-feed stations that route the cases into the case dispenser. Cases are dispensed to the out-feed conveyor and travel to the palletizers. The palletizers build the pallets accurately and with the required stability for transport on the delivery trucks.

Once the pallets are built, a pallet information document prints out and is attached to the pallet. The pallets are then conveyed to a staging area for loading on trailers.

### THE ANSWER

RTI developed and implemented a software application that receives pallet data from the Schenck pick system software. The data received includes pallet identifiers, SKU quantity, pallet position and layer pattern. AUTOPAC enables Schenck operations supervisors to assign case dispenser lanes to SKUs and load the required SKUs into the dispenser such that the location of the inventory is accessible as needed. AUTOPAC selects a pallet to build and initiates the dispensation of the cases for the pallet in the correct sequence. The cases are scanned and verified as they are dispensed. As the cases travel to the automated palletizer, AUTOPAC updates the palletizer control system with the layer pattern and quantity for each pallet layer. AUTOPAC builds the pallets. A printer at the out-feed control system prints layer pattern and quantity for each pallet as it exits the system. Following the Schenck established order/pallet priorities, AUTOPAC selects and builds pallets in the order needed for the truck loading process. As AUTOPAC selects pallets to build, it creates a list in order of priority for the SKUs that must be replenished in the dispenser as the existing cases are depleted.

Story By: Ruediger Lueg - President of RTI/ SDI software division

“ Working with Schenck, the pick system software designer, the conveyor vendor, and the automated palletizer vendor, RTI developed and implemented a reliable and accurate system for automatically building pallets of beverage cases to fulfill orders. ”



Left to Right: Hassan Elkholy - Director of Facility and Logistics, Ash Elsaai - Director of Systems and installation experts from SDI Industries.



SDI Flat Bomb Bay Sorter

## Jimmy Jazz... Turning Tough Times Into Opportunity!

Jimmy Jazz is a very "cool" youth oriented retailer that has 80 stores, which they service their Secaucus, NJ distribution center. Owner Jimmy Khezrie is one of those great, American entrepreneurs who are making the best of bad times. He has just boldly purchased the Indianapolis chain MANALIVE which literally doubles his number of stores! SDI met Ashraf Elsaai, who is the Director of Systems for Jimmy Jazz back in 2006. Jimmy Jazz had another supplier with a 3 year old flat item sorter in their DC. Ash was not satisfied with the labor savings or accuracy of the sorters packing process. The sorter's limited capacity was adequate for their throughput needs but its software was limited. SDI recommended that they replace the software with RTI's Warehouse Sortation Software, ("WSS") "the cream of the crop", among retail sorting controls. This was undertaken and packing labor was halved immediately. Late last year, the number of drop stations on the sorter became an issue, so SDI was contracted to expand the sorter, out-bound conveyor and attendant controls to meet that need. At the start of 2009, Jimmy was wrestling with the decision of buying the MANALIVE chain. Beyond the challenges of the economy, clearly his DC was not capable of handling the additional stores volume. Fortunately there was available space adjacent to his DC. SDI provided several weeks of consulting efforts to design the optimal blend of existing and new equipment to meet the needs and do it at the right price! Jimmy Jazz made the bold commitments to buy the new chain, lease the additional space and work with SDI to execute the plan. In mid-July, we began the installation of the system. This new set of tools will feature a 200 store Bomb Bay sorter for apparel and accessories. The new sorter is integrated into the structure of a platform which will house the relocated existing sorter, to handle footwear, utilizing the building's cubic space. The careful planning and executing of a phased installation will allow Jimmy Jazz to operate, virtually unencumbered, through the critical fall season as they assimilate the new MANALIVE operation and fill both chains of stores with their great merchandise! Congratulations to Jimmy and his team on seizing the moment. SDI will be right there beside you to make it go!

Story By: Steve Haskell-Vice President SDI Industries

## SDI Introduces a "Greener" Conveyor to help save the environment...

When so many organizations are striving to reduce costs, save energy and be more environmentally friendly, SDI has begun a major initiative on a 24 Volt Motor Driven Roller Conveyor application. Existing users include **Levi Strauss, UPS, Stage Stores and Peebles**. The overall product advantages include lower overall system cost vs. traditional conveyors, the system runs on demand operations which require less energy. The MDR Conveyor also reduces system noise emissions with regards to the conveyor and sortation systems, making it so conversations can take place next to the conveyor using a normal voice. Standard conveyor modules are factory assembled for quicker installation and easier start-up. The SDI/ MDR conveyor systems operate at a significantly lower energy consumption rate than competitive AC powered systems. The systems power is delivered to the conveyor via low voltage, making the systems safer for operators working directly with the conveyors. Since each conveyor component has individually powered zones, systems are easy to layout and reconfigure. Another interesting feature is that old conveyors can be retrofitted without replacing the frames of existing conveyors, thus minimizing installation costs.

