

Baking & Snack

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in Ship Shape

Rob Burch had a feeling he could save a ton of money by simplifying and streamlining the dispatching system at Labriola Baking, but he just couldn't get to it fast enough. After joining one of Chicago's premier artisan bakeries last year, the new COO faced a list of urgent priorities that all needed his more immediate attention. That's because the company had just moved across town to a 173,000-sq-ft facility that was four times the size and 10 times more complicated than its previous bakery in Alsip, IL.

After installing new and existing equipment, Labriola Baking needed to train its bakers on how to operate its new production lines while continuing to supply customers — some of them twice a day — with its signature baguettes, boules, brioche and 350 other SKUs of breads and rolls, many of which are still made by hand using time-tested processes.

"Packing was the last great frontier that we had to deal with," Mr. Burch said.

At the International Baking Industry Exposition in Las Vegas, NV, last fall, Mr. Burch finally had time to tackle that issue, and he stopped by ToolBox's booth to get more insight as to how its dispoTool system might work for a mid-size baking company. By replacing the bakery's cumbersome order and dispatch system, ToolBox representatives said, the dispoTool software would help Labriola Baking experience better on-time service for its drivers, improved inventory control and increased product picking productivity that would result in up to 30% savings, which Mr. Burch called an "attractive" return on investment.

To explain more about how dispoTool works, ToolBox offered Mr. Burch the chance to visit some bakeries, but he chose to go to www.toolbox-software.com because of his busy schedule. There, he viewed several videos of the system and saw how the paperless methods offer route staging by using touch-screen PCs and dispatching with a Matrix display hung above the staged products for every route. For larger retail customers, ToolBox offers a dedicated Matrix display. Along with the software's production recording system, dispoTool provides accountability and inventory control by tracking what has been produced and how the products are shipped even in various packaging formats.

Because it's an artisan baker, however, Labriola Baking's operation is smaller than the larger baking companies using dispoTool, but more complex, according to Mr.



▲ At Labriola Baking in Alsip, IL, Rob Burch (left), COO, and Victor Martinez, plant manager, rely on a touch-screen PC system to streamline inventory building and dispatching of products.

Burch. Moreover, many of its baked goods typically aren't packaged in conventional plastic bags with UPCs printed on them. Rather, most of its breads and rolls are shipped fresh in plastic trays, cartons and even loose paper bags on 28 routes to food service and retail accounts throughout the region. In many cases, one route may get a couple dozen pieces while others get just a handful. "In our gut, we felt we had too high of a cost and an inefficient approach to dispatching and filling orders," Mr. Burch said. "We just didn't have the metrics or a good way of identifying improvements to on-time performance."

To document this potential for savings, ToolBox spent several days analyzing Labriola Baking's operation and then showed its analysis to Mr. Burch. "I saw the good, the bad and the ugly," he said. "What became clear to me was it wasn't just a software system. It was the whole approach to identifying processes that could be integrated and leveraged through its software technology." In February, Labriola Baking finally installed the dispoTool system, and ToolBox began training the bakery's employees. Under the new system, the products come off the production lines before they are staged in an inventory area. Dispatchers then



◀ Labriola Baking uses a wide variety of packaging formats to ship its signature artisan breads and rolls to its customers.

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follow a simple routine where they use the touch-screen PC to highlight a specific product type and then select the number of products from the inventory area. Afterward, the employees walk around a wall to dispatch the correct number of products under the Matrix display for each route in the warehouse's staging area before returning to the touch-screen PC to close out the cycle when they're done. In another area, the Matrix displays are used in the opposite way: one display per product. The PC lists the customers, and the displays show the quantities to pick.

"It has been a huge success, and fast," Mr. Burch said. "Because of the repetitive nature, you can feel comfortable with the system quickly. Within two cycles, some of our employees had huge smiles on their faces. They couldn't believe what was happening with the system."

In terms of hard costs, Mr. Burch estimated that Labriola will save \$10,000 annually in paper alone, not including the ink cartridges or labor it took to print out the bulky order fulfillment forms the bakery used on a daily basis. To improve dispatch speed, ToolBox showed Labriola where to place the staging area to simply eliminate extra steps and reduce the time it takes to stage and load products. The system also requires fewer people in the back of the bakery to dispatch products. That's a critical benefit because employee turnover in the warehouse area tends to be higher than in other parts of the bakery.

Labriola Baking also achieved savings in what Mr. Burch called soft costs that are difficult to measure such as improved customer relation, less waste, lower ingredient costs and less fuel being used for second deliveries to make up for short orders. "Did [ToolBox] deliver on its promise? You bet," he said.

Mr. Burch noted the bakery has only completed phase No. 1 of integrating its operations using the dispoTool. Phase No. 2 will involve installing further terminals in the proofer and oven areas so the bakery's production personnel and dispatchers can communicate on building inventory and streamlining order fulfillment. "We could even link it back upstream to the makeup area to determine if we made the product and are pacing where we should be, and that would be a paperless system, too," Mr. Burch said.

Phase No. 3, he added, will bring in a dispoTool system for Labriola's frozen baked goods operation.

In the end, Mr. Burch said, he would have done only one thing differently. "If I had to do it all over again," he noted, "I would have done it a lot sooner." ■

— Dan Malovany

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