

# UKG for Distribution

## Uncover hidden capacity with UKG for Distribution

In order to excel, distributors must successfully address the diverse demands of a shifting environment. Increasingly, customers are calling for faster turnaround, shorter lead times, and up-to-the-minute order and shipment information. Despite increases in operational costs such as labor, customers expect unprecedented levels of flexibility and responsiveness. For many distributors, this means having to do more with less.

While the climate has changed, one business fundamental has not — customers are still looking for perfect orders, and distributors are striving to deliver them. A solution to this riddle is surprisingly close. Distributors able to uncover hidden capacity can increase throughput and hold down costs while realizing higher profits in the process. They're also better able to flex their workforce in response to changes in demand, last-minute orders, and unplanned events.

Warehouse management systems (WMS) can help optimize the movement and storage of goods, and customer relationship management (CRM) and enterprise resource planning (ERP) solutions can provide transactional data, but neglecting to optimize your workforce means missing out on what is arguably your greatest single opportunity to impact profit and service levels. In a labor-intensive industry like yours, the ability to deliver perfect orders profitably depends entirely on the performance of your people. For this reason, effective labor management is the ideal place to begin process improvement.

### Drive profitability by controlling labor expenses

Reducing controllable costs, such as labor, is the single most powerful way to drive profitability. UKG (Ultimate Kronos Group) for Distribution helps you curb labor costs by improving how you track and control labor expense throughout your organization. It begins with gaining visibility into where cost inflation is occurring — whether it's in the form of excess overtime, unplanned absences, or idle time. Then you can address these issues precisely and effectively by flexing your workforce to maintain service levels when unplanned absences or last-minute orders occur.

### Key benefits

**Control labor costs** by automating manual, error-prone timekeeping and payroll processes

**Link labor costs to orders, customers, and value-added services** or more accurate labor costing and more profitable bids

**Uncover hidden capacity** by minimizing idle time and aligning labor to demand

**Drive quality service** by integrating labor and pay data for accurate, well-managed incentive-pay programs

**Minimize compliance risk** by appropriately applying rules and policies associated with state and federal labor laws, industry regulations, and union agreements

With UKG for Distribution, you can find best-fit, best-cost workers to reallocate across the floor. Alerts let you know when employees are approaching overtime so you can make more cost-effective scheduling decisions without jeopardizing service levels or delivery deadlines. And when absences occur, you can find the most appropriate replacements and even reallocate underutilized workers to fill the gaps. As a result, service levels aren't jeopardized and costs are controlled, even when responding to unforeseen events.

Without insight into your own cost structure — including the labor costs associated with completing orders — accurate job costing can be a challenge. Overbid and you lose business to competitors. Underbid and you can't cover costs. Only UKG provides tools that enable you to reconcile labor hours to payroll data for 100% job costing. No more "best guess" estimates and unexplained variances. With UKG for Distribution, you can account for every labor dollar spent so you can better manage labor to budget and remain competitive.

### Optimize productivity and achieve quality service

Quality service isn't delivered by your equipment or systems — it's delivered by your people. In a complex, demanding environment pushing you to do more with less, maximizing the productivity of your workforce can mean the difference between success and failure. By identifying pockets of available capacity, you can leverage existing resources and improve efficiency with no additional labor expense.

In the distribution industry, order fulfillment rates, cycle time, and perfect order metrics are critically important, putting your workforce at the forefront of

your ability to achieve service levels and drive revenue. If you can't manage what these employees are doing, it's tough to maintain operational excellence and adapt to changing conditions.

With UKG for Distribution, you can make sure workers are properly aligned with demand to optimize costs and service levels. You can pinpoint problem areas and take appropriate action to minimize idle time that could be directed toward revenue-driving activities. You are also able to implement incentive pay programs linked to the key performance indicators (KPIs) that matter most to your organization, ensuring your program is managed accurately, consistently, fairly and, most importantly, is aligned with your strategic objectives. With detailed insight into the relationship between labor costs and productivity, you can easily make adjustments to increase operational efficiency and drive bottom-line results.



Lipari Foods **INCREASED** productivity to the equivalent of

**8%-10%**

of total payroll costs.

### Build a compliant environment

UKG for Distribution helps minimize compliance risk by consistently applying rules and policies associated with state and federal labor laws, industry regulations, and union agreements. Employee payment is accurate and on time. Managing complex union agreements, OSHA reporting, and FMLA leaves of absence is simplified, as is making certain you're complying with them. In addition, UKG for Distribution helps foster a safe work environment by ensuring employees are scheduled in accordance with their skills, certifications, and licenses.

### Differentiate your center with added services — and value

If you provide value-added services such as kitting, custom packaging, simple assembly, or special product labeling, chances are your WMS can track the services but not the labor costs associated with them. UKG for Distribution can fill this critical gap by tracking comprehensive labor data, including costs, associated with value-added operations. With insight into the complete labor costs associated with each order, you're better able to drive profitability as you deliver value to your customers.

### Gain a competitive advantage

Don't miss out on a significant opportunity to reduce costs, boost profit margins, uncover hidden capacity, and deliver quality service. With thousands of installations in organizations of all sizes, UKG has the expertise to help you manage your most valuable and expensive strategic asset — your workforce — for a competitive edge in today's demanding distribution market. At UKG our purpose is people™.

**The UKG suite has been a major tool in many of our cost-saving initiatives ... We're able to do more with less and we're better at doing it.**



Brian Zilo  
Human Resources Director, Lipari Foods

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