



## Maximizing Efficiency, Minimizing Costs:

## CJ Logistics' Labor Management Success

### 1 Introduction

CJ Logistics, a leading provider of warehousing and transportation solutions in regulated industries such as food and beverage, healthcare, automotive, and consumer packaged goods, operates across 60 cities and 21 states in the US. Recognizing the critical role of labor management in delivering superior service and competitive pricing, CJ Logistics embarked on a network-wide labor management initiative aimed at optimizing costs and enhancing operational efficiency through process improvements and the adoption of a state-of-the-art Labor Management System (LMS).

### 2 The Challenge

With over 60 sites and a diverse client base, CJ Logistics sought to gain a comprehensive understanding of their cost structure to serve each customer effectively. This required insights into various factors such as labor requirements for managing different order types, pallet building, equipment handling costs, and more. To address these challenges, CJ Logistics leveraged Blue Yonder's Labor Management Solution and the expertise of Jim Chamberlain to achieve their objectives.

## 3 The Solution

Collaborating closely with the team at CJ Logistics, Chamberlain led a multi-phased approach to implement a labor management program across their network:

### Phase 0: Project Kick-Off

Chamberlain facilitated open discussions across all levels of the organization to ensure alignment and foster confidence in the program's objectives.

### Phase 1: Interface & Configuration

Chamberlain worked alongside CJ Logistics' IT team to establish seamless integration between Blue Yonder's LMS and their in-house Warehouse Management System (WMS), enabling dynamic engineered labor standards.

### Phase 2: Observations

Thorough observations and measurements were conducted to identify inefficiencies and areas for improvement in task execution and shift transitions.

### Phase 3: Best Practices Development

Collaborating with management and floor associates, Chamberlain developed and implemented best practices tailored to optimize processes and workflows.

### Phase 4: Validation and Sign-Off

The developed standards underwent rigorous validation with the operations team to ensure accuracy and alignment with expectations before proceeding to implementation.

### Phase 5: Training

Comprehensive training programs were conducted to equip associates and leadership with the necessary skills and knowledge to implement and sustain the new standards effectively.

### Phase 6: Rollout of Accountability and Recognition Programs

Accountability and recognition programs were instituted to incentivize performance improvement, with employees sharing in the savings generated by exceeding expectations.

## 4 The Results

The initial rollout of the labor management program resulted in a remarkable 20 percent reduction in variable labor spend, demonstrating its effectiveness in driving operational efficiency. Encouraged by these results, CJ Logistics expanded the program to an additional 50 sites, with new sites incorporating the program from inception.

Armed with a comprehensive understanding of labor costs, CJ Logistics is now better positioned to serve their customers efficiently by accurately pricing services and delivering against promises. Moreover, they can proactively educate their sales team and customers on cost-saving opportunities, further enhancing their value proposition. For instance, for one customer that consistently filled orders of 85 units, CJ was able to show them how bumping up to 100 units would enable a full pallet order that could save the company handling costs.

### Alpine Supply Chain Solutions and Blue Yonder

As the Chair of Blue Yonder's LMS Special Interest Group, Jim Chamberlain played a pivotal role in facilitating collaboration and knowledge exchange within the user community. Through monthly group meetings, he led discussions, shared best practices, and addressed challenges faced by users of Blue Yonder's LMS. By actively engaging with the user community, Chamberlain not only provided valuable insights but also influenced the future roadmap of the LMS product. Their leadership and contributions helped shape the direction of the LMS, ensuring that it meets the evolving needs and requirements of users looking to optimize labor management within their operations. Today Chamberlain is Senior Managing Director at Alpine Supply Chain Solutions responsible for leading the firm's Labor Management Practice.