



CASE STUDY: Western Pacific Storage Solutions and Fortna help Shimano American Corporation expand distribution centers, refine processes and improve efficiencies

Los Angeles: Six years after expanding their east coast operations in 2006, Shimano American Corporation, the U.S. subsidiary of Osaka, Japan-based Shimano, Inc., seemed adequately positioned for future growth in their Irvine, CA and Ladson, SC distribution centers. Given a transformational business climate, new materials handling technologies, demographic changes, and continued expansion of product lines, the company needed to increase square footage, and maximize workflow.



It's more than just wheels and reels at Shimano. The company is a highly-respected manufacturer and distributor of quality bicycle components and multiple brands of fishing tackle. It maintains a product range broad enough to accommodate both weekend warriors, and professional anglers and athletes. Shimano American also make high-end G.Loomis fishing rods at its facility in Woodland, WA, PowerPro braided fishing line in Grand Junction, CO, and distributes its Pearl Izumi technical athletic clothing line – offices based in Louisville, CO - to devotees across the Unites States and Canada.

Allen Johnston, Senior Manager of Operations at Shimano American elaborates: "We needed to improve our operational capabilities through facility expansion and process efficiencies. Our customers expect same day

shipments with improved transit times. Our products are so diverse, consisting of both hard and soft goods, and components of varying size – we needed to improve our process efficiencies and storage capabilities, so we looked to Fortna, and Western Pacific to help us achieve our objectives."

The supply chain and materials handling experts from Fortna, along with engineering and fabricating specialists from Western Pacific Storage Solutions (a manufacturer of industrial shelving and work platforms) partnered to move Shimano's distribution centers to the next level of excellence.

Western Pacific's Deluxe shelving system was selected for the projects; it provides a flexible mix of storage options for heavy-duty, multi-level applications.

The primary goals were to:

- significantly increase square footage at both distribution centers
- upgrade facilities to meet new codes at the Irvine, CA location
- seamlessly integrate brand new, Deluxe multi-level shelving from WPSS with existing product of a different make
- increase the number of 'pick locations,' and utilize flow rack for higher-volume pick SKUs.

Since the Irvine and Ladson projects were unfolding simultaneously, the Fortna-Western Pacific team had to carefully orchestrate the operations of all players, and find creative, on-site ways to solve any engineering challenges that might emerge. During the Irvine project, it was discovered that there was no optimal way to remove cartons and trash from the 2nd and 3rd floors of the pick module. Western Pacific's Engineering team was quick to respond, and they came up with a solution – an innovative trash shoot spacious enough to accommodate the volumes of trash that workflow on the upper platforms would generate.

Johnston weighs in on the topic of problem solving during large overhauls: "In terms of advice to someone else going into a project like this one, I would say, start with world class partners like Fortna and WPSS who will understand your business requirements (not just data on a spreadsheet) and work as a partner to develop your operational needs. Make sure you take the time to plan for all of the little things you don't think about—like the position of HVAC systems, fire sprinkler systems or in this case, trash disposal."

President Tom Rogers emphasizes how important it is for partners and fabricators to speak the same language: "Great partners and fabricators figure out the worst case scenarios ahead of time together, and plan accordingly. That's why experience counts. We understand the hidden costs of lost time. Advance planning and agility are key."

Luke Wood, Fortna Project Manager, echoes Rogers' sentiments: "Our model at Fortna is to save our clients time and money...we always put our clients first. In some states, like California, building codes and permitting requirements are more complicated, and you need to build in time for that. Western Pacific was great to work with. Their field support, design change flexibility, and consistently-open lines of communication contributed greatly to the success of both projects."

For the Irvine location:

- A brand new, 3-level pick module was engineered and constructed. All of the design and construction was from scratch, adding an additional 50,000 of square footage.
- The new module upped the number of pick locations from 3,000 to 15,000.
- Irvine's pick module is three stories tall

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- Facilities were upgraded to meet more stringent California building codes
- Western Pacific color-matched existing shelving for an aesthetically-pleasing, 'finished' look.

Allen Johnston elaborates: "Fortna's decision to integrate existing Steel King pallet racking with Western Pacific's Deluxe multi-level shelving at our Irvine location was masterful – this combination forms the major infrastructure of the new 3-level pick module. Now, items with faster turnover are moving out of our flow rack in order to have replenishment based on demand. We try to minimize the number of replenishments in a given week. We utilize flow rack for higher volume pick SKUs and because we are able to marry three levels of flow racking to three levels of pick module. It has helped us consolidate picking and increase speed."



For the Ladson DC:

- New, color-matched 2-level pick module constructed.
- Total expansion project added 99,000 square feet including additional office space.
- Expansion allowed Shimano America to increase employment at the facility by 50%

The California DC expansion project took a year to complete – from conception to full implementation. The South Carolina DC was completed ahead of schedule in December 2013. Both locations have increased throughput, and built-in capacity allows for future growth across all product lines.

The successful Shimano expansion projects are proof positive that it pays to utilize seasoned partners and

qualified, well-established fabricators who know the integrator's universe, and understand the desires of the end user. Synergy between the two players is essential.

Johnston emphasizes: "In speaking to counterparts at other companies like Shimano, my advice would be to invest time in the relationships you forge with your partners—if you don't have a clear relationship, things can be brushed under the covers very quickly. Make sure that you take the time to help your partners understand your business and your products – anyone can do analysis, but does the solution truly apply to your unique business?"

Tom Rogers, WPSS President shared, "At Western Pacific, we set high standards for ourselves, and we seek to go beyond successful collaboration with other industry partners. We're proud of our work with Fortna on the Shimano expansion projects; they exemplify our vision and values made tangible." ■



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