

## DISTRIBUTION AND MATERIALS HANDLING FOCUS

His name is perhaps not well known by many logistics and distribution professionals today, but Gene Gagnon was an important figure in the history of distribution management.

An industrial engineer, Gagnon, along with his contemporary Eric Baum, introduced the concept of engineered labor standards to distribution in the 1960s. His company (Gagnon & Associates, later sold to RedPrairie) subsequently developed one of if not the first Labor Management System, software which combined labor standards calculation with individual labor performance reporting. LMS systems are of course commonly used in distribution today.

Gagnon passed away in 2005 at the age of 76.

In 1988, Gagnon authored the book *Supervising on the Line*, which offered commonsense tips for managing employees in distribution environments – most of which are just as valid today at they were when the book was written.

Too often, Gagnon notes, supervisors in a DC are promoted to that job from being a floor operator – then given very little training about how to do the new job well.

**"The new first line supervisor needs and deserves help the minute he gets on the job," Gagnon wrote, noting that the front line supervisor is the one directly responsible for managing a very important asset – the company's labor force. Indeed, the ability of the supervisor to drive higher or lower levels of productivity in the DC**



Cliff Holste, Materials Handling Editor

in the end has a big impact on a **company's bottom line** in many cases.

### Role of Supervisor Still Changing

In 1998, Gagnon observed that **"a supervisor needs to be less of a traditional boss – one who looks over an employee's shoulder, and fights to get the work done – and more of a coach."** That's something a much large number of companies recognize today.

Gagnon also continuously emphasized that the role of supervisor was in part **"to remove the barriers that prevent employees from doing their best."** He was always optimistic that workers really did want to work hard (and smart) for the company – if the right environment was created

for them to do so.

**"It's up to you to convince your workers that you care about them and the quality of their work, and that the company does too," Gagnon wrote. Just listening to their concerns and ideas is the critical first step, he noted: "Nothing destroys an employee's motivation faster than feeling no one cares about how he does his job," he added.**

A first step for a new supervisor is to clearly understand what management expects from him or her; conversely, it is essential that management make that clear to front line supervisors, **and that the larger "game plan" is also communicated.** Often, he wrote, supervisors don't have this understanding, and are reluctant to ask for such clarification.

Related to those concepts then is making sure a supervisor also understands his or her boundaries – just how much responsibility and authority really comes with the job. Is this really well defined for your DC supervisors even today?

Gagnon likened the proper role of DC supervision to something like preventative maintenance: removing the source of potential problems before they grow into productivity-killing major issues. But a big part of that in turn relates to effective time management, and how many companies even today really provide training and guidance on that skill for supervisors?

### Focusing on Lost Time

Among the great contributions Gagnon made to the industry was focusing management attention on **lost time and excessive “indirect” time** in the DC.

**“Hidden lost time accounts for about 80% of lost time, yet attracts only about 20% of management’s problem solving attention,”** Gagnon wrote.

**It’s easy to see operators standing around** because they have no work to do; much harder is to see delays in operations that are the result of system issues, poor data; bad processes, etc. – but that time can really add up.

**He notes the famous Parkinson’s Law** – that work expands to fill the time

allowed – and says that is a problem in many DC operations.

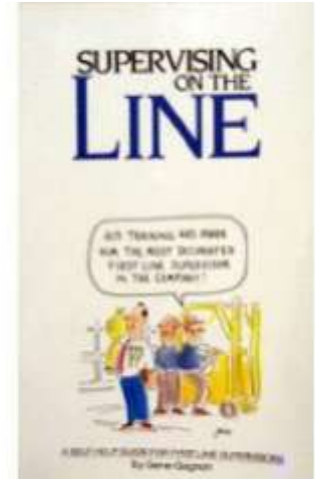
Of course, given his push for engineered standards and measurement, Gagnon focuses on the role both of those have in improving operations. While the use of metrics in the DC has expanded substantially since 1998, still a minority of DCs are using discrete engineered standards, most surveys show.

Without such standards and reporting at an individual operator level, Gagnon says that **“productivity stagnates at about 60%”** (of what would be a fair standard), whereas with such systems productivity can reach 90% or above – a remarkable difference in efficiency.

Motivation also plays a key role.

**“Motivation is the fuel that drives people to accomplish things,”** Gagnon wrote, noting that one common problem is a supervisor failing to give consistent feedback to high performing workers, **implicitly assuming they don’t** need such reinforcement – but they usually do.

Supervisors need to understand the operators under their charge as individuals, and tailor the approach to motivation and feedback according to each operator’s needs, Gagnon says.



**“It’s the whole environment that encourages and maintains worker performance,”** Gagnon concludes. **“Like pieces of a jigsaw puzzle, many separate actions must come together to create a positive work environment.”**

*Supervising on the Line* is out of print, but used copies can be found on Amazon.com and other sources.

Anyone still have a copy of *Supervising on the Line*? Are the principles Gagnon articulates today just as valid as in 1988? Let us know your thoughts at the Feedback button below.

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