

Logistics News: Does Real-Time Performance Feedback to DC Operators Make Sense?

Staple of Labor Management Systems Demos is Less Often Used, but Trends are Moving That Way

SCDigest Editorial Staff

Over the past 3-4 years, Labor Management Systems (LMS) have moved into the mainstream of distribution center technologies, often delivering double-digit gains in worker productivity and facility throughput.

Those benefits may seem even more attractive in these tough economic times – and by most reports, LMS deployments have held up well during the downturn (see on-demand Videocast: [Why the Time is Now for Labor Management Systems in Distribution.](#))

Even as LMS adoption has grown, one question about how to deploy LMS technology has remained: Should operators receive real-time feedback during tasks and throughout a shift on goal times and their individual performance?

In theory, the process would work like this:

- The approach would only work for operators that are equipped with real-time communication devices, such as a radio frequency or voice terminal.
- At the start of a task, such as a series of full case picks to a pallet, workers could query the LMS system via the terminal to see how much time is allotted to the task by the LMS (see graphic nearby).
- For longer tasks, an operator could request or be shown how well they are proceeding versus standard. For shorter tasks, this information could be displayed at the end of a task.

While it seems relatively few companies actually use real-time performance LMS feedback currently, the trend is moving this way, and will become commonplace in the next 3-5 years.

- Operators could make or have pushed similar information on a shift basis throughout the day.

Good in Theory – Does it Make Sense in Practice?

Demonstrations of such real-time user feedback are staples of presentations by LMS software vendors to prospective customers. But after the demos, does such an approach really make sense on the DC floor?

Maybe, according to **Jim LeTart** of RedPrairie, a long-time provider of LMS systems, who says logistics managers are increasingly interested in operators having this kind of real-time feedback.

“The benefit of providing feedback real-time is to make the workers feel empowered to control their work-rate and perhaps bonus,” LeTart said.

But, he says, it’s still not for everyone.

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"When to provide feedback is really a customer decision," LeTart told SCDigest. "We have some who provide it real-time via RF. Others post it on boards in the DC. Still others make it available via monitors in break rooms. Some only provide this info on a daily or weekly basis."

Chad Collins of HighJump Software has a similar perspective.

"In my view, real-time performance feedback is a valuable feature provided that standards are accurate and maintained over time," Collins says. He says that about half of HighJump's LMS customers use such real-time feedback capabilities at some level.

Steve Johnson, a principal at consulting firm Johnson Stephens Consulting in Atlanta, sees the benefits of real-time feedback, but agrees adoption of the practice to date is still low.

"LMS feedback to RF and Voice users offers the best opportunity yet to realize further productivity gains right at the point of work," Johnson told SCDigest.

He adds: "LMS providers are working to provide this as part of their solutions. We estimate that an additional 12% to 18% productivity improvement can be realized just from being able to feed back "the score" to associates literally as they are doing the work."

But, he says some companies feel real-time feedback can be a distraction and can actually dis-incent workers who will gear back to just 100% when they could do more, especially if

there is no incentive for over-quota performance.

Peter Schnorbach of LMS provider Manhattan Association says the benefits of real-time feedback may be application-specific.

"I think real-time performance feedback may be most applicable in a piece/carton pick area where there is a fair amount of time involved in operator foot travel and actual selection activity," Schnorbach says. "For people riding around on forklifts or working at a station, the job becomes more a function of the machine timing and therefore instantaneous feedback is less important."

Our view: while it seems relatively few companies actually use real-time performance LMS feedback currently, the trend is moving this way, and will become commonplace in the next 3-5 years.

