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Message from the President



How are things?" This is a commonly asked question but perhaps today asked more often. Everyone is curious, everyone is asking, and everyone is listening. According to the news media, things are tough, fuel costs are out of control, the housing slump continues, and the election is causing discomfort within Washington and across the country. What to do? Well we at AHS are asking that same question, we have the same thoughts, and are getting similar answers from those we ask. What to do, what to do? Well what we are doing is calling you, our guest, as often as we can, thanking you for your ongoing support and asking you what else we can do to assist. And as always, you answered.

While times are tough, we have been informed by you to increase our regional coverage, expand our offerings into other regions, and provide additional services. AHS is aggressively going after more market share, adding additional team members to provide additional support and focusing our efforts on customer acquisitions. We are expanding our Field Service offerings as the need continues to increase as you, our customers, are expected to do more with less. We will be opening-up an office in the Louisville market during 3rd quarter 2008 to accommodate the ongoing support of our customers in that market as well as servicing customers in the southern states. We are in the final stages of adding a new business partner and expanding our product offerings with an existing business partner, and will keep you posted and educated as we finalize details.

We look forward to assisting you on your current and future projects and continuing to provide value services to minimize your overhead and add to the bottom line. Thank you for all you have done, are currently doing, and will continue to do. Our entire team thanks you for your support. It is that support that we credit with helping us win the Value Added Award from *Material Handling Management* magazine. We received this award at the annual MHEDA Convention and are humbled to have been chosen from our peers across the country to receive this prestigious award. We also thank Clyde Witt for visiting with us and acknowledging our team efforts.

Until next time, enjoy the summer months your vacations and time away with family.

Chuck Frank, President/CEO

Company Spotlight

Automate the process or stay status quo?

This question faces most companies at some point in their development. Business volume and expense control drive this discussion within corporations at all levels. At AHS, we find ourselves assisting clients, such as *The Finish Line*, with this question every day. As an engineer it is a simple answer. The numbers don't lie, or do they? The answer will not always be born out of numbers or calculations. More often the answer comes from the culture, resources, and leadership of the organization. The following are some of the factors beyond the obvious that play a significant role in reaching the answer.

Assuming the numbers support a strong return on investment for automation, the result of the decision to automate now is dramatically affected by the culture of the organization. Has there been past examples of success when changing a process? Does the culture promote change? Does the culture embrace change? Will the business support the learning curve associated with ramp up of new technology? All of these questions are important to the success or failure of the endeavor. We have seen companies that appear to be very progressive, struggle with implementations that otherwise should have been seamless integrations within their culture. So what else might impede the progress with the effort?

Resources are another area that need to be understood. Do you have enough resources to undertake the project and make it successful? If not, do you have a vendor partner that brings this service to the table? Following the implementation and moving forward, do you understand the impact of the change as it relates to new positions created to support the technology? Examples of this would be technical resources required such as IT, maintenance, engineering, supervision, etc. A justified automation project will deliver a result that drives efficiency, productivity, and accuracy by reducing labor. It is the repurposing of some of the labor to manage the technology that is often misunderstood. While automation will reduce direct labor, it will require the addition of indirect labor to manage and maintain the system. Resources need to be defined not only in terms of cost but more importantly in terms of expertise and effectiveness. The most important resource that needs to be in place is the leadership positions within the corporation.

Case in point – *The Finish Line*, a leading retailer of sports apparel and footwear, has been able to successfully undertake numerous automation projects. They have exhibited the intangibles required to take the numbers and calculations and make them real. Over the past 20 years they have grown from an entrepreneurial regional retailer to a nationally recognized leader in retail. Over that time they have accomplished numerous reengineering efforts related to their infrastructure. They have changed processes through technology and been able to maintain their culture throughout the years. We can attribute this success to the strong leadership within the organization.

While leadership drives the culture and the resources, they also hold the key to the success of any automation project. It starts with commitment and ends with execution. Are the leaders within the organization in tune with the decision? Do they support it 100%? Will they support the effort with a “hands on” or “hands off” approach? Are they prepared for the bumps in the road? All projects, no matter how well planned and executed, will have unexpected issues along the way. Will they be willing to commit the time to understand the impact of their decision? Most leaders have a never give up/never give in approach that will serve them well as they deal with the “bumps”. Answering this question will help you decide if automation is for you. *The Finish Line* tackled this head on, from the executives to the supervisors they have embraced each automation project and made them effective. It takes a special organization to be able to succeed through the numerous changes and do it with the same leadership group. *The Finish Line* did a stand out job at tackling the resources, leadership, and culture necessary to have a successful automation project.

Service Tips

With the summer heat, comes the humidity which affects bearings. Humidity creates moisture and rust which will cause an un-greased bearing to fail. This is the best time to make sure that the bearings have plenty of lubrication so they do not fail.

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Industry Events

LogiPharma 2008

- September 15-18, 2008
- Loews Philadelphia Hotel, Philadelphia, Pennsylvania

Council of Supply Chain Management Professionals (CSCMP)

- October 5-8, 2008
- Colorado Convention Center, Denver, Colorado.

Promat 2009

- January 12-15, 2009
- McCormick Place South, Chicago, Illinois

National Conference on Operations and Fulfillment (NCOF)

- March 24-29, 2009
- The Rio All Suite Hotel & Casino, Las Vegas, Nevada

Warehousing Education Research Council (WERC) 2009

- April 26-28, 2009
- Atlanta Marriott Marquis, Atlanta, Georgia

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White Paper

Imagine it is 4:30 on a Friday afternoon. The year's peak season has gone smoothly; orders are shipping on time, customers are satisfied, and then... breakdown. After the operation spends two hours addressing the problem, you realize that the parts necessary to replace a broken drive are not in stock. To learn about what to do when spare parts are not in stock, [click here](#) to read our white paper.

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AHS Wins Value Added Award

AHS, Inc. was awarded the Value Added Award from the editors of *Material Handling Management*, a magazine providing information and knowledge for material handling professionals. This award, recognizing the year's top company that best exemplifies the term "value added", was also awarded to AHS in 1991, making AHS the only company to win the award twice. This year, AHS received the award for adding value to the material handling industry and surrounding community. **To read the full press release [click here](#).**

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Fun Fact

Do you know the answer to this question? You could be the winner of our quarterly Fun Fact trivia contest.

This summer the 2008 Olympics will be held in Beijing, China. Which city had its Olympic experience flawed by an African boycott caused by a rugby team from New Zealand?

To submit your answer, send an email to Jwolfe@ahs1.com for your chance to win AHS apparel. Everyone who responds correctly will be placed in the Fun Fact Jar and a winner will be pulled at random on September 1, 2008. The winner will be notified by email.

Congratulations to our Fun Fact winner from last quarter: Bill Mattel, ETHICON

Bill successfully answered the question, "In 1996, defending champ UCLA was knocked out of the NCAA Tournament on an "Ivy League Classic" backdoor lay-up in the opening round. Who eliminated the Bruins?"

The answer is: **Princeton**

Thank you to everyone who participated in our Fun Fact Challenge! Bill, we hope you are enjoying your new AHS apparel!

If you have a fun fact challenge question, please submit it to Jwolfe@ahs1.com to have it published in our next Moving Forward e-newsletter.

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