LF LOGISTICS STEPS *INTO* MALAYSIA'S FOOTWEAR SECTOR

In February 2011, LF Logistics Malaysia became the first outside logistics service provider for a leading, global footwear icon when operations kicked off at the LF Logistics facility in Shah Alam.

To win this key business, the LF Logistics team really had to step up its game, investing 3.2 million Malaysian ringgit (US$1 million) and drawing on local expertise managing similar operations for other footwear and apparel brands – as well as regional experience from our Hong Kong office.

The footwear giant possesses impressive skills in designing and making trend-setting products, but realized that to help focus on core areas of strength it might be better served by outsourcing logistics to a third-party. This way, the client can focus on what it does best, while LF Logistics manages that part of the business that happens to be its area of strength.

The Shah Alam distribution center ensures all products are picked accurately, quickly and land on the doorsteps of more than 600 retailers all over Malaysia – and has the capability to scale up to regional operations if necessary.

Because more than 95% of the work involves piece picking, hitting KPI targets is a daunting task. But thanks to a focused efficiency program, only 34 people now do the work that used to take almost 100 people. And, following a revamp to infrastructure, resources, setup, strategies and operations, what used to take two shifts to do is now finished in just one.

As a result, daily throughput has jumped 50 percent from 12,000 to 18,000 pieces a day. Daily cycle counts have resulted in inventory accuracy averaging more than 99.5%.

The Shah Alam DC2 Footwear Facility at a Glance

- Built-up area of 70,000 square feet
- Three-tier mezzanine deck picking area with more than 6,500 shelf-rack bins
- More than 3,500 stock keeping units
- Radio-frequency system running on remote hand-held terminals to execute all warehouse tasks of receiving, put-away, replenishment, picking, packing, labeling, checking, dispatch and cycle count