



What is a labor management or performance management system and what are the benefits?

In distribution operations, labor management systems (LMSs) are used primarily to manage and track labor activities. In some cases an LMS will interact in real-time with the warehouse management system (WMS) for the purposes of collecting data on what the employees are doing. I.e. What inventory has been handled, what equipment has been used, paths traveled. And number of locations visited on a daily, weekly basis. On the supply chain side, an LMS can help improve the productivity of the distribution employee by: providing reports on labor activities, historical comparisons of labor activity, and comparisons of actual labor activity vs. established labor standards. Our LMS has this capability as well as the ability to stand-alone without the need for a WMS and provide the required metrics to improve productivity and reduce costs.



The benefits that an LMS can bring to a distribution operation are widespread and significant. An LMS gives managers in distribution operations the ability to accurately predict the required number of employees for a given task, shift, or day. By communicating directly with the WMS and/or maintaining an internal repository of accurate and fair labor standards for every task performed within the distribution center (DC) the LMS enables the manager to determine the actual time it takes to complete each task. Once the actual time has been calculated, the LMS can then compare those numbers with the established labor standards and immediately provide performance metrics for individual employees or the operation as a whole.

Just having access to this variety of information can greatly improve productivity and reduce excess labor, but those aren't the only areas of improvement that an LMS facilitates. An LMS can give managers additional support in forecasting staffing needs, tracking employee work time, measuring actual productivity against expected performance, creating productivity reports and performance



goals, completing performance reviews, calculating incentives and compensation, and simulating potential changes to the existing work processes.

An LMS enables entire distribution organizations with the tools necessary to increase productivity and decrease turnover, reduce both warehouse labor resource and asset costs, improve labor planning, give the employees an opportunity to aid in the development of labor standards that are reasonable and fair, and most importantly improve and enhance customer service.



LMSs are not necessarily limited to operating in distribution and warehouse environments alone. We are developing new and exciting ways to utilize an LMS for a variety of areas such as a testing laboratory where turnaround times are crucial and automated platforms are becoming more and common and the process times are repeatable. The field is green for an LMS; let us help you design one to fit the demands of your ever-changing work environment.

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