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# Averitt Express Cuts Labor Costs by 25% with Extensiv
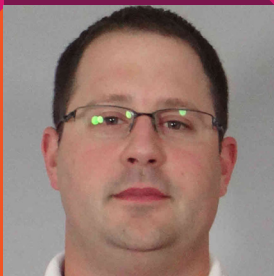
**CASE STUDY**

## 60 HOURS/ DAY
SAVED BY PICKERS
ACROSS FACILITIES

## 25%
REDUCTION IN
LABOR COSTS

"Life before Extensiv was challenging! Now, our leaders enjoy the analytics they get from the system—and use it to challenge themselves to perform better and be more efficient for our customers."

**CODY SMITH,**
Distribution and Fulfillment Operations Leader,
Averitt Express

# Challenges

## Building a scalable, competitive, and data-driven distribution and fulfillment operation

To succeed and grow in the fiercely competitive logistics and supply chain space, Averitt Express needed to optimize team productivity, carefully control costs, and go over and above customers' already high expectations.

But challenging warehouse operations caused them headaches and stood in the way of achieving their goals.

## Problematic paper-based processes

At the beginning of Averitt's development, it relied on manual paper-based processes and clunky spreadsheets for all aspects of warehouse management, from order routing and managing inventory to monitoring picking efficiency.

Distribution and Fulfillment Operations Leader, Cody Smith, explains, *"Managing ins and outs and total piece counts through a platform that multiple users had access to left us concerned about what was logged and what was missed. We didn't have much faith in the integrity of the inventory and if somebody adjusted something by accident, we were going down a long rabbit hole trying to chase the issue."*

Without trusted, centralized visibility of stock levels, Averitt couldn't fully align with customers' needs, and faced costly bumps in its workflows.

## Manually tracking team productivity

While Cody knew that greater productivity would help the business prosper, they struggled to capture accurate metrics on picking times and cycles. Averitt relied on an onerous process, where team managers manually timed staff picking orders, then logged results in Excel, which wasted human resources and delivered incomplete results.

Cody says, *"Even when we did capture useful data in Excel, we couldn't really understand what we were looking at. Creating the formulas and filters we needed was a tedious process and if you weren't really skilled in Excel, those limitations could really hold you back."*

## Making their best guesses on pricing and staffing

Because all of Averitt's operational data was hidden in spreadsheets, they couldn't drill into the historical insights they needed to price contracts competitively and optimize staffing levels. Pricing jobs incorrectly risked missed sales, while any error in staff forecasting could affect service levels or incur higher costs.

Averitt employees needed a better way to manage an already complex distribution model that was only going to grow in the next few years.

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# Solution

## Becoming a more transparent, productive, and profitable business

Averitt implemented Extensiv 3PL Warehouse Manager, SmartScan, and Labor Analytics—and quickly transformed into an efficient and streamlined, data-driven logistics leader.

## Ripping up paper-based processes

With **3PL Warehouse Manager**, Averitt leaves paper-based processes in the dust. It manages all day-to-day warehouse operations through Extensiv's user-friendly platform. Stock is easily controlled and tracked, previously tedious workflows are systemized and automated, and customers have complete visibility from shopping cart to doorstep.

Averitt also introduced **SmartScan** to its mix of Extensiv products, which further improves warehouse efficiency. Staff use handheld scanners to scan barcodes at each stage of fulfillment, with data integrated directly with 3PL Warehouse Manager in real time. This improves the speed and accuracy of fulfilment and, because employees know where inventory is at all times, they never overpromise to customers and avoid costly stock-outs.

With customers' own systems integrated with Extensiv, customer satisfaction is sky-high.

Cody says, *"Customer satisfaction has drastically increased since implementing Extensiv, because we're able to provide a much clearer picture of their inventory and fulfillment status. We're the lifeline of our customers' supply chain, so giving them so much visibility goes a long way."*

# Increasing productivity with Labor Analytics

With **Labor Analytics**, Averitt optimizes its workforce and makes accurate, data-led staffing decisions. Labor Analytics provides a dashboard for the business to track the warehouse-related KPIs that are most impactful, enabling them to take swift action on any issues and improve performance and productivity.

Averitt uses these Labor Analytics features daily:

**Picking productivity:** Leaders can drill into how many units individual staff members pick in an hour. They have visibility into how their people move around the facility throughout the day and uncover opportunities to minimize travel time and increase picking speed. Real-time inventory management and visibility.
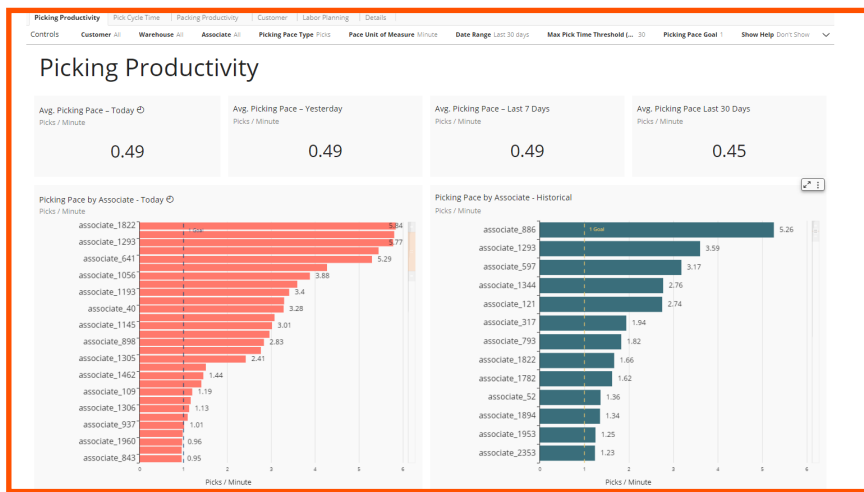


**NOTE:** Images are samples of Extensiv's analytics dashboards, not Averitt's data

**Pick cycle times:** Leaders are able to dive into the time taken to pick specific orders or shipments, at both individual and facility level. They get granular data into their operations and a way to easily spot training issues and opportunities for efficiency improvements.
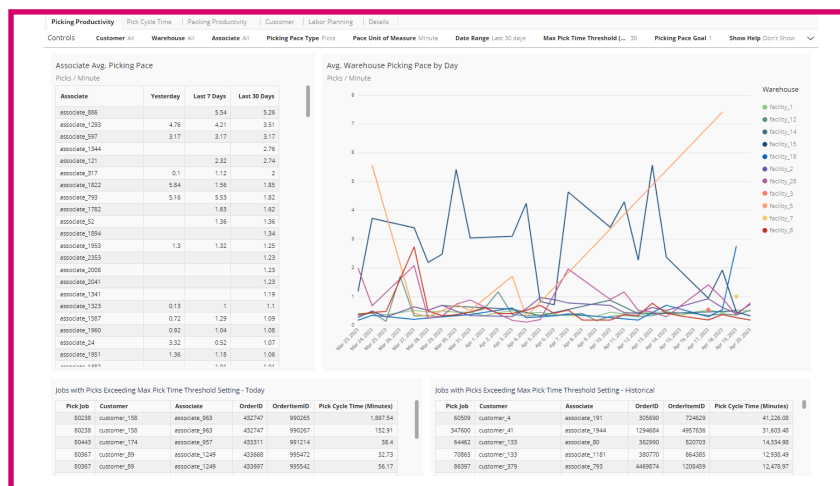
**Labor planning:** Leaders can dig into historical data to establish whether to maintain or increase staffing to meet seasonal changes and new contracts. This ensures they're not overspending on staffing, to meet customer goals in the most cost-effective way.
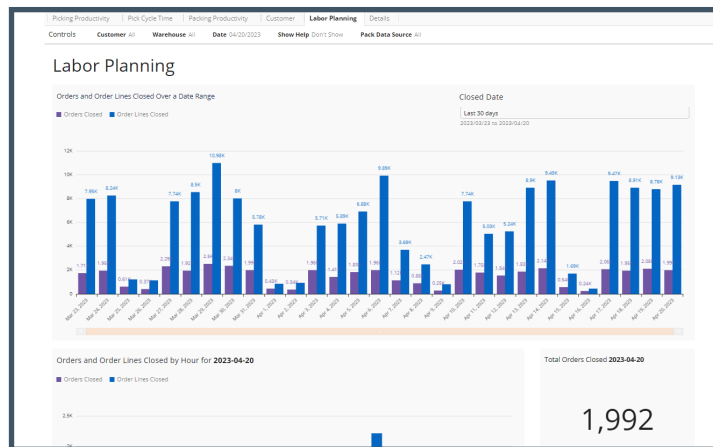


Cody says, *"From a productivity standpoint, Labor Analytics helps our leaders see what's happening on the floor day by day, without really being out there. We can see if we're efficient in how each location is set up and how our pick lanes are set up, and make informed decisions on whether to adjust that."*

Using Labor Analytics' output, Averitt displays leaderboards across its facilities to encourage healthy competition, facilitate widespread scanner usage, and boost performance.

*"Labor Analytics has helped us create a competitive, fun environment for everyone between our facilities and our associates. They all like to see what they're picking and they like to have that competitive spirit there in the warehouse."*

## Implementing more competitive pricing

Averitt uses the billing feature in Extensiv 3PL Warehouse Manager, combined with data from Labor Analytics, to support better pricing discussions with clients.

Cody explains, *"We know what our cost structure is, based off 3PL Warehouse Manager and the labor planning and time studies that we have. Channeling all of that data, we're able to go back and provide a fair, competitive rate to our customers."*

# "We're the lifeline of our customers' supply chain, so giving them so much visibility on their inventory and everything we are reporting goes a long way with them."

## Results

### 60 hours of warehouse ops saved every day and 25% reduction in labor costs

With Extensiv simplifying daily operations management, Averitt saves significant time and costs. Its staff and facilities are more productive, labor levels are optimized, and they have scalable infrastructure in place to win more customers and boost revenue.

With staff performance significantly improved, every picker gains two hours of productivity a day. Across each facility, that's 60 hours of time savings every single day! That's a huge deal, because the business has more capacity to take on more work, increasing revenue and profitability.

Cody says, *"Those time savings are a major swing for us and equate to 25% savings in labor costs. This has all been created by using Labor Analytics to say, 'we can do more here, we can adjust here, we can increase efficiencies there.'"*

### Optimizing spending on staffing and equipment

Averitt is cutting operational costs across the board. With Labor Analytics boosting staff planning, it can hire more strategically to meet demand. It can also cut costs on warehouse equipment, which all adds up to more profitability.

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## Satisfied customers and an enhanced brand reputation

Since Averitt implemented Extensiv, customers are more satisfied, which supports more retention and boosts Averitt's brand reputation.

Cody says, *"We're spoiled with Extensiv, because it's such an easy-to-use platform. Life before Extensiv was challenging. Now, our leaders really enjoy the analytics that we're able to see from the system. They use it to challenge themselves to perform better and be more efficient for our customers. It's been a great relationship and partnership with Extensiv over the years."*

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**"The impressive time savings we see are a major swing for us. They've all been created by using Labor Analytics to say, 'we can do more here, we can adjust here, we can increase efficiencies there.'"**

# Get total visibility and control of fulfillment.

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