

THE Barrett Bugle

News and information for
and about the customers
and employees of Barrett
Distribution Centers

December 2007

CUSTOMER SPOTLIGHT

'Tis the season (for retail replenish- ment)

Rite Aid calls upon Barrett to deliver—and deliver they do.

BY MARK SOTIR, DIRECTOR OF CUSTOMER RELATIONS

In January of this year, the shareholders of Rite Aid approved the acquisition of 1,850 Brooks-Eckerd stores from the Jean Coutu Group, solidifying Rite Aid's position as the 3rd largest drugstore chain in the country. Barrett has had a long-standing relationship with Brooks-Eckerd. With the influx of new products and store growth, we have taken the relationship with Rite Aid to a new level.

"With our distribution center over capacity, we needed a strong and flexible partner, and we surely found that in Barrett"

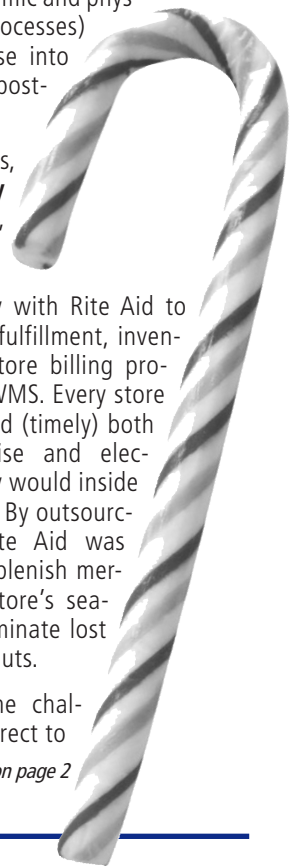
The Rite Aid Customer Support Center, located in Dayville, CT, totals 400,000 sq ft and supports 332 stores throughout New England. With Dayville currently operating over capacity, the need to outsource peak requirements became a top priority for Rite Aid Logistics. Barrett worked with Rite Aid to carve out the critical holiday and seasonal fulfillment and replenishment activities. We essentially duplicated the key Rite Aid

activities (both systemic and physical distribution processes) to push merchandise into the stores for the post-Halloween crush.

Our system experts, especially **Anthony Dzikiewicz**, **Russell Eng**, and **Mark Marino**, worked very closely with Rite Aid to simulate Rite Aid's fulfillment, inventory control, and store billing processes in our own WMS. Every store in the chain received (timely) both physical merchandise and electronic billing as they would inside the Rite Aid system. By outsourcing to Barrett, Rite Aid was able to turn and replenish merchandise in each store's seasonal aisle, and eliminate lost sales due to stock-outs.

Barrett took on the challenge of shipping direct to

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Accuracy: it's in the details

BY TOM SHIELS, DIRECTOR OF CUSTOMER INTEGRATION

Maintaining an accurate record of the product in our facilities has been one of the keys to our success. This responsibility begins at receiving. We use the ASN, or packing slip, to develop a receiver (report showing expected receipt quantities). After counting product into inventory, we compare to the expected receipt and initiate another count of items if there are discrepancies.

We put a license plate on each unit so that we can track every movement within the distribu-

tion center (DC). Typically there is one license plate per pallet. For mixed pallets inbound, we must segregate and plate each SKU, or lot, individually. In order to maintain the integrity of the plates, all movement of product within the DC must be executed with an RF gun.

Picking is often a high-volume activity that requires extreme attention to detail and diligent adherence to process. After picking, we audit all outbound orders for accuracy.

The cycle count process is an area of special focus for Barrett. We are making inventory

control a dedicated department and have begun expanding our cycle count program. We can initiate cycle counts by customer, by item, by location grouping or based on activity. Any adjustments require a second review. Our cycle count program includes root cause analysis of discrepancies. Tracking our accuracy level provides us with a good way to monitor progress.

We are currently defining accuracy goals for 2008. We will continue to drive improvement in our performance, and set the bar for outstanding results. ➔

Investing in technology has its rewards

BY ARTHUR BARRETT, PRESIDENT

Up against tough competition, Barrett Distribution Centers is honored to win The Technology User of the Year award.

On October 18th, Barrett Distribution Centers won an award from the Massachusetts Technology Leadership Council as *The Technology User of the Year* in Massachusetts. The Council recognizes outstanding performance in 10 categories. Barrett won in the Technology User/Implementer category, going up against some very tough competition from much larger and more recognized companies, including:

- ▶ Dana Farber Cancer Institute
- ▶ EMC Corporation
- ▶ Jordan's Furniture (a Berkshire Hathaway Co.)

▶ Wilson Farms

We won this award based on the successful implementation of our new Warehouse Management System (WMS). Three outcomes from this implementation were the basis of our winning the award:

- ▶ **On-time** implementation
- ▶ Our ability to take on significant **new business opportunities**, with resulting new employment opportunities
- ▶ Efficiencies derived, that help us keep our **costs down**

The project plan entailed a very aggressive time line, with well-defined milestone dates. Our own implementation team and the vendor, Zethcon, worked extremely hard to complete the project on time and within budget.

Most of our employees today were here prior to 2005, when we still worked with a paper-based warehouse management system. In 2005 we made a significant investment in RF (radio frequency) technology and introduced new work methods into our distribution centers with the Synapse WMS. Our employees should be very proud of this recognition and their significant role in winning this prestigious award.

In 2006, the investment in our new system began paying significant dividends, as our ability to meet new and complex customer requirements helped us grow our revenue 25%—and turn a profit that recouped our investment.

Our ISO processes already had us performing at an accuracy level of 99.94%; so improved accuracy was not the motivation for us to implement a new system. Rather, the ability to handle more complex customer requirements

—especially EDI (Electronic Data Interchange); and improved labor efficiencies were the motivators for us to invest in this new technology. We have enjoyed the positive results from both perspectives. We have taken on more business without a corresponding increase in customer service staff, as the receiving and put away is now loaded into the WMS from the RF guns; and customer orders are automatically imported into the order management system via the EDI processes that our IT staff has mapped.

Barrett is clearly recognized by our clients as the leading provider of outsourced logistics services in the Boston market:

- our ability to take on new challenges has resulted in 12 new warehouse jobs in the past year; and
- we invested \$15 million in our newest distribution center in Franklin, MA in November 2006.

We had some stiff competition for this technology award. Just being nominated on the same ballot as these companies is a terrific honor. To win the award was absolutely fantastic. All of our employees worked extremely hard to master the new system, with new techniques and processes. We are especially grateful to **Tom Shiels** and **Russell Eng** of Barrett; and to **Chipper Farley** from Zethcon, for the great job they did in heading up this project. The employees of Barrett deserve a great deal of credit for this recognition. 🚀

For more information about Barrett's investment in IT and infrastructure, please contact Arthur Barrett at abarrett@barrettdistribution.com. For more information about Barrett's service offerings, please contact Tim Barrett at tbarrett@barrettdistribution.com

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the 332 retail stores, ramping up throughput capacity and manpower in a very short window of time. We achieved the Rite Aid goal of making the entire process seamless for retail stores. We executed at an extremely high level to take on an enormous requirement with very little lead time. **Cris Morin** provided incredible attention to the administrative requirements while **Chuck Collins** and **Stephen Ferraro**, and all of their leads and associates, worked tirelessly to build the orders and keep turning out truckload after truckload to the stores.

The entire team led by **Bob Willert** accomplished more than even Rite Aid ever expected from us.

With the critical Christmas season on the line, Rite Aid made the right choice by outsourcing to Barrett.

"Barrett Distribution stepped up to the plate and helped Rite Aid through its first Christmas after the acquisition of over 330 Brooks-Eckerd stores in New England. With our CT distribution center over capacity, we needed a strong and flexible partner, and we surely found that in Barrett" says **George Piquette**, Assistant Director of Distribution, Rite Aid.

Within the next year, 150 New England locations will be added to the roster of stores serviced from Dayville. We are looking forward to the additional volume as we continue to replenish the seasonal aisle in these stores with new merchandise each month. We are proud of all that we achieved for Rite Aid this fall, and look forward to a long and mutually beneficial relationship. 🚀

For more information about Barrett's capabilities, please contact Mark Sotir at msotir@barrettdistribution.com

Bright ideas



More brilliant ideas from our resourceful employees:

▶ **John Pesta** recognized that Best Buy was taking in truckloads of a new “green” model television. Realizing that these inbounds were tied to a push out to the stores, John grabbed a stack of picking labels and sorted the inbounds directly into store lanes. This “opportunity cross-dock” not only saved labor, it preserved precious storage locations for other inbounds and reduced the risk of damage. Way to go John!

▶ **Louis Pleau** presented an idea to streamline inbound receiving in Franklin. Instead of assigning personnel to a particular receipt, we will assign specialists to perform a specific function across multiple receipts (e.g., unload, plate, haul, stow). The intent is to improve productivity and reduce receipt cycle time (these are not one and the same—one reduces our cost,

the other enhances customer revenue!). Chuck and the supervisors in Franklin are testing this method this month, and will report on their results in December.

▶ **Andy Keane** implemented a process for Oriental Furniture to separate orders that contain overpack items. We now process these orders in a separate batch, with extra TLC. Since implementing this process, we have seen a noticeable reduction in packaging-related issues.

▶ **Ken Marasca** implemented a QC process for Comptoir de Famille where we add a line-item to the receiver when we receive a new item. This way we can pull that item off the truck at once, and hand it over for QC, thereby improving the cycle time* by which inventory is available for orders.

Here is another bright idea that was submitted that can be used at the office or at home:

▶ First-aid tip: Take a zip lock bag and fill ½ full with water. Keep in freezer and you have an ice pack ready at all times. It’s very cost effective! ❄️

**There’s that word again—it is all about speed!*

Who is Gordie Howe anyway?

There is a prize for the first person **under the age of 30** who can tell me who Gordie Howe is. Email your answer to Lskrzat@barrettdistribution.com

Home safe home

BY MICHELLE SICARD, MANSFIELD CSR

The days are getting shorter, and the temperatures are dropping. That could only mean one thing—Winter is here! Here are some reminders on how to keep your family safe and warm this winter:

- ▶ Install carbon monoxide and smoke alarms near bedrooms and on each floor of the house. Test batteries in existing alarms. Make sure everyone in the house knows how to respond to an alarm in case of emergency.
- ▶ Have your heating system inspected and tuned up by a specialist. Make any necessary repairs. A preventive repair bill now will be lower in cost than an emergency service call later!
- ▶ Have your chimney and flue cleaned and inspected each year.

- ▶ Only burn untreated wood. Burning paper or pine branches can produce live embers that float out of the chimney and start fires on your roof or neighboring homes.
- ▶ If you have a wood-burning stove, make sure it is placed on an approved stove board to protect the floor from heat and coals.
- ▶ Space heaters must be at least 3 feet from anything that could burn including bedding, drapes, furniture, clothing, and plants.
- ▶ Keep children and pets away from space heaters and never leave them unattended.
- ▶ Never use your oven or range to heat your home, not even for short periods of time.

Stay warm this winter, and follow these simple tips to keep you and your family safe this winter! ❄️

Happy Birthday!

OCTOBER

Diane Alfred
Tom Shiels
Antonio Lopes
Jose Alves Deandrade
Thao Ngoc Do
Thao Xuan Do
Faith Echols
Deny Corrales
Mary Melendez

NOVEMBER

Angela Couto
Dennis Almeida
Jose Medina
Tomas Burgos
Carol Silvia
John Pesta
Nelson Flores
Andrew Keane
Juan Pagan
Dalila Lambert
Adam Ballarino

DECEMBER

Linda Skrzat
Hugo Moreno
Kevin Moran
Susan Wilson
Sharon Pachak
Denise Canal
Gaby Flores
Theresa Zerrien
Holly Butler
Thomas Lemoine



Happy Anniversary!

Congratulations to the following employees who reach a milestone with Barrett this quarter:

OCTOBER

Michelle Parisi • 5 year
Thomas Maloney • 3 year
Richard Miller • 2 year
Heather Burch • 1 year
Mary Melendez • 1 year

NOVEMBER

Jose Timas • 13 year
Robert Fay • 9 year
Gaby Flores • 9 year
Edy Molina • 9 year
Jose Deandrade • 8 year
Tom Shiels • 3 year
Dennis Warmington • 3 year
Tony Lima • 2 year
Nelson Flores • 1 year
Jared Gagne • 1 year
David Maldonado • 1 year

DECEMBER

Dennis Almeida • 8 year
Pee Jay Laureta • 8 year
Jose Araujo • 7 year
John Flynn • 3 year
Douglas Davis • 1 year

Welcome to the Team!

A big welcome to all those who have recently joined the Barrett team:

DIRECTOR OF ADMINISTRATION

Jay Scheiner

CONTROLLER

Christopher O’Neill

OPERATIONS MANAGER

Stephen Ferraro

MANSFIELD

Randy Andrade

BEST BUY

Carla Morin

FRANKLIN

Adam Ballarino, Edgar Rodas, Louis Pleau, Jennifer Fonagy, Angela Couto, Jacquelyn Bradford

15 Freedom Way
Franklin, MA 02038

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kudos!

📣 *"Just want you to know that I received the chocolates yesterday and was just stunned with the presentation.*

Thanks for all of your efforts!"

Nicki Doggart
Ambassador for Hotel Chocolat

📣 *"I just received a call from one of our customers saying how great Barrett is and how responsive. They said **Keith Lawton** was great."*

Mike Murray
Manager Logistics Operations Planning
General Mills

📣 *"Linda has been great to work with. She is very professional and efficient. She puts thought into our orders and doesn't do something if it seems wrong."*

Gretchen Anthony
Dewolf Chemical

📣 *"Terri, my CSR consistently exceeds my expectations."*

Kate Parker
Iamco

Note: Terri rated a **6** on the scale of 1–5 for the first time in Barrett survey history. Way to go Terri!

📣 *"Michelle has really been GREAT... This past year she has really just done spectacular, ...above and beyond my expectations. She has just really stepped up to the plate. I am VERY PLEASED. Michelle has also contacted me several times with some money saving ideas."*

Tracy Smith
NDD Medical Technologies

📣 *"Gaby—thank you very much. You, and consequently Barrett, have handled this issue very quickly. As always, we appreciate the excellent working relationship that we have with Barrett and can never express sufficiently to you how much we appreciate all you do for us everyday. Very best wishes."*

Jim Whitters
President
Alkolol

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Linda Skrzat Editor
Michelle Sicard Assistant Editor
Susan Jensen Design

Corporate Office
Franklin Distribution Center
15 Freedom Way
Franklin, MA 02038
508-553-8800
FAX: 508-553-2929

Mansfield Distribution Center
31 Plymouth Street
Mansfield, MA 02048
508-337-4999

info@barrettdistribution.com
www.barrettdistribution.com