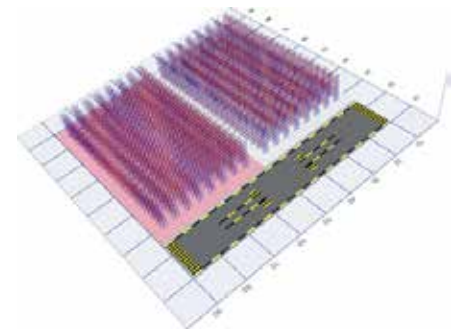


# Slotting in the E-Commerce Era



## Slotting in the E-Commerce Era

Product slotting over the last 15 years has been very much a necessity for organizations to maintain a continuous improvement cycle in their operations. Traditional slotting vendors such as Insight have built very large bodies of work to successfully defend annual savings of between 10-15% and gains in productivity using both linear and Center of Gravity slotting models, effectively leading the market in that specific arena.



Today, with the onset of e-commerce, traditional desktop solutions struggle to keep up with the changing demands of the operation based on SKU profiling. Traditional software models would use historical sales or activity data to help determine classifications of SKU and then layer on other factors such as family grouping, cube utilization and other characteristics.

However, in the e-commerce world historical data does not actually predict future sales data as market conditions change frequently throughout the month, the week or even the day.

The challenge was to create a new integrated solution which would interface directly to the order well and make slotting recommendations on the activity that is coming rather than what had previously happened in the operation.

In 2017 Insight and part of the Mantis Group, began doing just this, and after 18 months of design, testing and implementation, the new Genesis AI product was available to the general market.



Genesis AI is a real time slotting solution, which takes into consideration pick medium, pick frequency, available labor as well as all the general characteristic features of a SKU and then makes recommendations to the task manager for moves. The solution allows for both slot UP (move to a larger size location) or slot DOWN (move to a smaller size location) as well as position within a particular pick assignment in order to maximize travel and pallet builds. Along with these features, a REFILL or REPLENISH the existing location can be suggested.

The system will also consider existing allocations that are already assigned to this location and suggest whether to relocate when the existing allocations are complete or to create a new picking location for the residual of the allocations.



The core system learns the effective cost of picking a unit or a line out of a location and provides real time savings on the cost of any given move, therefore allowing the operation to make and informed decisions on moves based on their value in the algorithm. In order to not overload a zone or module Genesis AI along with the GEM Labor Monitor track performance of a zone, module or employee to determine the amount of work required, performed and left at any given time in an operation.

Early returns show the typical operational savings and continuous improvement to manage between 12-21% performance gains and generating ROI's in the 4-6 week range. Within these models there would be a minimum activity requirement to generate the ROI as targeted.

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