

Case Study

Warehouse Solutions at Work: Canaport LNG



The Company: Canaport LNG

Canaport LNG is a state-of-the-art liquefied natural gas (LNG) receiving and regasification terminal. The company began its Saint John, New Brunswick operation in 2009 and was the first of its kind in Canada. With a maximum capacity of 1.2 billion cubic feet (BCF), Canaport LNG can supply natural gas to both the Canadian and American markets.



Canaport LNG's vision is to establish a standard of providing high quality natural gas. To achieve this standard, the company uses advanced technologies, operates in a safe manner, enlists efficient practices, and follows rigorous standards. (Canaport LNG, 2012).

The Challenge

Canaport's warehouse is used as a general warehouse, tool crib, and store. Some key processes such as receiving, issuing, and inventory counting were managed outside of the operating system. Additionally, few of their shelves were labeled or system-located with an item part number, description, and location.

Procurement Manager Greg Price wanted to improve the warehouse operation by leveraging the company's operating system with Standard Operating Procedures (SOPs), driving to improve:

- Process documentation
- Shelf utilization
- Item and order fill rates
- Product identification
- Inventory accuracy
- Business process execution consistency

Canaport LNG knew they needed assistance to improve the warehouse operation and Source Atlantic was contracted to facilitate the project.

The Solution

Using process mapping as the framework for *measurable* improvement, Source Atlantic first outlined a clear picture of the current state:

- Process steps and time for key warehouse processes: receiving, put-away, issuing, quality control
- Metrics: inventory turns, employee productivity, inventory count accuracy

Next, Source Atlantic prioritized opportunities for improvement, focusing on safety and security. Within 6-8 months of employing one full-time Source Atlantic warehouse employee on site (Integrated Supply Solution), over 12 Standard Operating Procedures (SOPs) were created specific to the site and operating system. During this time, employees were trained on the SOPs, inventory was transacted using the system, and item and bin location labels were created for over 2,000 items.



The Result

Today, Source Atlantic Warehouse Solutions are achieving results at Canaport LNG:

- 98% inventory accuracy was achieved in the inventory count
- Over 2,000 items now have bin locations on the shelf and in the system
- Canaport LNG is seeing an increased fill rate on consumables
- Sharp reduction in salvaged and obsolete inventory

These accomplishments, combined with a training program for Standard Operating Procedures, improved both the efficiency and security of the facility.



If competitive pressures are forcing you to reassess your business processes, reduce operating expenses or improve existing processes, Source Atlantic can help you achieve your goals. Contact your Account Manager today to discuss Source Atlantic's Solutions platform and arrange your consultation with our Process Improvement Team.

Supply Chain Management Solutions



Supply Chain Analysis

Source Atlantic's extensive knowledge and experience, across many different industries, positions us as experts in supply chain analysis. Our solutions team will work with you to understand the current state of your business, identify the opportunities for improvement and design a future state. From there we can help implement changes, monitor the improvements and make any necessary adjustments.



Automated Inventory Management

Source Atlantic's automated inventory control solution uses a state-of-the-art, robust inventory control system designed to help optimize your company's processes, minimize waste, and realize savings opportunities.



Vendor Managed Inventory (VMI)

Our Vendor Managed Inventory Program (VMI) will help you manage your low-value, high-turning stock items by having a Source Atlantic representative go to your business and replenish your stock. Through a continuous improvement strategy we will reduce: receiving, stocking, stock-outs, carrying costs and procurement costs.



Mobile Store

The Source Atlantic Mobile Store brings a fully stocked, customized container right to your job site. This solution has been designed to reduce operating costs and minimize down time waiting for deliveries and off-site pick-ups.



Source Card

The Source Card offers you a faster alternative for purchasing goods and services. With pre-approved transaction and credit levels, simply place your order. Multiple buyers making frequent transactions can apply a job reference number at purchase. Each month your company will receive a statement showing, by cardholder, their transactions and respective job reference numbers.

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