



Peak Season Distribution Center Start Up

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“ProLogistix enabled XPO Logistics to open, staff and effectively operate a new large-parcel distribution center for Amazon in just 45 short days, ahead of peak retail season in 2015.”

Situational Overview

With peak season looming in the fall of 2015, Amazon needed to open a new 553k square feet large parcel distribution center in Phoenix, Arizona. Amazon turned to XPO Logistics to staff and ramp up operations at the facility, which would begin receiving parcels just three weeks after the lease was signed and ship two weeks later.

A top ten global provider of transportation and logistics solutions, XPO Logistics selected two staffing providers, including ProLogistix, to help meet the urgent deadlines. Assigned to staff both the second and third shifts, ProLogistix-Phoenix sprang into action under the leadership of a veteran Staff Performance Manager with more than 9 years of experience in similar environments.

Actions Taken / Approach

Established competitive pay rate. Guided by extensive local labor market experience and a thorough knowledge of area pay scales, ProLogistix developed a competitive set of pay rates to attract local workers.

Developed progressive pay rate schedule. Working with the client, ProLogistix recommended, developed and implemented a five-step wage increase program to help recruit and retain workers over the course of the peak season.

Created a tiered skill and compensation structure. In partnership with the client, ProLogistix developed a three-tiered structure that included Logistics Specialist Associates, positions that earn a 16.7 percent pay rate premium.

Achieved complete readiness on Day One. ProLogistix immediately implemented a well-defined plan for service coverage and communication, building in round-the-clock responsiveness, regular shift updates and enhanced floor supervision.

Incentivized workers to return for future peak seasons. Using a “comeback” rider, ProLogistix is encouraging experienced workers to resume working at the facility during future peak seasons by allowing them to return at their previously earned pay rate.



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Logistics Workforce Specialists

ProLogistix Results

On the strength of ProLogistix’s initial performance, XPO Logistics made a mid-project decision to award first-shift staffing to ProLogistix in addition to the other two.

Using ProLogistix’s proprietary, industry-specific recruiting and screening tools, the company increased headcount from zero to 120 in four weeks. ProLogistix achieved 100 percent fill rate on 295 position orders, exceeding the client’s goal of 95 percent. This means every position was staffed within 24 hours.

In addition, ProLogistix’s Assigned Associates excelled in attendance (98.87%) and the organization held the monthly turnover rate to 15.6 percent (and declining post-peak).

ProLogistix also achieved 100 percent invoice accuracy.

Client Results

XPO Logistics established a new company record for speed, rocketing from startup to full operation in 45 days. This was also reported to be a new record for Amazon, as well.

XPO received, processed, and shipped more than 350,000 large parcels over the course of three months during the peak period, meeting or exceeding all Amazon delivery metrics.

Based on this proven record of performance, XPO is expanding usable storage space at the facility from 900,000 cubic feet to 1.5 million, a 66 percent increase. This will allow the team to significantly increase the number of parcels handled.

Client Testimonial

In a note to ProLogistix, a top XPO leader praised ProLogistix for its “instrumental” role in Phoenix. She credited one ProLogistix leader with doing “an unbelievable job in filling orders with very short notice, coaching up the associates, learning our business needs for talent recruiting and engaging with our site leaders.” The XPO leader closed by praising ProLogistix for “consistently meeting our business demands” and vowing to work exclusively with ProLogistix in the future.

Summary

ProLogistix enabled XPO Logistics to open, staff and effectively operate a new large-parcel distribution center for Amazon in just 45 short days, ahead of peak retail season in 2015. Inspired by early results, XPO expanded ProLogistix’s coverage to all three shifts. And the client will soon increase the facility’s usable space by 66 percent, a vote of confidence by Amazon.

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