

Case Study

Illinois Power Decatur, IL



Illinois Power is a gas and electric utility company that distributes all the material required for utility installation and repair work, specializing in generation, transmission and distribution of electricity and gas. Illinois Power serves approximately 650,000 customers over a 15,000 square mile area of Illinois and has net electric generating capability of more than 4100 megawatts. Illinois Power Company is a subsidiary of Illinova, an energy services holding company.

Implementation

Illinois Power Company had several goals in mind while searching for the right warehouse management system. They envisioned improved customer service levels, and reduction in the number of employees needed. Another goal was to consolidate from 25 small distribution centers to one main facility. The Illinois Power Material Distribution Facility went live in December of 1994 with Release 4.0 of the Catalyst WMS along with Oracle as their RDBMS. In December, 1998 they upgraded to Release 7.0. Since the warehouse operation was new, the operation was built around the standard functionality of the Catalyst system with very few modifications required.

The Decatur Facility

The Decatur facility warehouses material required for utility installations and repair. Before this facility went live, they had 25 individual sites operating independently. Illinois Power has made great strides towards being totally centralized and nearly all of its distribution is done out of the Decatur facility. This site is a two shift operation consisting of 8 hours per shift.

The Decatur site has 105,000 square feet inside the warehouse with an additional 7 acres of land outside for storage. They have a 28 foot high bay area with narrow aisles throughout the entire warehouse. There are a total of 15 radio frequency terminals within the warehouse which are either hand held or truck mounted. The facility processes approximately 1800 transactions per day with about 1200 outbound order lines. They chose an AIX operating system and run on the IBM RS6000 platform with SNA as the host communication method.

Some inventory at this facility is on consignment from the vendor which helps hold down the cost of inventory since the vendor actually owns the product until it is used by Illinois Power. Once the product is used, then payment is made to the vendor. When searching for a product, the Catalyst WMS checks the Illinois Power stock first, and then moves on to the vendor stock.

Product Movement

Illinois Power uses forklifts, turret trucks and walkies that are easy to manipulate through the narrow aisles of the warehouse. Fork trucks and a crane are used to manipulate product in the outside locations. They are unique in their product handling methods in that they deal with all eaches rather than the typical pallet allotment. The eaches are comprised of many odd shaped items such as cable and pipe which have unique units of measure such as pounds and feet.

Benefits

Since the implementation of the Catalyst system they were able to reduce the number of employees needed from 74 down to 52. It has also allowed them to centralize their distribution function from 25 individual sites to one large center. These along with a reduction in the amount of extra inventory costs, process costs, and a greater efficiency with a paperless system have given Illinois Power a huge savings across their bottom line.

Facts at a Glance

Decatur, IL Facility: Distributes gas and electric utility equipment and supplies required for installations and repairs

Size: 105,000 square feet indoors and 7 acres of outside storage

Shipments: 1500 transactions per day with 600 order lines

Benefits: Decreased costs through personnel, inventory and location reductions

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