



# MATERIAL HANDLING SOCIETY

## NEW JERSEY, INC.

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# NEWSLETTER

DECEMBER 2009

PROFESSIONALS DEDICATED TO ADVANCING THE APPLICATION OF  
MATERIAL HANDLING SCIENCE & TECHNOLOGY

CIRCULATION  
Unlimited - Online

## Newark Refrigerated Warehouse January 20, 2010

### SPEAKER—STEFAN PRYOR

Newark Refrigerated Warehouse operates two public refrigerated warehouses one in the City of Newark and one in the Port. The facility handles largely imported and exported food products coming from or going to the Port. The largest commodity is juice concentrate.

The building is refrigerated by four engine driven compressors, two liquid Kathabar desiccant systems and traditional brine coils. The facility is comprised of 2 buildings, the older 1926 building, and a new building about five years old which has man up cranes. The new facility is about 75 feet high with about 65 feet of product and 9,200 pallets in a 25,000 square foot footprint. The facility also manufactures frozen dough bagels and is in the process of building a juice pumping facility to pump concentrate from drums and totes to tanker trucks.

Five aspects of the building are of interest:

1. Engine driven compressors with heat recovery
2. Liquid desiccant systems
3. Bagel manufacturing
4. Aisle mobile cranes
5. Concentrate pumping (under construction)

Other Features:

- 4 Million Cubic Feet
- Crane Building – RF – 4 years old
- Conventional Building – RF
- 16 rooms with Separate Temperature Controls
- Building is Being Partially Automated
- Less Than 2 Miles from the Port

Desiccant Dehumidification and Air Filtering Including Microbe Reduction

Stefan Pryor is Deputy Mayor for Economic Development in the City of Newark. In that capacity, he oversees the City offices responsible for economic development, city planning, housing, and workforce development. Pryor also serves as Chairman of the Brick City Development Corporation (BCDC), which is Newark's economic development organization and which Pryor helped found. Before his appointment to these posts, Pryor served as President of the Lower Manhattan Development Corporation. In that capacity, he served as the agency's chief executive. The Lower Manhattan Development Corporation (LMDC) was created in the aftermath of September 11<sup>th</sup> by the State and City of New York to plan and help coordinate the physical rebuilding and economic revitalization of Lower Manhattan. Pryor was the first employee of the LMDC, which was formed in November of 2001, and he served in a number of leadership capacities before serving as its President.



Pryor previously served as a Vice President at the Partnership for New York City (where he worked from 1998 to 2001). The Partnership is the NYC's leading business organization. At the Partnership, Pryor spearheaded the organization's public education efforts and served as Executive Director of its main school reform program. After September 11<sup>th</sup>, Pryor helped coordinate the Partnership's efforts to get downtown businesses up and running again. Pryor helped found ReStart Central, which provided donated and discounted goods and services to 9/11-affected businesses.

From 1994 to 1997, Pryor served as Policy Advisor to the Mayor of New Haven, Connecticut. Pryor is a co-founder and was the first Board President of Amistad Academy, a highly acclaimed charter school in New Haven. Amistad is the flagship for the Achievement First network of charter schools. Pryor serves on the board of Achievement First, which has opened and now operates 15 academies and schools in Connecticut and in New York City. Pryor is a graduate of Yale College and Yale Law School.

2009-2010

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**MHSNJ PRESIDENT'S MESSAGE**

**December, 2009**



Dear Members and Friends,

It was great to see so many people at the CVS program. In addition to the familiar faces, we had a lot of new people come out. We feel like we are doing things right when we see new people at the programs. The people from CVS did a terrific job preparing and putting on an outstanding tour. They showed us that you can make significant improvements with smart process changes. They have a mechanized material handling system that is essentially 20 years old, yet they are able to make operational process improvements that continue to make them more efficient each year.

I am sure you all experience the need to become more efficient each year even during more prosperous times. Each year companies rely on their supply chains to better meet customer needs and contribute more to their company's earnings. CVS is a great example by becoming the top company in their market while developing a more efficient supply chain.

In January we are going to get a smorgasbord of a tour at Newark Refrigerated Warehouse. They are a contract manufacturer of food products and employ automation in their material handling systems. They act like several different companies at one time (manufacturer, 3PL, and Distribution Company). I am sure this will all be done in a very small footprint. It will be a very interesting tour that should have something of interest for all of our members.

All of us at the Material Handling Society of New Jersey would like to take this opportunity to wish you and your families a happy and healthy holiday season. Please take advantage of the time you have off and enjoy yourself. Come kick off the New Year with us at the January program.

*Dave Ludwig*

**MHSNJ SCHEDULE  
2009 / 2010**



MHSNJ on LinkedIn

Are you a member of the LinkedIn business community?

Come join your fellow MHSNJ members at the "Material Handling of New Jersey" Group! Our Group is open to all currently paid members of the society. Over 60 MHSNJ members are already LinkedIn! Join us – network with other members, start a discussion, comment post a job, find a job! Already in LinkedIn? Find us under GROUPS. Not in LinkedIn? Sign up at [www.linkedin.com](http://www.linkedin.com) Group is managed by Karl Metz and Steve Garvey Need assistance? Contact me at;

[steve.garvey@intelligrated.com](mailto:steve.garvey@intelligrated.com)

**PROGRAM CALENDAR**

**January 20, 2010**

Newark Refrigerated Warehouse  
Newark, NJ

**March 24, 2010**

Hyundai Parts Distribution Center  
South Brunswick, NJ

**May 12, 2010**

To Be Determined

**June 9, 2010**

MHSNJ Classic - Annual Scholarship  
Fundraiser - Hackettstown, NJ

## PLEASE WELCOME NEW MHSNJ MEMBERS

### Membership Update...

#### December 2009

<u>NEW MEMBER</u>	<u>ORGANIZATION</u>	<u>LOCATION</u>
Dino Mallozzi	Champion Packaging Products	Fairfield, N.J.
Eric Zimmerman-President	Reflective Energy Solutions	Hackensack, N.J.
Matthew Kenny-District Manager	Frazier Industrial Company	Long Valley, N.J.
Greg Ciofi - Sr Director of Logistics	Loehmann's	Rutherford, N.J.
Ron Richmond - Director of Distribution	CVS/Caremark	Lumberton, N.J.
Mindy Lissner - Sr. Vice President	CB Richard Ellis	East Brunswick, N.J.

#### 2010 Membership Drive

The 2010 Membership Drive has begun and we are trying to reach out to all of the 2009 MHSNJ members as well as our fellow industry professionals to join us for another year of; outstanding tours, important guest speakers, the MHSNJ Scholarship Golf Outing and most importantly sharing thoughts and ideas with the industry leaders here in New Jersey. We will be reaching out to you over the next few months to update our membership records and solicit your suggestions on ways to continuously improve our organization as well as expand our membership.

**Thank you for helping to support the MHSNJ and make it the most successful statewide organization of it's kind!**

#### Student Membership

I am pleased to announce a newly created and implemented membership category for Students. The new Student membership rate is \$25 for annual dues. Simply complete the MSHNJ application form found on line at [www.mhsnj.com](http://www.mhsnj.com) and provide us with a copy of your current photo student identification. This is a great opportunity for students to become more involved with the Society as they begin to move into our profession upon graduation.

I look forward to seeing everyone at the January 20, 2010 meeting.

*Allison Clancy, Vice President and Membership Chair*

## SPECIAL BUSINESS FEATURE

### What is the New Jersey Economic Development Authority offering you?

\* The Business Employment Incentive Program (BEIP). BEIP enables approved businesses that are locating or expanding in New Jersey to receive annual cash grants based on the number of jobs they create in the State. A minimum of 25 jobs must be retained or created. For more information, please go to: [http://www.njeda.com/web/Aspx\\_pg/Templates/Npic\\_Text.aspx?Doc\\_Id=310&menuid=1187&topid=718&levelid=6&midid=1175](http://www.njeda.com/web/Aspx_pg/Templates/Npic_Text.aspx?Doc_Id=310&menuid=1187&topid=718&levelid=6&midid=1175)

\* Business Retention and Relocation Assistance Grant (BRRAG). BRRAG provides grants of up to \$1,500 per job retained to businesses either retaining jobs in New Jersey or relocating operations within New Jersey. The \$1,500 per job retained grant is payable as a tax credit against a firm's corporate tax liability. A minimum of 50 jobs must be retained or created. For more information, please go to: [http://www.njeda.com/web/Aspx\\_pg/Templates/Npic\\_Text.aspx?Doc\\_Id=870&menuid=1252&topid=718&levelid=6&midid=1175](http://www.njeda.com/web/Aspx_pg/Templates/Npic_Text.aspx?Doc_Id=870&menuid=1252&topid=718&levelid=6&midid=1175)

# **MATERIAL HANDLING SOCIETY NEW JERSEY, INC.**

## *An Idea To Help Strengthen Your Supply Chain...*

### **Going LEAN...A Look At Mechanization vs. Automation**

*By Dave Lodwig*

There has recently been a lot of attention given to Lean principles in manufacturing and supply chains. I would like to take a look at it from a slightly different angle in the supply chain and distribution center and how we can use technology to further this practice. We should start off with what Lean actually means. It was primarily developed by Toyota for the manufacturing of automobiles and has had obvious success for not only Toyota, but a lot of other companies across the world. Lean is commonly described as a process to eliminate waste. It classifies waste into seven categories: processing, waiting, motion, overproduction, inventory, transportation, and defects.

I was talking with a supply chain consultant and was introducing him to my company and some of the ways we help our customers solve their problems. He responded that his company is focusing on Lean processes and would probably not have many applications for automated systems. My first thought was that I had better update my resume and look for a job in another industry. Lean is becoming so prevalent that it probably signals the beginning of the end of automated systems in distribution centers I thought. Then I looked into what Lean actually is and how automation might fit into its principles.

So I started looking at where the waste is in distribution operations and how could it be reduced. When they say waste, what do they really mean? I think that it means waste of any kind equals excessive cost to the product or operation. Implementing Lean principles should reduce or eliminate these costs.

Well I know that automation reduces costs and that falls into the Lean principles somewhere. But the historical application of automation has always centered on reducing labor costs, and that only addresses the principles of processing, waiting, and motion. Some applications of automation can add to some of the principles. We should also draw a line of distinction between mechanization and automation. Mechanization uses some type of machine to move product from point A to point B (i.e. conveyors or lift trucks). Automation is a machine or software performing the task that a person would normally execute (i.e. a picking machine or a palletizer).

Then I thought why don't more operations use automation instead of mechanization? The reason is that it takes a different thought process and consideration of all the Lean principles in application and cost justification. I do not have enough time or space to go into all the details of this thought process but I can boil it down to several examples and issues.

There is new automation technology that can pick and palletize random size and type cases with no direct labor. This technology can also give you direct access to all types of products with regard to lot numbers and expiration dates at the same time. Manual and mechanized systems may require you to face several different lot numbers of the same product so that they are accessible to all your pickers all the time. Having several different pick faces of the same product helps reduce the amount of waste in waiting but it costs you valuable square footage. Mechanized systems (pick to belt conveyor systems) can be a little more space efficient, but require you to have people both picking and palletizing. This usually adds the same amount of palletizing labor you save mechanizing picking.

We have to remember that square footage and labor are the costs that keep giving to our operations every year. Automation of a case picking facility reduces square footage (by 50% or more sometimes), labor, and has a cost for only a fixed period of time (usually 4-5 years). This type of concept also can reduce your inventory because it gives you greater flexibility in selecting discrete products with lot numbers and expiration dates. Let's not forget about the software that takes a lot of decisions away from the people on the floor and gives them to the management staff of the operation. That reduces potential waste in many different ways. Then there are the many green benefits of a smaller facility, but that is a different discussion for a different news letter. Please think about this and let me know if you agree or disagree with me.

# Wednesday January 20, 2010

**Registration At Newark Ref. Whse.....3:30 PM**  
**Tour Begins.....4:00 PM**  
**Reception at Restaurant.....5:30 PM**  
**Program begins.....6:00 PM**

## **Dinner Meeting is at Iberia 67 Ferry Street, Newark, NJ**

### **DIRECTIONS TO NEWARK REFRIGERATED WAREHOUSE**

104 AVE C, Newark, N.J. 07114 PH:973-824-6694

#### **From South**

New Jersey Turnpike to **Exit 13A Newark Airport/Elizabeth Seaport** onto **RT 81 N** (1.7 mi.), Continue on **US 1 & 9 N** (1.6 mi.), Left ramp onto **McCarter HWY RT21 N** (1.3 mi.), **Right on Miller St** (0.4 mi.), **Right onto Avenue C**

#### **From North**

New Jersey Turnpike to **Exit 14/Newark Airport (US-1)/Clinton (US-9)/US-22**, take the **Newark (RT-21)Left exit onto US-1 & 9 S (US-1 S)** toward **Newark (US-22)/US-9 S**, take **ramp onto McCarter HWY(RT-21 N)** toward Newark, turn **Right on Miller St, Right onto Avenue C**

### **DIRECTIONS FROM NRW TO IBERIA**

#### **From NRW**

Avenue C back to Miller St, Left onto Miller St, Right onto McCarter HWY RT-21 (1.3 mi.), right onto Market St (0.1 mi.), bear Right onto Ferry St to 67 Ferry St (0.2 mi)

Please register the following people for the Dinner Meeting on Wednesday, January 20, 2010

Name	Company	Phone	Email	Member (X)	Fee(\$)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**Pre-registration: Members: \$50.00 Non-Members \$75.00**

**Registration at Door: Members: \$60.00 Non-Members \$85.00**

**FIRST MEETING SPECIAL (new members only):**

**JOIN MHSNJ AND ATTEND THIS PROGRAM AT A REDUCED RATE - \$95.00**

**Make Checks Payable to: MHSNJ Mail to: 3614 Kennedy Road  
South Plainfield, NJ 07080**

For Credit Card Payments go to website: [www.mhsnj.com](http://www.mhsnj.com) and register using PayPal

All major Credit Cards accepted including **VISA, MASTERCARD, and AMEX**

**CALL-IN/FAX  
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# MHSNJ SCHOLARSHIP HONOR ROLL

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## DEERWOOD COUNTRY CLUB

The November 2009 MHSNJ General Membership Meeting was held at the Deerwood Country Club following an outstanding tour of the CVS/Caremark Lumberton Distribution Center. Rich Sanitate, CVS Sr. Operations Mgr, at the switch.



Top: Ron Richmond provides an overview of the Lumberton operation as well as the CVS/Caremark story; past, present, and future.

Bottom: Perry Lundberg, Director of Distribution for the new CVS/Caremark DC in Chumung, N.Y., talks about utilizing “lessons learned” and “Best Practices” in the design of the new operation.

## MHSNJ Thanks

Our Tour Hosts for the November 2009 General Membership Meeting,; Ron Richmond (middle), Director of the CVS/Caremark Lumberton Distribution Center, Rich Sanitate (right), Sr. Operations Manager. Tour Chairman Steve Garvey (left), MHSNJ Director and Past President, awards our corporate tour host, Ron Richmond, with a 2009 MHSNJ Membership Certificate and presents Rich Sanitate with an MHSNJ Plaque of Appreciation .

