

**10k**  
Employees supported with corporate campus logistic services

# Pathways to Success

## Energy Leader Taps Canon for Corporate Campus Logistics Services



### A SMOOTH IMPLEMENTATION OF VITAL SERVICES

One of the largest energy companies uses technology and innovation to help meet the world’s growing energy needs. The company, which is completing the migration of thousands of employees to a new corporate environment, chose Canon Business Process Services (Canon) to help it ensure a smooth implementation of vital corporate campus logistics services at the new location.

The energy leader’s new corporate campus will be one of the largest in the U.S. To help it launch and maintain a worldclass workplace, the company tapped the corporate campus logistics

services expertise of Canon. These logistics services include the receipt, warehousing, inventory management and distribution of virtually everything that moves within the new campus.

With Canon, the energy company is leveraging a relationship that has already spanned over 12 years. Originally the company searched for a services provider that offered solely third-party logistics (3PL) expertise, which typically focuses on warehousing and over-the-road (OTR) transportation. However, the more the energy leader analyzed what needed to be done, the more it realized that a substantial amount of the work that would be relocated to the new campus involved a comprehensive integration of people, processes, technology and logistics services capabilities that covered a much broader range than standard 3PL services.

Many of these wider-ranging services were precisely what Canon had already been successfully providing for several

years; services that supported a number of the energy company’s regional locations and hundreds of clients internationally. Now that these locations were being closed and employees migrated to the new campus, it made good business sense to tap Canon to solve the challenges ahead.

### SETTING THE STAGE FOR SUCCESS

The initial question for the energy company was the same that any company would face undergoing a unique, large-scale consolidation of real estate, employees and resources to a brand new location: How do we define requirements and create a plan for safe and efficient corporate campus logistics services within a new environment? The company found its answer by engaging Canon, a trusted, proven partner. Before any services were implemented, together with the energy company Canon created a plan that documented how it would manage every activity and workflow encompassing the movement of materials, from receipt to distribution to warehousing.

## By operating the vehicles and carts, Canon's staff will travel an estimated 375,000 miles annually through the tunnels. That's the equivalent of circling the earth 15 times.

Canon's plan included establishing service level agreements (SLAs) that would track the performance of specific business activities. One SLA, for example, stipulates an agreed-upon 4.5 hour time span for processing accountable mail pieces once their receipt has been recorded. Another SLA specifies a 1.5 hour target for pick-up and delivery of items by courier. Canon's strategy also included responsibility for selecting, implementing and managing technology systems critical to the effective functioning of logistics services such as warehousing and mail management. With Canon defining requirements and delivering an approved plan prior to implementation, the energy company had confidence that Canon's best practices and logistics services expertise would help get the job done.

"Canon's plan gave us the assurance that we had solutions to the challenges we were facing," said the campus facility director for the energy company. "They had defined requirements, created SLAs, documented process workflows and they had experience in hiring and onboarding quality staff. We were now ready to launch corporate campus logistics services that would efficiently and safely support employees at our new location."

### A COMPREHENSIVE SOLUTION

Canon is implementing a comprehensive logistics services solution that covers managing the flow of most of the materials that move within the

corporate campus. This movement is facilitated by underground tunnels and pathways built to enable the successful, well-organized receipt, inventory and distribution of materials, office equipment, supplies, mail and packages, all of which Canon records, warehouses and distributes to locations throughout the campus. Table 1 details some of the services provided as part of Canon's solution.

The Canon nerve center is a central utility plant that incorporates loading docks and a warehouse, and serves as one of the entrances to the underground road system. It is also the base from which Canon provides many of its services. The scope of the logistics services operation in the near future will span a central warehouse and two storage sites under each of the campus buildings, resulting in numerous storage locations currently under construction. As highlighted above, there are hundreds of mail drops to manage. This includes distributing USPS accountable mail pieces daily from the central mail hub. Additionally, all of the campus's buildings will have six floors with two service centers on each floor, totaling more than 100 service centers when complete.

To manage this broad spectrum of activity, Canon currently provides all staff, including management, dispatchers and logistics personnel. And to ensure the efficient movement of supplies and materials through the network of tunnels, Canon deploys a fleet of electric vehicles

that are used for transporting material and personnel through the campus; a few are used for cleaning and one vehicle is deployed as an ambulance for emergencies. The Canon team also coordinates and manages large, wheeled carts that are used to transport materials and to support trash collection and recycling activities. By operating the vehicles and carts, Canon's staff will travel an estimated 375,000 miles annually through the tunnels. That's the equivalent of circling the earth 15 times.

### SAFETY IS THE TOP PRIORITY

Transporting so much material throughout the campus—some of which is large, heavy and cumbersome—via equipment including forklifts and electric pallet-jacks can pose serious safety challenges. As a result, the energy company maintains a commitment to safety that is second to none.

"The safety of all our employees, within the underground transportation system and throughout every area of the campus, is the top priority," explains the senior operations manager for the energy company. "The Canon team provides valuable assistance in making sure that campus employees follow our safety policies and procedures."

These practices are clearly visible all through the entire underground network. Traffic devices are used at intersections. Canon staff members are outfitted with appropriate Personal Protection Equipment (PPE) while in construction areas and traversing the tunnels. Additionally, all workers are trained and certified for the vehicles and equipment they are operating. Maximum speed in the tunnels is eight miles per hour. Vehicles cannot be operated without first entering an authorized code. Should a vehicle be bumped or collide with an object, its engine will

Category	Examples of Corporate Campus Logistics Services
Shipping & Receiving	<ul style="list-style-type: none"> <li>+ Manage inbound and outbound package shipments</li> <li>+ Coordinate incoming mail (UPS/FedEx), office supplies, etc.</li> <li>+ Supervise dock delivery appointments</li> </ul>
Records Management	<ul style="list-style-type: none"> <li>+ Oversee the filing of 19,000 boxes of records monthly, including security procedures and following chain of custody requirements for records</li> </ul>
Mail Management	<ul style="list-style-type: none"> <li>+ Manage the inbound and outbound mailstream spanning: <ul style="list-style-type: none"> <li>+ 12,000 pieces of USPS mail daily</li> <li>+ 600 accountable pieces daily (DHL/FedEx/UPS)</li> <li>+ 900 mail drops</li> </ul> </li> <li>+ Supervise courier pickup and delivery, including monitoring and documenting deliveries</li> </ul>
Warehouse	<ul style="list-style-type: none"> <li>+ Direct the warehousing of office supplies such as paper, and building supplies such as floor and wall tiles, door handles and other hardware</li> </ul>
Operations Technology	<ul style="list-style-type: none"> <li>+ Install and manage cloud-based warehouse management system that meets accountability and chain-of-custody requirements</li> <li>+ Install and manage mobile enterprise mail and package tracking system</li> <li>+ Supervise the bar coding of equipment (e.g., carts, forklifts, etc.)</li> </ul>
Equipment	<ul style="list-style-type: none"> <li>+ Deploy a fleet of 72 electric vehicles (passenger carriers, forklifts, etc.) and 132 large wheeled carts</li> <li>+ Install and manage an equipment management system (EMS) <ul style="list-style-type: none"> <li>+ On-board computerized system to help manage, maintain and track all vehicles and equipment as well as ensure safety</li> </ul> </li> </ul>
Shuttle Transportation	<ul style="list-style-type: none"> <li>+ Oversee shuttle transportation services for key energy company personnel such as information technology employees and senior management executives</li> </ul>
Food Service	<ul style="list-style-type: none"> <li>+ Manage catering deliveries estimated at 300 food deliveries daily to campus kitchens and retail locations such as coffee shops</li> </ul>
Document Shredding	<ul style="list-style-type: none"> <li>+ Supervise document shredding and removal</li> </ul>
Waste Management	<ul style="list-style-type: none"> <li>+ Coordinate trash/recycling activities, including processing 3,500 tons of waste and recycling 2,500 tons annually</li> </ul>

automatically shut down. Canon also installed and manages a monitoring system that tracks vehicle movement. With the system, vehicle operators must enter their employee number into a keypad. The software monitoring system then tracks key data such as who is driving, where, and the length and time of the trip. The system helps ensure safety and continuous performance improvement.

Because safety is so important to this client, the Canon services teams spend substantial time devoted to ensuring that no one is injured. In fact, Canon team members report that their safety performance is graded in as much depth as their work performance.

#### LEVERAGING TECHNOLOGY FOR INCREASED EFFICIENCY

Besides utilizing an experienced staff and managing a state-of-the-art underground transportation system to support its corporate campus logistics services, Canon has also deployed advanced technology to meet two key goals. One is to ensure accuracy and efficiency in the warehousing and mail management operations; the other is to benchmark, measure and continuously improve the processes that Canon is managing.

To meet the first challenge, Canon has implemented a cloud-based warehouse management system (WMS). The system is scalable; it can be rapidly expanded from tracking inventory for a small to a large number of warehouses and storage locations. Canon uses the WMS to track the lifecycle of a considerable number of items including office supplies, paper and stock building items such as floor and ceiling tiles, light fixtures and furniture. With the WMS, the Canon team can manage warehoused items at par level. This means that stocked items, such as paper, are automatically replenished when they fall below a certain level. For example, if the par level for paper is 50 cases and a storage site in one building

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falls below that level, an order is automatically triggered to bring that storage site back up to 50 cases.

Additionally, Canon installed a mobile enterprise mail and package tracking solution that uses barcode tracking software, mobile computing hardware and package shipping software to monitor the flow of inbound and outbound mail, packages, parcels and other shipments. The system incorporates hand-held devices, intelligent routing and sorting, proactive email notification, electronic signature capture, delivery confirmation and in-depth reporting. The system also enables the Canon team to track workforce utilization throughout the campus, such as the time a staff member spends delivering mail or performing a supplies inventory.

To meet the second challenge—process improvement—Canon is leveraging its expertise in quality and performance management. The company uses its proven Six Sigma-based methodologies

and technology to help clients drive continuous process improvement. These skills will soon come into play for the energy company as Canon launches quality control and quality assurance programs that will track the performance of specific business processes according to SLAs. As spotlighted earlier there are specific SLAs that include, for example, an agreed-upon time span for processing accountable mail pieces once their receipt has been recorded.

To track compliance with these SLAs—and others covering such activities as food transport—Canon will rely on its BusinessInsights performance management system. Using BusinessInsights, the Canon team will be able to effectively measure, manage, benchmark and drive continuous improvement in the services it is providing. “One of our prime objectives in teaming with Canon is to focus on improving operational efficiency, maximizing employee productivity and where possible, containing costs,” said the campus

facility director for the energy company. “We are confident we can meet our objectives based on Canon’s Six Sigma expertise and advanced tools such as BusinessInsights.”

### MEETING THE CHALLENGES

Together, Canon and its client have been meeting the challenges of transitioning vital corporate campus logistics services and safely supporting thousands of employees that now work at the energy leader’s campus.

“Leveraging Canon’s expertise has enabled our company to safely and efficiently implement logistics services that are supporting our employees and our business goals,” notes the senior operations manager for the energy company. “One area of concern had been implementing materials distribution processes that would be vital to our campus. We focused on this particular element because of the many challenges associated with launching a new underground pathway system and putting in place effective procedures for securely moving countless people and supplies through the system. Despite the challenges, Canon’s transition of corporate campus logistics services has not only been seamless; it is one of our most successful initiatives to date.”

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### Advancing Business Performance to a Higher Level

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