

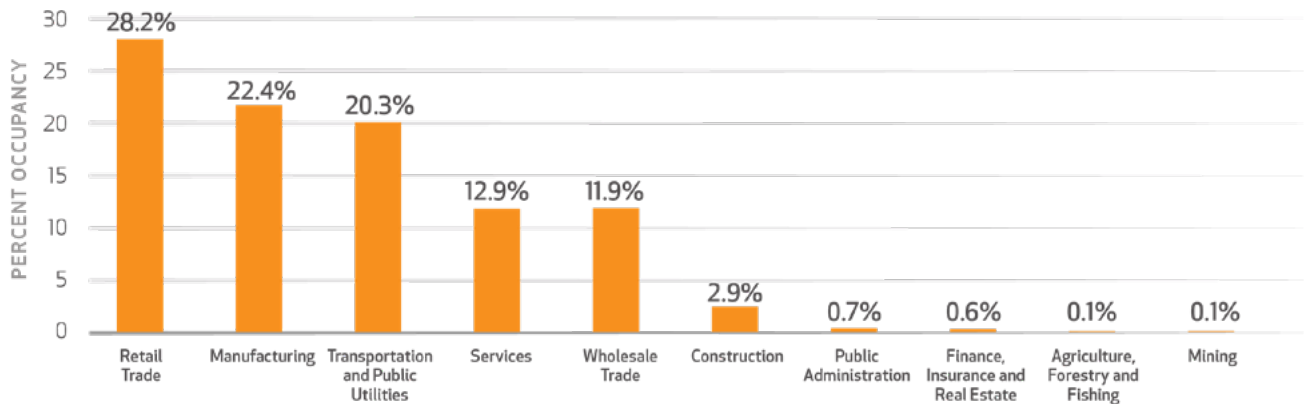


# OPERATING A RESILIENT RETAIL DISTRIBUTION FACILITY

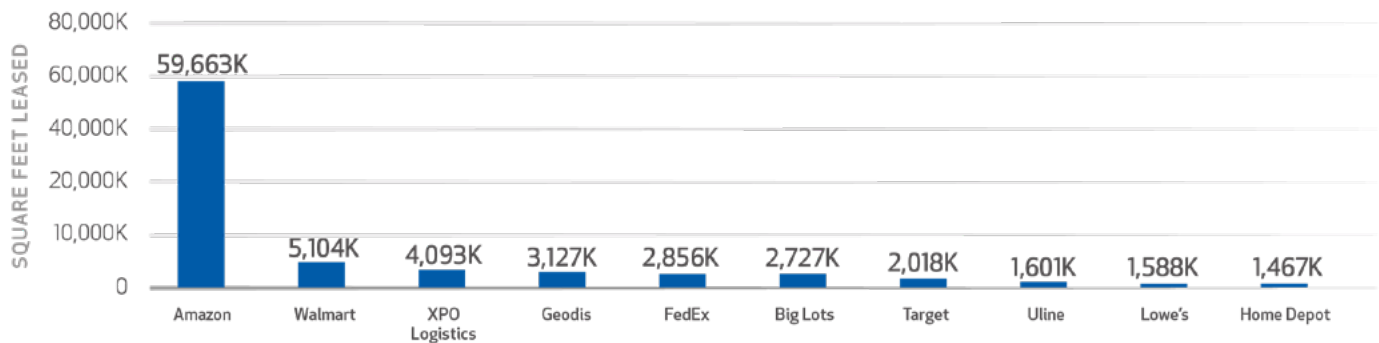
# Operating a Resilient Retail Distribution Facility

With rent for brick-and-mortar retail stores increasing and people moving out of large cities, many consumers are turning to e-commerce for their shopping essentials. As one of the only industries to thrive during the pandemic, distribution and warehousing is driving demand for new space.

## Tenant Industries



## Tenant Companies



Source: CoStar Group, Oct. 14

The demand for retail distribution and fulfillment space is likely to remain well beyond the COVID-19 crisis. Operators need smart solutions to address the spike in demand, as well as employee health and safety concerns.

## THE PRESSURES OF MEETING AN UNEXPECTED SPIKE IN DEMAND

Distribution and fulfillment centers were already concerned about maintaining staffing levels and equipment uptime to meet consumer demand. When e-commerce sales shot up quickly during the pandemic, operators were thrust into a new reality that they were expecting to come years from now.

In fact, IBM estimates that COVID-19 accelerated the shift from physical stores to e-commerce by five years.<sup>1</sup> This huge spike in demand was not forecasted, and therefore not planned for by e-commerce organizations. And it isn't a temporary bump, it's a major shift in how consumers buy. Distribution and fulfillment centers need to quickly adopt practices that can help them meet and sustain this rise in demand.

At the same time, it's important to protect your employees' health. Not only has viral transmission become a safety concern, an outbreak can lead to a shutdown that you simply can't afford right now. Staffing levels also need to remain high enough to fulfill the volume of orders that come in. Staying open also depends on a steady stream of in-demand supplies – from disinfectants to PPE – to keep employees safe.

## HOW TO EVALUATE YOUR OPERATIONS

To adapt to rapid change, there are several components of your operations that need examination. Asking yourself these questions will help you hone in on the best strategies to meet demand and identify the right partners to support you.

### QUESTIONS TO ASK

- *How do you brace for the unexpected?*
- *How do you shift gears quickly with respect to the following?*
  - *Employee health and safety*
  - *Vendor health and safety*
  - *Equipment uptime*
  - *Supply shortages*
- *As health organizations and governments issue updated guidance, how do you interpret that information while maintaining business continuity?*
- *How do you maintain uptime during peaks in demand?*
- *How do you keep your employees safe from accidents and illness?*





## THE KEY TO ADAPTING IS IN YOUR FACILITY

Your facility is the heartbeat of your operations. If you can maintain adequate staffing levels and supplies, ensure equipment uptime, and take steps to prevent the spread of infection, you can endure the crisis.

Staffing pressures are high, and you'll need a reliable, flexible bench to rely on. As demand fluctuates, you need qualified staff who can perform multiple duties in your facility. Similarly, supplies will be in high demand. If you want to prevent shutdowns caused by illness, you need a steady stream of these supplies.

And finally, the guidance on infection mitigation from the Centers for Disease Control, World Health Organization, and other leading health organizations will change as we learn more about the virus. You need partners with expert panels that can transfer that knowledge into practical steps that you can incorporate into your facility operations.

## OPTIMIZING YOUR FACILITY REQUIRES A HOLISTIC APPROACH

Mitigating the spread of infection requires a multi-pronged approach focusing on two aspects of your maintenance program. First, you need a plan for regular disinfection of high-touch points throughout the facility. To reach areas that can't be disinfected by cleaners with spraying and wiping, employ broad disinfection using electrostatic sprayers.

Indoor air quality (IAQ) also has an impact on your ability to maintain facility wellness. New technologies, such as bipolar ionization technology and UV-C lighting technologies help reduce viral transmission and improve IAQ. But you don't have to start with new technologies. Basic preventive maintenance (like changing air filters) can also be an effective, budget-friendly way to reduce the spread of infection.



To address your equipment uptime concerns, implement proactive maintenance. It may require additional staffing support, but the investment is worth the payoff. Equipment downtime can cost \$150-\$350 per hour.<sup>2</sup> Working with a facility partner who understands how to use staff efficiently can help mitigate some of the costs of the investment.

## OPERATE WITH CONFIDENCE

ABM provides facility services expertise to help you keep employees healthy and maintain uptime. Contact us today to learn more.

Sources:

<sup>1</sup> <https://techcrunch.com/2020/08/24/covid-19-pandemic-accelerated-shift-to-e-commerce-by-5-years-new-report-says/>

<sup>2</sup> <https://www.bicmagazine.com/departments/maintenance-reliability/benefits-of-proactive-equipment-maintenance-outweigh/>

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