

# Strategic Lean Project Report

## Warehouse Savings

**Agency:** Washington's Lottery

**Partners and Customers:** Lottery's warehouse team and members of sales and marketing (stakeholder)

### Project Impact

The warehouse team and members of sales and marketing collaborated and were able to implement several cost reduction measures which resulted in over \$114,000 in savings for 2019.

This project supports two pillars of our agency's strategic plan: *Champion Beneficiaries* so that we ensure our commitment to our beneficiaries are at the center of what we do and *Drive Operational Excellence* by enhancing performance through continuous improvement and efficient use of our resources. This reduction in costs helped us to increase our net income from 25% in FY18 to 26.4% in FY19 thereby increasing the contributions transferred to our beneficiaries: Washington Opportunity Pathways Account, CenturyLink Field, Economic Development Reserve Account, Problem Gambling and the General Fund.

### Project Summary

This work was initiated when one of the warehouse staff asked why we pay more for packaging that has our logo on it. Removing the logo saved approximately \$6,900 per year for packing. After this quick win, a team was formed to analyze several aspects of our warehouse operations, the goal was to reduce costs while meeting increased demand for game launches.

At the start of this project, we could accommodate three initial game launches compared to our target of five, which we wanted to reach by 10/7/2019.

We were successful in meeting our target of five initial game launches through:

- Removing a dedicated line for picking and packing initial game launches, adding them to the daily pick and pack lines.
- Providing new game tickets to retailers sooner by including them in daily shipments rather than waiting for available staff to work the dedicated new game line.

We were successful in reducing costs through:

- Removing the logo from packing.
- Changing our packing bag sizes and supplier.
- Reducing the number of shipments sent by including game launch tickets in the same packages as daily orders.

## Project Results



### Cost

Decreased shipping and packing costs **from** \$669,123 **to** \$554,580.



### Quality

Increased concurrent game launches **from** three **to** five.



### Time

Decreased the number of days for all retailers to receive new game tickets by approximately four days.

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## Project Details

**Date improvement project was initiated: 2017**

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