

Case Study

Warehouse Solutions at Work: Canaport LNG



The Company: Canaport LNG

Canaport LNG is a state-of-the-art liquefied natural gas (LNG) receiving and regasification terminal. The company began its Saint John, New Brunswick operation in 2009 and was the first of its kind in Canada. With a maximum capacity of 1.2 billion cubic feet (BCF), Canaport LNG can supply natural gas to both the Canadian and American markets.



Canaport LNG's vision is to establish a standard of providing high quality natural gas. To achieve this standard, the company uses advanced technologies, operates in a safe manner, enlists efficient practices, and follows rigorous standards. (Canaport LNG, 2012).

The Challenge

Canaport's warehouse is used as a general warehouse, tool crib, and store. Some key processes such as receiving, issuing, and inventory counting were managed outside of the operating system. Additionally, few of their shelves were labeled or system-located with an item part number, description, and location.

Procurement Manager Greg Price wanted to improve the warehouse operation by leveraging the company's operating system with Standard Operating Procedures (SOPs), driving to improve:

- Process documentation
- Shelf utilization
- Item and order fill rates
- Product identification
- Inventory accuracy
- Business process execution consistency

Canaport LNG knew they needed assistance to improve the warehouse operation and Source Atlantic was contracted to facilitate the project.

The Solution

Using process mapping as the framework for *measurable* improvement, Source Atlantic first outlined a clear picture of the current state:

- Process steps and time for key warehouse processes: receiving, put-away, issuing, quality control
- Metrics: inventory turns, employee productivity, inventory count accuracy

Next, Source Atlantic prioritized opportunities for improvement, focusing on safety and security. Within 6-8 months of employing one full-time Source Atlantic warehouse employee on site (Integrated Supply



Solution), over 12 Standard Operating Procedures (SOPs) were created specific to the site and operating system. During this time, employees were trained on the SOPs, inventory was transacted using the system, and item and bin location labels were created for over 2,000 items.

The Result

Today, Source Atlantic Warehouse Solutions are achieving results at Canaport LNG:

- 98% inventory accuracy was achieved in the inventory count
- Over 2,000 items now have bin locations on the shelf and in the system
- Canaport LNG is seeing an increased fill rate on consumables
- Sharp reduction in salvaged and obsolete inventory

These accomplishments, combined with a training program for Standard Operating Procedures, improved both the efficiency and security of the facility.



If competitive pressures are forcing you to reassess your business processes, reduce operating expenses or improve existing processes, Source Atlantic can help you achieve your goals. Contact your Account Manager today to discuss Source Atlantic's Solutions platform and arrange your consultation with our Process Improvement Team.