

The Story Behind Navistar's Edmonton Parts Distribution Center's Success



Navistar's Edmonton PDC Entrance

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When an award win becomes a pattern, many start to wonder how success was built and how it continues. Navistar's Edmonton Parts Distribution Center (PDC) in Alberta, Canada was ranked the [Top Performing Warehouse](#) in the Heavy Equipment category in the Carlisle North American Parts Benchmark

(NAPB) Conference for the seventh consecutive year, no small feat for the PDC's robust team. From the facility's layout to the work culture, the award-winning PDC's impeccable operations and dedicated staff hold the key to its nearly decade-long tenure at the top.

Three-Pronged Approach to Success

Fifteen years ago, Edmonton's PDC made the move from its older building to its current larger location, which spearheaded the large operational changes that took place. At the same time, we adjusted our approach to focus on the three-pronged approach of quality performance, team support and employee accountability. Since then, we've



developed into a high-functioning team which is largely self-directed and accountable to ourselves and each other.

One competitive advantage with our facility is its layout, as it is unique to Navistar's PDC network and in the industry in general. The layout can best be described as a narrow aisle concept, allowing for faster, easier selection and packaging of parts. We have developed a flexible application for the roles and process we have in place. With most PDCs, you have certain people who only do certain things. At Edmonton, we have an extreme need for flexibility when it comes to pivoting roles and responsibilities. In a typical warehouse, there are shipping and receiving docks on opposite sides of the building. At Edmonton, our teams look at what is going in and out to see what parts make more sense to bring to which side of the building. If the order is going out quickly, it can be unloaded on the outbound side to cut down on shifting it around too much.

Over the years, the leadership at Edmonton learned that engagement is key and leaned into it by adjusting our procedures. For instance, through a new quality improvement strategy, we reduced wasted time and energy. To support quality initiatives, we changed the existing incentive program. Support for key roles was strengthened while simplifying our production processes. This enabled us to recognize our highest achievers and reduce operational costs. Additionally, we've enhanced productivity by outsourcing maintenance and facility needs. Everyone is responsible for supporting the floor activities because it is pertinent that their operations run as smoothly as possible. Our office staff understand that they are here because of the warehouse and have a large responsibility to support our floor staff to make their jobs efficient and effortless.

The largest key to Edmonton's success is our people. Edmonton has had a cultural shift to focus on a goal and success-based philosophy. Team development front and center. We have evolved from just establishing who our team is to make them experts in their roles. This has allowed our staff to have buy-in with our goals and develop additional skills to help achieve them. But change is constant, and learning to be flexible is at the center of our ever-changing business landscape.

Evolution: A Constant Necessity

Our Service Solutions organization recently rolled out its new way of working, which is largely focused on implementing changes to transform reactive business operations into a more proactive and predictive business model. This involves comprehensive ownership solutions tailored to enhance ownership experience, a customer service operations model where dealers prioritize preventive maintenance, and a Digital Dealer ecosystem with a

comprehensive software platform allowing dealers access to vehicle data so they can enable proactive repairs for our customers.

Our PDCs are shifting to meet this model across the board. In the production and logistics world, our team focuses on the most cost-effective and proactive way to move goods that benefits us, our dealers, and our customers. That mindset is changing how we think about our footprint in terms of stocking. In the past, if our dealers waited for a truck or bus to arrive and diagnose it, then order parts, they are largely dependent on delivery speed. That drives a PDC network to a model where the PDCs are close to customers, or they are paying high transport costs.

In our new proactive model, we are scheduling a repair two weeks out, which allows the parts to be anywhere in our PDC network and still get there when they are needed. All of this helps keep transport costs low, diminishes the reliance on speed, and reduces waste in both operations and our overall carbon footprint.

Expanding the Success

Navistar currently operates nine PDCs across North America and is planning to add additional facilities to the network in the future. The vision is to migrate to more nimble, flexible, agile operations. Long term, all Navistar PDCs have to consider investments in technology, offsetting challenges with manpower, and other hurdles that may stand in the way of efficient operations. One lesson the PDC network learned from the pandemic is being able to flex with significant fluctuations in volume, something that is pertinent as the industry evolves and our own business goals shift from reactive to proactive customer support.

Congratulations and thank you to the Edmonton PDC on its longstanding success. We are proud to have you front and center as we continue to improve upon our operations and shift our PDC network toward a new way of working for the industry.

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