# Different Strokes

When the next "black swan" event hits the world of logistics, Robert McKeel, CEO of FORTNA, tells *Peter MacLeod* more about how companies can better prepare for disruption.
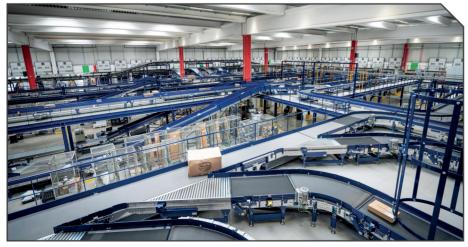
**FORTNA is a US-headquartered warehouse optimisation, software and design-build company that leverages software, automation and robotics to ensure its customers are as future-ready and resilient as can be. Its focus is on capacity and capability, the former more so during COVID and the latter more so recently as challenges such as labour shortages continue to vex our industry. This, of course, is driving a rush to automate, but FORTNA does it differently, said its CEO Robert McKeel when I caught up with him at LogiMAT. Whilst businesses were using automation to create greater capacity in 2020-22, they're now spending capital on capability inside their existing operations.**

"What FORTNA does – which I think is unique compared to our peers in the industry - is we don't approach the customer with a technology solution, we approach the customer with an operations-based solution," McKeel told me. "If they have an operating problem – be that throughput, cost-per-pick, building out their eCommerce or omnichannel capabilities, SKU mix, or seasonality - we start there. We talk to them about the problem using their data and the forecast of their data and come up with an operating solution. Once we have the operating solution, then we look at the technology that would best fit that operating solution."

These companies may know a lot about their business, but they don't necessarily know what they need to solve their pain points. There are many different solutions that may be fit for certain operating problems, but not for other, which is where FORTNA comes in. "Part of our role in this is to make sure we get the best- fit solution that solves their operating problem today and tomorrow," said McKeel. "We typically try to look five to seven years into the future at what their demand will be. We know it's probably not going to be 100% right, so we have to build flexibility into the solution to allow for changes over time, and then we work with best-of-breed technologies in the marketplace including some of our own technology that we have internally."

## Internal Capacity

That internal capability is focused on two key areas, with a third coming up fast on the rails. The first is software that helps orchestrate the complexity of a multi-vendor solution for the client. The software focuses on optimising throughput and cost-per-pick using algorithms and learning. Secondly, FORTNA has a conveyance and sortation capability to help maximise execution from a supply chain perspective. And, thirdly, it is increasingly undertaking more integrations where it pulls in various robotic solutions to help overcome the problem.

*Robert McKeel, CEO of FORTNA*

"We work with our innovative robotic solutions and partner with top experts on a global scale and we design to match the best-fit robotic solution with the required application," McKeel says.

Whilst by their very nature we're never going to predict the next 'black swan' event, McKeel says FORTNA aims to create flexibility and resiliency in the way the network works. "One of the things we look at is where is the client's supply chain, what's their ability, do they have congestion in Area X and go to Area Y for a solution, what's their inventory balance between those points...? Much of the customers' focus on resiliency is multiple distribution centres, i.e. having inventory in both places so they can fulfil from either/or location based on changes in demand. If they're buying all their product from one country and trying to ship it to another, we can't readily solve the congestion problem for them because the shipping lanes are what they are today. But once they get it into the location, if there's something like a hurricane in one part of the globe but they still need to have delivery in another part, a multi-distribution centre solution can help alleviate that kind of congestion as we go.

"A lot of our work is on the unforeseen problems inside the DC; what happens when a worker walks away from their station? You have six goods-to-person stations, and suddenly you just lost one-sixth of your capacity, but your system doesn't know that, so it just puts things into recirculation and causes problems. So we solve that through our software, looking at how we can help with unforeseen events that happen inside the four walls of the of the distribution centre to keep them maximising throughput."


*A completed FORTNA project*

## Sustainability to the Fore

With a background in the energy sector, McKeel takes a strong interest in sustainability and optimal energy use and says FORTNA's clients are concerned about this subject: "We are having more conversations around how we can help them with their sustainability initiatives, how to reduce plastics in the retail environment in particular, how to reuse pallets. Obviously, we do a lot of work with LED lighting and the balance of energy used at the distribution centres. If you have a football field roof, why wouldn't you put more solar on the roof and become self-sufficient? The challenge if they don't own the building is that the landlord has to ultimately add those on, so we work with the real estate side of things to address sustainability on behalf of the operators."

In logistics, the age of robotics is here. It's been talked about for a long time, but the business cases are now really starting to make sense to many of FORTNA's customers, particularly those seeking to operate an 'always-on' DC to fulfil eCommerce demands. "The mechatronics are well known," McKeel concludes, "but the robotics and software are a little bit newer. So we spend a lot of our time and energy helping customers understand how they can deploy those kinds of technologies to their advantage in their network, making the business cases for both robotic-based automation, and good software to help manage the complexity that comes with it."

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