

Staples Fastens Onto Kiva

Published Dec 19, 2005, 01:00pm EST, Updated Jun 19, 2013, 04:55pm EDT

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One quick look inside a Staples store, or in its catalog or Web site, is enough to convince a customer that they have lots of items available. It's possible to get lost in selecting a ballpoint pen.

This could be seen as a depressing problem or golden opportunity. Matches made in warehouses are matches made in a logistics heaven. Staples and **Kiva Systems** have now jointly grabbed this as an opportunity.

“What if all the products in the warehouse could walk and talk on their own? Couldn't they just come to me when I need an order filled?” So mused **Mick Mountz**, founder and chief executive of Kiva Systems, while he was still fresh from his experiences at Internet grocer Webvan and Kiva was just a glimmer in his eye.

From that glimmer, Mountz went on to develop Kiva Systems, which took on order fulfillment (storage, movement and sorting of inventory) aggressively for several years of pilot testing.

The system that emerged is based upon real-time parallel-processing techniques that make use of systems that adapt to changes within their environment.

“The system moves inventory around a warehouse like computers move data around in memory. This frees up logistics professionals to focus on the business of filling orders and not managing locations and searching for products,” Mountz says.

Staples, in concert with Kiva Systems, decided to build a pilot fulfillment center in Coppel, Tex., to test a Kiva Mobile Fulfillment System.

This system uses a host of mobile, inexpensive platforms (call them robots). Each carries on board a parts and product shelving system that moves in lanes around a distribution center in a scene that Stanley Kubrik would have envied. The network of mobile units is electronically controlled by powerful network algorithms (step-by-step procedures). They pass each other like well-trained hockey players along rectilinear lanes. Each delivers and picks up from stationary operators who place, or take, goods from the shelving pods.

“The Kiva solution was so simple yet so potentially powerful that we decided to put it to a test in a live production environment earlier this year,” says **Don Ralph**, senior vice president of logistics operations for Staples. “The resulting increase in productivity was significant, and we decided to move forward with a permanent installation in our Chambersburg [Pennsylvania] facility.”

This center is one of many that fulfills deliveries to home offices and small business customers who have placed orders via Staple.com as well as through Staples catalogs. The center also services corporate customers that use Stapleslink.com.

Kiva says that their pilot tests delivered productivity improvements that were clocked at 200%--servicing more than three times the number of orders per hour per person. New sites can be put up very rapidly, as the system is expandable with simple installation methods such as the directional floor guides for the mobile platforms that require no laying of wires or digging into the concrete. The controllers are merely fixed to the floor at the desired intervals.

A test unit of considerable size was set up in the Boston area in one day. The core parts are the mobile platforms, their shelving unit, the floor controllers and the software that coordinates the flow of traffic, based upon orders.

“We let the mobile platforms do what they do best (move rapidly and accurately as needed) and let the people do what they do best (pick and sort products to go on board shelving units,” Mountz says.

The impact of this methodology could have considerable impact upon warehousing, distribution centers and fulfillment facilities. Staples now believes they should let the robots do the walking, and the talking.

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