

## Broke, So Fix It

Companies that haven't implemented a WMS (warehouse management system) to run their warehouses are missing out on increased productivity, improved customer service, and almost certain ROI gains.

*Integrated Solutions*, November 2001 by Ed Hess

In the course of traveling and working the phones, I speak with a lot of larger companies in many different market spaces. Most of the time, IT executives are telling me about strained resources - both budgetary and labor related. Or, they are relaying some of the business benefits they realized from recent technology implementations. In either case, few things catch me off guard.

Keeping this in mind, I am always surprised when a Fortune 1000 company tells me it is considering a WMS (warehouse management system) for its DCs (distribution centers) spread out across the country. "Considering?" That can't possibly be the truth. After all, this isn't some mom-and-pop tier-three company with a few thousand square feet of warehouse space and a couple dozen SKUs (stock keeping units). As it turns out, "considering" is the right word because these companies don't have a WMS in place. Instead, they opt for warehouse employees scurrying around with clipboards and pick lists. C'mon, your company is better than that.

### **You Can't Find A Reason Not To Act**

Some IT staffs may be enamored with Web applications or other, more sexy technologies. If the end goals are ROI and productivity boosts, however, then implementing a WMS may be the easiest choice you can make. It's not glamorous, but it's effective - which, incidentally, is a phrase that most IT people would use to describe themselves.

At the heart of a WMS implementation is, of course, automating the manual processes that once governed the warehouse(s). The software solutions that handle this automation are probably more stable than most of the software in other industries. The vendors that offer these WMS products have solutions that range from out-of-the-box applications to much more customizable software. Some systems are also specifically aimed at particular vertical markets. In general, the hardware you're handing to warehouse employees consists of handhelds or some other form of ruggedized device. The picking and receiving data is transmitted using a mature technology in RF (radio frequency).

The WMS solutions on the market are proven effective and offered by a host of vendors. The hardware is equally mature and offered by longstanding companies. There is very little downside to implementing a WMS solution. The upside is almost limitless - increased accuracy and productivity, better customer service, lower inventory levels, and decreased labor costs.

### **Put Your Money On A Sure Thing**

In a time when the economy is tough and IT budgets are being squeezed, it makes sense to place your money on a sure bet. If your job is choosing where to next spend IT dollars, then you already know you have little room for error. Your boss is not going to accept long integration times and projects that struggle to provide a measurable ROI.

Don't put all your money on red or black and then close your eyes and hope for the best. If you haven't implemented a WMS, this is the best time to think long and hard about moving in that direction. Any IT project has risks, but this particular one has a proven track record of almost always being very successful.

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