

Warehouse management systems essential to delivering online promises

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The online race for capturing the biggest share of the customer's wallet has left many a traditional retailer trailing behind, not through technology but through the offline movement of ordered goods.



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This is still largely managed by processes that were put in place, when physical stores were the only option available to customers. It is during this offline chain of events that buyers can either be impressed into becoming loyal customers, or put off to such an extent that they lose all faith in a supplier.

Much effort can be spent on developing a slick online shop that makes browsing virtual products easy on a device that fits comfortably in the palm of our hand. However, the promises made on the online platform need to be kept by those working offline with physical products stored in and distributed from huge warehouses.

Irrespective of how advanced the ordering technology used by customers is, a warehouse still runs on basic principles of receiving, sorting, and storing goods until it is time to pick a certain amount of goods from a shelf, pack it as per the customer's order, and direct it to the correct delivery vehicle.

To keep up with the orders flowing in from multiple platforms that are never closed for business, warehouses need some form of system driving it. The technology can be as complex as an entire warehouse run entirely by automated machines, or as simple as a system telling the people in the warehouse where items must be stored.

Paper systems still favoured

Many of these systems are however still paper based, which is not reflective of the advances made in technologies allowing customers to easily place orders.

The main reason that many warehouses keep their operations paper based is to avoid the problems that have been reported with implementing a warehouse management system (WMS). The biggest challenge to implementing any warehouse management systems is the realtime nature of a warehouse; if a system is not running properly, it has a realtime, real life impact. If the system cannot tell where the goods need to move, everything stands still.

We have seen WMS implementations so disconnected from the way the business is actually operated, that staff members refuse to use the system and revert to their paper based ways of getting things done. This is not only a significant waste of a substantial investment by the company, but does nothing to decrease the risk or increase the competitiveness that the WMS implementation was intended to address.

WMS fundamentals

To avoid this type of disconnect, a few fundamentals should be considered before making a decision on which type of WMS would be most suitable to deliver on the promises made by a supplier.

- Understand more than just your area of responsibility - warehousing is part of a larger chain of events and the more you understand the larger supply chain, the better recommendations you can make to others on how the whole chain can work together to meet changing customer demands.
- Understand the difference between exciting features and real business purpose – It is very easy to be side tracked by a large list of features once you start investigating WMS, but be warned. A WMS should be built around processes that already work optimally. Processes should not be changed or created just to accommodate a system feature that is often not as robust as marketing material may make it seem. The decision on a WMS should be made based on an understanding of the business purpose; the true value the business wants to deliver to its customers.
- Understand that it is about slow and steady, not rushed and ready – the realtime nature of warehouse operations demand that a new WMS disrupts normal business as little as possible. This is only possible if all stakeholders in the WMS project team understands that rushing the initial planning process and skimping on dry-run tests, usually guarantees a problematic or even catastrophic implementation.

Make sure time and budget is made available for running tests throughout the project, based on one version of the truth, which is established and maintained on a live, cloud-based, collaborative, platform.

Testing at the end of a WMS implementation project based on static documents that were created at the beginning of a project causes problems based on a disconnect between the greater business processes, what the business is doing, and what the system is supposed to do.

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