

Taking the Fear out of Warehouse Management Technology Pt 2
By Jason Bader, Managing Partner
The Distribution Team

A few weeks ago, I decided to send out a survey to some of my newsletter readers. I was curious about their experience with warehouse management software (WMS) and where they saw the benefit. I wanted to understand the challenges associated with implementing these systems. Participants were also asked what advice they would give distributors who are considering the investment in this technology. This is the second part of a two part article discussing the comments of current distributors using WMS and my personal experience with the technology. If you missed the first part, just send me an email requesting part one.

What has been the most challenging aspect of implementing a WMS system in your company?

Fear of technology was one of the challenges identified by the participants. Several of the users were afraid that they would screw up the company if they pushed the wrong button on the scanner. Others felt that the new method was too technical for their current employee base. Consequently, some employees left voluntarily.

The scanners can be intimidating at first. There are a lot of buttons and lot of information packed into a small screen. Don't gloss over the need for hand holding. For some, this is their first adventure into computing technology. The laser generated from the scanner can cause fear as well. Be patient and explain thoroughly. Don't let your IT person do the training unless they are very adept at coaching. Most are not.

The discipline and culture is the biggest hurdle to overcome. As I mentioned earlier, the company needs to change the way it functions. Technology does not fix problems. We apply technology to good practices in order to make them faster. If we have bad habits, we will make mistakes faster. Inventory movement dictated by a scanner will be frustrating to some employees. The discipline of scanning communicates that movement to our system and ultimately allows additional action to occur. When someone circumvents the process (by just grabbing it off the shelf to take care of a customer), the system has no way of recording that movement. Ultimately, our count will be off and customer service will suffer.

Another challenge came from material without barcodes. Several of us buy from suppliers who have not invested in coding technology. This will cause your receiving process to bog down. Receivers will have to generate a barcode tag for this material before it goes to the shelf. Some distributors simply have master barcodes on the bins and do not label individual items. Work with suppliers and see if they can help this process.

If you were to give advice to someone considering the purchase of this type of system, what would you tell them to do?

Some of the best advice from the survey was to go visit someone using the technology. It doesn't necessarily have to be from your industry, but that can help you visualize how it will

function in your environment. Ask the company what they like and don't like about the package. Do several visits before you start shopping so that you can narrow your field quickly.

Get all the players involved in the decision process. If you spring the "solution" on them, the team will be much more apt to find fault in your decision making. The ability to embrace change will be compromised.

Get your warehouse in shape before implementation. Not only do you need to get the physical house in order, but your procedures need to be clean up as well. Really look at the way you are performing the basic functions: receiving, put away, picking, shipping and counting. What procedures need to be streamlined? Are we still sending packing slips to the office for receipt into the system? With regards to the physical plant, make sure that you quarantine the dead and obsolete inventory. Clean up the place and make sure that you have a good bin layout.

The participants were split on how to implement the different pieces of a WMS package. I was always under the impression that a phased in approach was easier to swallow. Start with either cycle counting or receiving and work your way through the modules. Several participants recommended that new users go live with all aspects from day one. Seeing the power of a fully integrated system will fuel the team to maintain discipline and help justify the investment.

Getting involved with WMS technology is a fairly big decision for many distributors. Some of the packages can be very expensive, but that is changing. The costs have come down to where the majority of distributors (under \$20 million in annual revenue) can justify the expense. When buying a new distribution software package, make sure that the provider has a solid WMS solution. If you don't have a plan to implement this type of technology, get one. This is not a fad or philosophy. You may not execute the plan this year or even next. When the time is right, you will be far more prepared to make the best decision possible. As always, I am here to help you through the process. Good luck.

Jason Bader is the managing partner of The Distribution Team. He spent the first 20 years of his career working in distributor operations. His firm specializes in helping distributors become more profitable through operating efficiencies. He is regular speaker at industry events and spends much of his time working with individual distribution companies. He can be reached at (503) 282-2333 or Jason@Distributionteam.com. Additional resources can be found on his website at www.thedistributionteam.com.