

Taking the Fear out of Warehouse Management Technology Pt 1  
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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 two part article will cover my experience with WMS and the experience of current users.

Just to make sure that everyone knows what we are talking about, here is a quick overview of WMS and distribution applications. Essentially, these packages use barcode scanning technology to perform functions we currently do in our warehouse. We scan material coming in to the warehouse. Warehouse employees are directed by the scanner (something resembling a Phaser on Star Trek) to put the items into a bin. We use the scanner to pick orders, ship orders and count inventory. The idea is that we are enabling a higher degree of accuracy and inventory movement transparency in our warehouse.

My personal adventures in WMS began in the mid 90s. I was exposed to a third party add on system recommended by my distribution software package. Being a sucker for technology and a foolish desire to be on the bleeding edge of distribution, I convinced the company that we should invest. Perhaps we should have done a little more homework first.

One of the first challenges was to get this stand alone system to communicate with our distribution software package. Not only did they run on separate databases, but they ran on different types of database. The WMS database was built in Windows SQL and the distribution package was in a Unix-type progress database. For the non-technical, it was like translating English to Chinese but with far fewer rules. Unfortunately, inventory was often lost in translation.

On a positive note, shipping accuracy was phenomenal. We rarely shipped the wrong product. Occasionally we shipped the wrong quantity, but that was because the system required people to count. When we inject the human element, there is always a risk of breakdown.

The real winner for us was the order picking process. Not only were we very accurate, we were able to pick more lines with fewer bodies. Those who followed directions were ultimately the most successful. The “thinkers” had a little more difficult time embracing the change. Our fastest picker was a developmentally disabled man who spoke English as a second language. He just looked at the gun and followed the directions.

Ultimately we were not very successful with the transition to WMS. After sinking the equivalent of several luxury automobiles into the project, we pulled the plug. Some would say that the technology was faulty. Sure, it had several unacceptable bugs. This is what you get when you ride the bleeding edge. Our failure resulted primarily from a change in culture. Our discipline

was to blame. We wanted technology to fix our bad habits, but it only made them come to the surface faster.

Although I can provide a plethora of advice from my personal experience with warehouse technology, I find it more interesting to hear from current practitioners. Over the remainder of this article, I will give you a synopsis of what your fellow distributors had to say about using this technology.

*Does your WMS package use the same items database as your distribution software package, or does the WMS package hold its own database and synchronize with your main distribution software?*

As I mentioned in my history, this was one of the more difficult parts of our experience. Synchronization can be done anywhere from every minute to every 24 hours. Companies have different philosophies on this. One of the challenges I found was in regards to hierarchy. Which system was the master? Do we always use the WMS database as gospel?

Over 75% of the participants in the survey have eliminated this issue. Their packages work from the same database in real time. Many of their WMS solutions are actual modules owned by the distribution software company. This tends to provide less confusion and also eliminates finger pointing when there is a breakdown.

The fact that your software provider does not offer an integrated solution should not preclude you from exploring this technology. There are many WMS packages that integrate very well with your legacy distribution software. Synchronization tends to be most effective when both databases use the same language.

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

The overwhelming response was accuracy. When the order taker is looking at their screen and the system says we have 100 on the shelf, there is a very good chance that there are 100 on the shelf. Order takers are more confident in the counts and are less likely to put someone on hold to go check. This is not always the case in many of our companies. I believe that we employ one additional inside sales person because we don't trust our inventory accuracy.

The ease and speed of locating items was also mentioned. With scanning gun in hand, users no longer have to search for inventory. Picking time will improve and there will be fewer mistakes in shipping. It should also be noted that this will represent a change in culture. If your sales people are used to running around the warehouse looking for items, you will have a difficult time. The system requires the discipline of only removing items with a scanning gun. You have to tell the system that an item has left the bin. Do yourself a favor and get the salespeople out of the warehouse.

Cycle counting is far more effective with a WMS system. You no longer have to count before or after hours. Since the system knows when an item is added to or subtracted from a shelf, you can count during the normal course of business. Many companies struggle with the labor side of

cycle counting. This makes it easier for your warehouse manager to make it part of the natural work day.

Warehouse management systems are not the future of distribution. They are the present. Thousands of companies have embraced this technology and run their companies with a greater degree efficiency and profitability. In part 2 of this series, I will talk about the challenges with this technology and what advice current users have for those on the fence. Until then, good luck.

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