

Factors or issues regarding the viability of the Small to Medium Business and a Warehouse Management System

In this article, we address key concerns that small and medium warehouse managers and owners have shared with us when reviewing the viability of implementing a WMS in their warehouse operations.

! *'A warehouse management system will take months to install and cost hundreds of thousands of dollars in licensing, consulting and services fees'*

There are WMS applications specifically designed for small to medium sized businesses. By using best practice-based implementation, deployments can be achieved within 8 to 12 weeks from mapping your warehouse to interfacing with your host system. You just need a software vendor with the right solution, technology, and supply chain experience. Software vendors lacking a demonstrated implementation methodology often see delivery timeframes move out and this raises costs. What you should achieve with a WMS is improved productivity, customer satisfaction, inventory accuracy, optimized warehouse space and profits.

! *'Any WMS that fits our business now will be too small for us in a couple of years'*

The trick is to choose the software vendor that can provide you all of the functionality you need today, along with an underlying technology platform that enables forthcoming growth. This ensures that your WMS would not require extensive new installations or customization in the future. The vendor you choose should be able to provide a straightforward upgrade path to add new functionality or additional modules, such as slotting, labour tracking or productivity, expertise in interfaces with existing systems.

! *'WMS software is too expensive for small businesses'*

What is it costing you now versus what is it going to cost you in the future? Costs are relative to the size and complexity of your needs. Today's solutions provide everything you need to improve the management of inbound orders, receiving, put-away, picking, shipping, replenishment, inventory and quality control. New leasing options are available to manage the upfront cost of the software and hardware that many businesses are taking advantage of to ensure a competitive business advantage.

! *'Any vendor that can give a low cost WMS will be out of business in a few years'*

Do your homework and find a vendor with the right solution, in house supply chain experience, has the financial viability to be there for the long haul and can offer numerous references with quantifiable benefits.

! *'A low, up-front cost for a WMS will provide a lower total cost of ownership over the long term'*

Low price quotes on a WMS could be a warning signal. In a sales opportunity and competition, vendors may choose to drop the asking price to a low number in order to win your business because they expect higher costs of professional services once the project is awarded. It may also indicate that you are possibly buying beneath your needs and the pieces missing up front will cost you more in the long term.

! *'Our company is too small to benefit from a WMS'*

Any company, no matter how small, will save on labour, improve inventory management, attain real time and accurate inventory information, expedite shipments, improve space utilization and increase customer satisfaction. A WMS will give you an extremely accurate view of your inventory and should greatly reduce the amount of time employees currently spend figuring out what to do next. Adding a WMS will reduce, not eliminate, currently paper-driven processes. Productivity improvements will allow employees to spend less time moving paper, and more time being productive. While there is no set timeframe, you can expect an ROI without a detailed cost/benefit analysis, the typical time for return on investment will be 6 to 18 months.

! *'Why buy a WMS when my system already works and gets the job done'*

Fact: What is the cost to maintain and customize your current application? Does it keep up with the business? Is it easy to learn for new employees? Are additions and modifications challenging? A good WMS will be flexible and adaptable as well as cost effective. Intuitive and easy to learn processes are indications that a WMS has the operator's needs in mind.

Warehouse Management Systems Can Benefit SMB's

A well designed WMS is affordable and rapidly deployable. Your WMS should provide continuous tracking and visibility into your operation, as well as improve productivity, increase accuracy, reduce inventory shrinkage and improve customer satisfaction. Skill sets and expertise between WMS providers varies greatly so you need to investigate and examine these carefully because you will need a software vendor to be your business partner and to offer long-term viability. Choose an application where you won't need to purchase more functionality than you need today, yet provide a straightforward and flexible upgrade path for the future.

Need more information?

Please contact us at 1-866-823-6114 or visit our website at www.rfpathways.com.