



Steps to a Successful WMS Implementation

The following document communicates useful tips to make sure your WMS project goes in successfully.

Step 1 – Does Your Warehouse Really Need a WMS

Before spending lots of time and money in the analysis and selection process, examine the things that hurt your distribution and consume too much time. Here some questions to ask. If some or all of your answers are YES, you may need a WMS.

- ◆ Do you have receiving errors?
- ◆ Is it because your receipt process is long and tedious?
- ◆ Does your production get disrupted by lack of timely receipt information?
- ◆ Do you lose sales opportunities due to lack of real time information?
- ◆ Do you put product away, only to find that you need it for back orders?
- ◆ Do you have picking and shipping errors?
- ◆ Do you have lengthy order cycle times?
- ◆ Do you have low fill rates and related customer service problems?
- ◆ Do you have a high rate of returns?
- ◆ Are you experiencing late delivery of your orders?
- ◆ Do you have errors and delays due to misplaced product?
- ◆ Do you spend labour hours recording manual transactions?
- ◆ Do you have traceability issues with lots or expiry dates?
- ◆ Do you ship materials out of rotation?
- ◆ Are your labour and equipment costs high compared to your competitors or the rest of the industry?
- ◆ Is your inventory accuracy poor?
- ◆ Do you have poor space utilization?
- ◆ Do you have offsite storage that is difficult to manage?
- ◆ Is your warehouse too full or too fragmented?
- ◆ Do you have customer demands that you have difficulty satisfying?
- ◆ Is your management demanding performance standards that can't be satisfied with the current operational environment?
- ◆ Will you lose customers or business if you don't solve distribution problems?
- ◆ Will you gain new customers or business if you can automate?
- ◆ Do you find it difficult to keep up with your growing business?
- ◆ Will automating give you an advantage over your competition?



Step 2 - Team Selection

Warehouse operations play a big role in many aspects of the business. Create a team that includes representation from the following departments:

- Warehouse/Distribution
- Purchasing
- Sales / Customer Service
- Production
- Information Systems

All of these are affected or going to be affected by a new system. Each department should help you sell this project to upper management because each should find direct or indirect benefits of the WMS. You will definitely need a Senior Manager to cooperate and help promote a system.

Step 3 - Review Your Procedures and Define

Review your existing procedures to determine the features or functions you currently have. Analyze each procedure from receiving through to shipping and determine, will the procedure stay the same, be eliminated or will it need to change? Create an Operational Procedures Document that lists all of the procedures that need to be addressed.

Step 4 - Short List Your Vendors/Solution Providers

Once your procedure list is assembled, begin selecting your vendors. Short list your vendors according to functionality they can provide to satisfy your procedures. Don't be put off by the cost until you do a Return on Investment calculation (ROI).

Step 5 - Sell Your Project

Change is sometimes difficult to accept, both by management and by employees.

Identify the costs to the company in every procedure you've identified in Step 3 and quantify the possible Return on Investment (ROI) through automation. There is an ROI template available from http://www.rfpathways.com/Resources_Downloads.htm. Use the project team you built in Step 2 as support. If the new system will benefit them as well, then selling to the management will be that much easier.

Once you have the management support, carefully communicate the benefits of the new technology to the rest of the company. There will be an impact on the employees, possibly even some job reassignments, so be careful how you present things. Disclosure in careful amounts, over a period of time is the best.



Step 6 - Define New Procedures

Based on the solution you chose, review the functionality against your defined procedures which you developed in step 3. Be prepared to gauge the solution versus the procedures and redefine where needed. These must be documented and tested.

Step 7 - Develop an Acceptance Test

Install and apply the new WMS system to your new procedures. Develop a test plan for all of the aspects of the warehouse operation, including every type of process and inventory activity. Ensure that there is a substantial amount of time spent on the interface between the WMS and your MRP/ERP system.

Step 8 - Develop a Training Program

Develop a training program for your operators. It should make reference on how the old processes worked and how the new processes will work. Try to anticipate the most common errors that can happen to an operator and make a point to teach them how to recover from these errors. The more training that is provided, the smoother your go live date will be.

Step 9 - Pre-Go Live Preparation

Our past experiences have shown that the success of any implementation is related directly to the amount of training the operators received and the familiarity of the WMS operations. It is a good practice to allow users the freedom to test, train, and work with the system for a period time before going live. During that time they can make mistakes and learn to recover from their mistakes without impacting the production system. Additionally, some operational issues that were not envisioned in the documented procedures, will be encountered and can be dealt with before you go live.

Importance of Accurate Inventory

It is very important to start with an accurate inventory. Accurate inventory accelerates the rate of acceptance and trust in the new system.

Be Prepared

- ◆ With any new system that goes in, until users become familiar or comfortable with the environment, productivity may initially drop before it improves.
- ◆ We suggest that you ship as much as you can in advance of the system go live.
- ◆ Be prepared to temporarily work longer hours and with more staff
- ◆ Assign staff to inspect receipts, inventory and shipments to prove system compliance as well as audit staff capabilities. This may highlight a specific training focus for individuals.