



The forum's theme today includes :

Why buy a WMS ?

The Selection Process

Minimising Risk

Implementation – Best Practice

What are the true costs involved



The Chartered Institute of
Logistics and Transport (UK)





Why buy a Warehouse Management System

Speaker :
Steve Cross, ATMS



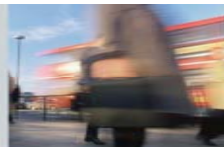
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Warehouse Management Systems for and against

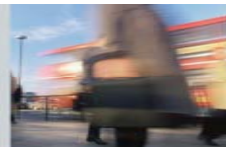
- Stephen Cross, Managing Director - ATMS plc
 - scross@atmsplc.com
 - www.atmsplc.com





Growth in Warehousing – a UK perspective

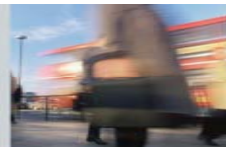
- Warehousing is growing at 3 to 5 per cent each year
- Truck volumes (tonnes / km) have grown 45 per cent in the last ten years





Why ?

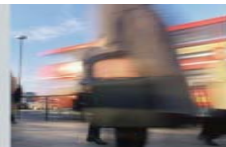
- **We consume more**
- **We demand more variety – eg water !**
- **We demand availability – right here right now and**
- **Lead times are lengthening – the China syndrome**
so, more stock, more safety stock
- **Therefore we're building more warehouses**





Warehousing is increasingly expensive

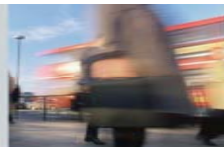
- Land price is escalating – hence taller warehouses, more racking, narrow aisle
- Labour is getting more expensive
- Good quality, accurate labour is more difficult to recruit and retain
- Transport is becoming more expensive – fuel, labour, road tolls
- Fines are being introduced for non compliance





Warehousing is increasingly complex

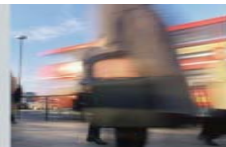
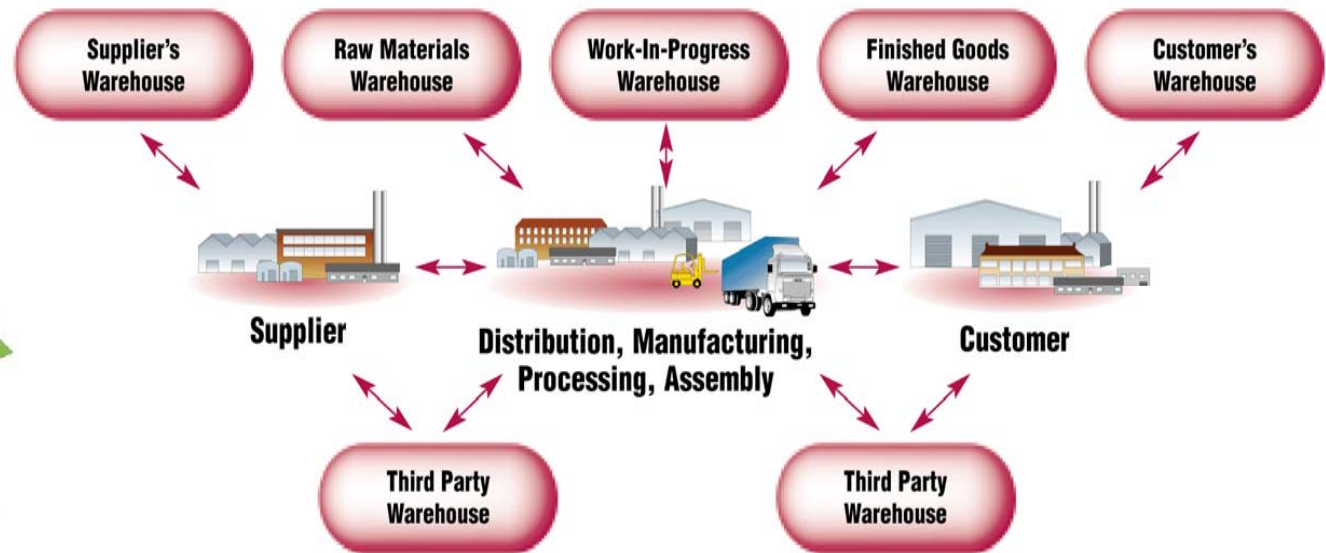
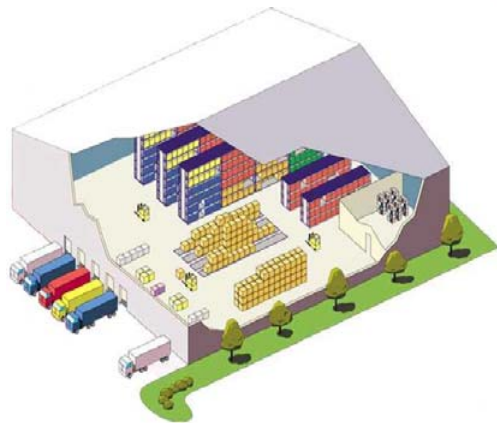
- **Smaller more frequent material movements (just in time)**
- **Mixed pallets**
- **Electronic pre-advice to customers (reduced clerical work)**
- **Electronic pallet / carton content information**
- **Shorter cycle times, cross docking**





Supply Chain Control

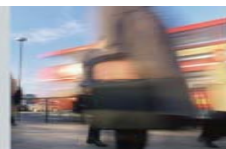
Supply Chain Visibility, Supply Chain Track and Trace





Traceability Demands

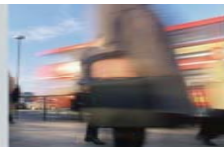
- Good manufacturing practice
- Brand protection
- Customer requirements / retention
- Legislation – plough to platter
- Insurance requirements





Universal Needs

- **Improve warehouse efficiency**
- **Improve stock accuracy**
- **Provide better information to clients, customers, suppliers**
- **Reduce clerical work and associated errors**
- **Use and provide electronic information to/from supply chain partners**
- **Provide appropriate traceability**

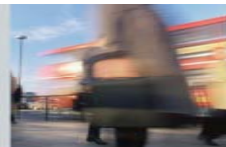




When To Use A WMS?

When one or more of the issues below are critical:

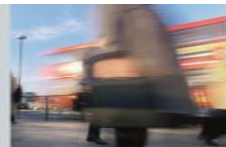
- Traceability
- Optimisation of warehouse space
- High stock accuracy (yours and other peoples)
- High picking / despatching accuracy
- Optimisation of people / equipment
- Real-time information of receipts, picks, despatches





Disadvantages

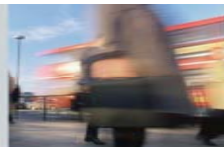
- Cost
- Discipline
- Ownership and responsibility
- Business critical
- Overheads and housekeeping
 - IT infrastructure
 - Running costs





When Not To Use A WMS?

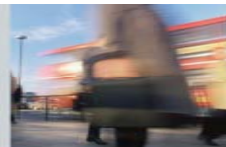
- Traceability not required
- Stock rotation not required
- Low number of products
- Low number of stock movements
- Limited financial resources
- Limited management skills
- Limited management commitment





Alternatives To A WMS

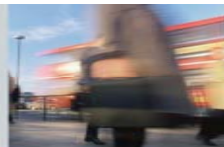
- Business system with stock control module
- Business system linked to radio or batch data collection devices.
- Spreadsheets, databases (Access, Excel etc)
- Stock control applications
- Paper-based system





WMS Payback

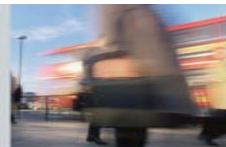
- typical payback 12-18 months
- increase stock accuracy – hold less safety stock / operating efficiently
- improved resource utilisation – less people, less equipment
- decreased pick times / increased order throughput – less people, less stock, happier customers
- traceability – stay in business !
- increased pick and despatch accuracy – happier customers, cost savings
- transport utilisation increases





And for 3PL's, Logistics Service Providers

- Vital for accurate control of OTHER PEOPLE'S stock
- Vital for linking electronically to customers
- Vital for traceability, shelf life control and stock rotation
- Important for raising charging invoices, maximising revenue
- Important for winning and retaining customers – and for strengthening the ties
- Important for measuring costs to analyse profitability and improve estimating
- Important for reporting against Service Level Agreements





Summary

- A WMS gives you 'warehouse automation' without investing in 'hard' automation – ie greater productivity and accuracy
- A WMS is not for everyone - consider the costs of having a WMS *and* the cost of *not* having one

