

# Do You Need to Replace Your **WAREHOUSE MANAGEMENT SYSTEM?**

20 Factors to Consider When Evaluating Your Current WMS



A Guide By  **datex**

# Introduction

Every year, supply chain businesses all over the world face the issue of whether to upgrade or replace their existing warehouse management systems. As technology continues to advance at a rapid rate, how can you tell which option is best for your business?

When asked this question, many supply chain executives respond that their company is satisfied with their current technology. More in depth questions often reveal hidden dissatisfaction or even ignorance about how their current WMS is holding their businesses back from achieving better results. Want to know how your WMS is performing for your business? Talk to software users in each department in order to discover areas where efficiency and productivity may be suffering. Next compare your current system to today's technology. While warehouse management systems may have similar features, the total cost of ownership, implementation and ongoing operating costs may be vastly different. Request a technology assessment and compare functionality and features, total cost of ownership and other factors to see if you are getting the most from your technology dollars.



Consider the following factors when deciding whether to retain, replace or upgrade your current warehouse management software:

**1. Support for your current WMS is no longer supported by the vendor.**

Vendors who are eliminating products, consolidating or moving to new platforms may decide not to support your existing system in order to encourage upgrades or purchase of new technology. If you plan on staying the course with your current warehouse management system, know that there is a risk to your operations.

**2. Outsourced, ineffective in-house, third party or inadequate customer support.**

Are you dissatisfied with the support your business is currently receiving? If customer support is inadequate, this can have an impact on the bottom line of your business. Unresolved support issues can have an impact on workforce productivity, operational efficiency, accuracy and customer satisfaction.

**3. Current WMS is built on an outdated technology platform.**

Older warehouse management systems were not developed to be adaptable to operational needs and often fail to fit today's changing business model. Outdated warehouse management systems tend to provide only limited options to address issues such as increases in volumes, product mix changes and new distribution strategies. This can lead to use of manual workarounds, business inefficiencies and lack of worker productivity as well as expensive customizations by the software vendor. Typically companies that use older WMS systems are paying significantly higher fees than those who recently implemented modern technology. Are you paying more for outdated technology that no longer fits your business?

#### **4. Workers use manual “workarounds” and/or paper based processes.**

If this is the case, your WMS either does not satisfy your company's business requirements or your workforce needs additional training. Using “workarounds” reduces system efficiency and accuracy and costs your business valuable labor productivity.



#### **5. The cost of upgrading to the latest version of your software may be prohibitive.**

This is especially significant if your company is using a system that is not workflow based. Older warehouse management systems were developed using static coding that often does not carry forward with software upgrades. Systems that have had to rely on code modifications can find upgrades to be a major undertaking in terms of time, complexity and cost.

#### **6. Lack of innovation by software vendor to support new operational requirements, new industry best practices and regulatory needs.**

Does your current WMS vendor keep pace with the needs of your particular industry? Does your software vendor belong to key industry associations and keep your WMS software updated to meet industry best practices? If not, your business may need a WMS that can help with these issues in order to maintain operational efficiency and provide you with the competitive edge you need to attract and win new business.

#### **7. Inability to customize billing, labels, contracts, business processes, etc.**

If you operate a 3PL, having the ability to meet the varying needs of each customer is essential to your business.

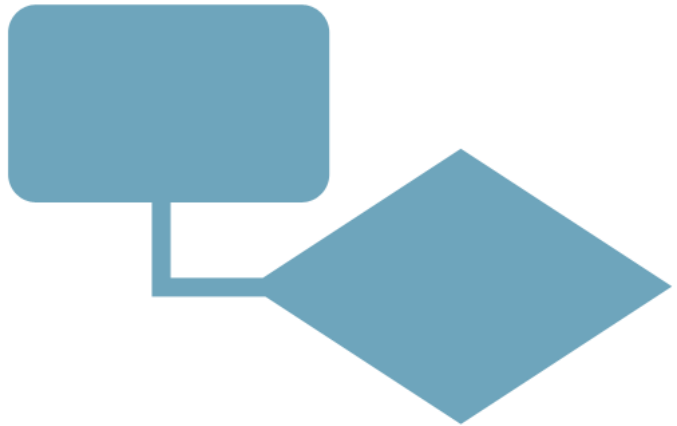


## 8. Lack of control by your current WMS over key operational processes.

Does your current WMS provide you with the level of product and component traceability needed for your business and that of your clients?

## 9. Inability of your current WMS to support less than case quantities.

The huge shift toward omni-channel requires that warehouse management systems have more flexibility including picking at less than case quantities, most notably by eaches. If your WMS cannot accommodate this, your business may not be able to compete to win new business with this critical need.



## 10. Lack of WMS system flexibility.

Many WMS systems can only accommodate changes using costly custom coding. This increases dependence upon the software vendor and can be quite costly in terms of time and money. Can your IT resources be trained how to adapt workflows to make changes to business processes? If not or if your WMS relies on custom coding, your business is less able to make changes quickly or cost effectively. This can limit your company's ability to react to and adapt to today's quickly changing markets. In turn, this may restrict your company's ability to compete successfully to win new clients. Lack of flexibility can diminish your company's ability to meet expectations and result in reduced customer satisfaction rates. This can also inhibit your company's ability to adapt and support the business processes needed by your company and your customers.

## **11. Current WMS “hangs” up causing frustration and delays in operational processes.**

A warehouse management system that takes a disproportionately long time to respond may do so because it can no longer handle the demands placed upon it. If your system is experiencing these types of problems, your business may suffer from decreased operational efficiency, labor productivity and order fulfillment rates.

## **12. Inability of your current WMS to communicate seamlessly with other systems.**

Can your business operate “outside the four walls of the warehouse”? If your current warehouse management system cannot communicate harmoniously with material handling, transportation, shipping carriers, voice technology, ERP/MRP systems and other critical technology, your ability to win new business and work successfully with trading partners and shipping carriers is likely to be diminished. Your business does not operate in a vacuum so your technology should not either.

## **13. Inability to produce reports based on real time information.**

Getting real time information when and how you need it is essential to making the best decisions possible for your business. Your warehouse management system should be able to provide a wide variety of standardized reports as well as customized reports in multiple formats. Your business should also have the ability to automate reporting functionality and delivery. This will save the time and trouble of having your staff produce what is needed, especially regularly needed information.



## **14. Lack of defined product roadmap for future development.**

This may indicate that WMS system functionality will remain stationary while competitive WMS products are innovating their technology to meet the needs of a changing market.

## **15. Upgrades are not regularly available with the latest features and functionality.**

Rather than just bug fixes to support omni-channel fulfillment needs, e-commerce and regulatory needs, your WMS provider needs to continue to innovate and add new features and functionality to enhance system performance and provide new tools for improved operations.

## **16. Using outdated technology and older versions of related components such as operating systems and databases.**

This can require the use of third party vendors that may charge higher rates for support and can also require personnel who have the specific technical expertise for this.

## **17. Hard to use system, not user friendly or intuitive.**

Is it challenging to train employees how to use the system you currently have in place? With typically high rates of employee turnover, challenge in managing seasonal employees and crisis in locating qualified workers, having a hard to use WMS can cost your business thousands of dollars annually. Does your current WMS vendor help enable you to train new users more cost effectively using online training materials and videos? This can help minimize the cost of onboarding and training for your organization.



## **18. Inability to support company growth strategy.**

If your current WMS is not scalable or if it is cost prohibitive for your growing business, you may want to consider a new warehouse management system.

## **19. Set up and/or ongoing charges for EDI are higher than anticipated.**

Can your current WMS vendor provide cost effective end-to-end EDI service? If not, your business can be losing out on valuable business opportunities.

## **20. Custom feature development takes over three months to complete.**

Unless extensive, your WMS vendor should be able to satisfy custom development projects within a reasonable period of time.

# Conclusion

A warehouse management system is a critical tool for effectively managing your supply chain operation. Supply chain operations are changing. If your business is not using a modern warehouse management system that can be readily adapted to meet the needs of your business and that of your clients, your profitability could be impacted.

Using a state-of-the-art warehouse management system can help your business compete and win new business, ensure customer satisfaction and grow your business.

While most WMS include similar functionality, what is different is the technical architecture, ease of use and way each approaches operations. One system may automate an operation and be able to accomplish a task or operation with one or two clicks of a mouse while another may take 5-10. Additional steps and clicks equate to wasted labor and time.



Using a modern WMS can provide your business with many benefits including:

- Enabling that the unique and changing needs of your business and that of your customers are continually met without having to wait for costly customization by the software vendor
- Monitoring and maximizing workforce productivity
- Helping to ensure better informed decisions using real time accurate information
- Maximizing warehouse space
- Reducing wasteful manual and inaccurate operations
- Ensuring client satisfaction that can potentially lead to referrals for new business
- Providing enhanced real time accurate information across your enterprise to allow you to more effectively manage operations
- Enhancing communications with trading partners, equipment, shipping carriers, clients, vendors and others in the supply chain
- Providing you with the tools to be compliant with governmental regulations and guidelines

Using outdated technology can be holding your business back. Take a critical look at your current warehouse management system to see if you could benefit by replacing or upgrading your current WMS.

To obtain a free technology assessment of your business, contact Datex today. Datex experts can evaluate your current technology and advise you how to leverage today's innovative technology cost effectively to get the best results for your business.

Contact Laura Olson, Director of Sales and Marketing today for more information. 727.571.4159 extension 243 or via email to [lolson@datexcorp.com](mailto:lolson@datexcorp.com)

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