how to prepare for a

WMS Software Evaluation Process

A Guide By **datex**

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15 Ways You Can Prepare Your Business for a WMS System Search

If your company is starting to search for a new warehouse management system, take heart. Having a blueprint to help your organization get ready for the evaluation of new WMS software technology can help to streamline your search, establish realistic expectations of the process, ensure that your organization is well prepared and help make your search more productive.

By focusing first on building a business case for a new warehouse management system, you can become familiar with current and future organizational needs and the challenges with the technology currently used. Using a team approach can be extremely helpful in a WMS evaluation process. By involving team members from various departments, you can learn about the challenges faced on a daily basis. Using this information can help you determine how new software can be used to streamline operations and resolve issues that waste time, labor and money.

Here are 15 tips to help you ensure that your organization is prepared to evaluate warehouse management systems to meet the specific needs of your business:

1. Build a business case for your WMS project.

Consult with the various departments of your organization including information technology, finance, operations, quality assurance and customer service to find the areas where a warehouse management system can produce improvements. Involving all the arms of your organization can help to provide a true picture of the current challenges your business faces daily and can help you build a blueprint for what you need a new WMS to do to produce the needed results.

Here are some of the top areas where implementing a warehouse management software system can benefit your organization:

- Increase in labor efficiency and productivity

- Picking and shipping error reduction

- Utilization of warehouse space

- Savings resulting from reduced charge backs, penalties, etc. associated with compliance issues in dealing with retailers, shipping carriers, etc.

- Improved order accuracy and order fulfillment rates

- Enhanced customer satisfaction rates

- Ability to compete successfully to win new business and generate more referrals from existing customers

- Labor savings due to enhanced workforce productivity

- Greater information visibility

Ease of use. When building a business case for investing in new warehouse management system technology, include hard to quantify benefits such as those gained from selecting a warehouse management system that users will find easier to navigate, learn and use. This is especially critical for organizations with high employee turnover

rates and/or use of seasonal workers. WMS systems that are cumbersome to use, require multiple log-ins and passwords and that are not user friendly are challenging to workers. This increases frustration and can produce unnecessary errors and manual work, a drag on worker productivity.

Review how up to date your technology is in keeping with industry trends. To win new business, it is important that your technology can meet the needs of your industry and that of your customers. Can your business currently integrate with all the systems and equipment it needs to extend beyond the four walls of the warehouse? Can your organization meet the challenge of dealing effectively with the huge trend of omni-channel and multi-channel? If the answer to these questions is no, you may be missing out on attracting valuable new customers to your business. Your business may not be as competitive as you think…
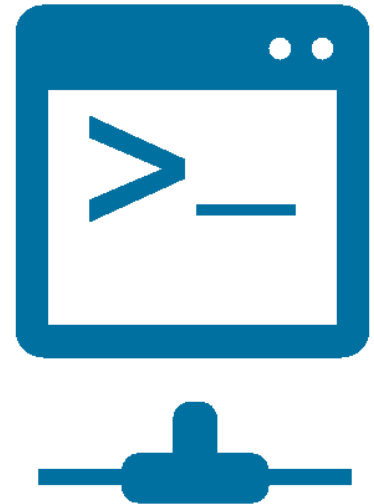
Consider new and current regulatory needs. Can your current technology help you to meet compliance requirements and provide the traceability, documentation and validation needed?

Consider the technology you are currently using. Organizations that are using certain types of technologies often find that databases, professional assistance and other factors can be more expensive when compared with other technologies. In these cases, implementing a warehouse management system using other technology can produce dramatic results, especially when ongoing cost over a period of years is calculated.

Consider advances in current technology. When evaluating your current system, pay special attention to the rigidity of the system. Is your current warehouse management software easy and cost effective to configure and customize or does it require costly intervention by the software vendor for even small issues? These costs can really add up

and need to be evaluated against the cost of implementing a warehouse management system than can reduce your dependence upon a software vendor.

Consider the cost of maintaining and updating proprietary systems. Perhaps your organization is using software developed internally using your own IT resources or a WMS system that has been highly customized by the vendor and maintained using internal resources. Evaluating the cost of maintaining this software over time may surprise you. The cost of resources can be prohibitive, especially for certain kinds of technology. Selecting a state-of-the-art warehouse management software package that is designed to be highly customizable can provide tremendous benefits and reduce overall costs in your operation, both short and long term. This can result in reducing the burden on IT resources so that they can work on other projects.

2. Obtain executive commitment before contacting any software vendors.

WMS software technology search projects that lack executive approval have a reduced chance for success. To obtain executive commitment for your WMS project, first develop a business case. Make sure you have developed a budget and anticipated timeline. For executive consideration, include a list of issues that implementing new technology can solve as well as cost justification for the project.

3. Get "buy in" from the affected departments including customer service, finance, quality assurance, operations and IT.

Involving team members from across your organization in building your business case can help to win over advocates for your plan to evaluate warehouse management software systems. As part of the technology evaluation process, plan to involve cross-functional teams in software demonstrations. Schedule time after the demonstrations

to discuss the preferences, concerns and questions of each team and take these issues into account when evaluating each warehouse management system.

4. Define the project parameters. Define a project budget and timeline.

Know your "busy season" and that of your clients. Plan accordingly. Be ready when establishing your timeline to plan for vacations, internal issues, customer preferences and other factors. Having a plan before you start looking for a WMS can help to clarify issues with vendors and establish clear expectations.
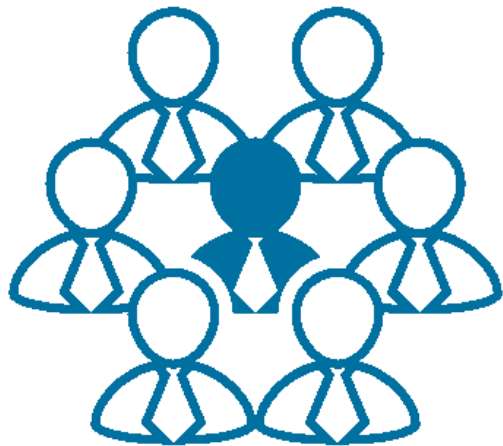
5. Form a project team

As part of a cross-functional approach, it is advisable to form a project team that includes a member or two from various departments. Selecting individuals who communicate effectively and have the respect of their team members can prove highly beneficial during this process. This can help to reassure other team members that both the experience of system users and the needs of the business are being considered thoughtfully during this process.

6. Be clear about the needs of your project and establish reasonable expectations.

Clarify your pain points and business requirements. Recognize the limits of your organization's workforce, budget and objectives when planning for change.

7. Recognize that there may be those in your organization who do not deal well with change.

Fear of change can be a powerful force with individuals. Understand that not everyone will embrace new ideas, new technology or processes and help convey the benefits that

can be gained from a new investment in WMS technology. Providing clear, visible direction and communication about the process can often go a long way towards helping to encourage team members to feel positively about cooperating with technology and process changes.

8. Know what features and functionality you want the WMS vendor to show you.

After you have identified areas in your organization that need improvement and defined your project team, it is advisable for you to have a list of features and functionality for the warehouse management software vendor to show working in real time. For this, a slide presentation will just not suffice. Make sure that the WMS software vendor can and does demonstrate what you need to see working, as it would every day for your business.

9. Communicate your expectations and needs clearly

Keep your team members "in the loop". Keeping others in your organization informed will help decrease anxiety about changing systems and allow them to communicate their concerns, ask questions and provide feedback. It will also encourage them to feel as if they are part of the process. This may encourage team members to be more helpful during the transition process.
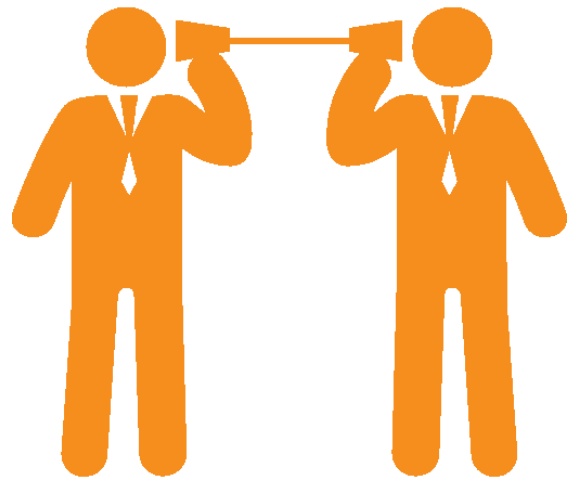
10. Recognize your company's limitation.

If you company does not have an IT team or access to IT resources, consider the cost of customizing documents, labels, processes, etc. If this is something that only the WMS software vendor can do, using and maintaining the system may prove to be a costly burden on your organization.

Knowing the limitations of your organization can help you be better prepared when searching for WMS software by narrowing down vendor selection if you require specific delivery models. Some warehouse management software vendors do not offer a choice of delivery models (Cloud, SaaS or on premise) and can be dismissed early in the consideration process.

Some vendors offer additional services such as managed services, mobile device management, etc. If your business has these needs, it can be advantageous to consider a software vendor that can provide this additional level of service to your operation.

Make sure that you have a clear understanding of organizational needs and expectations based on the current and future workforce, budget and time limitations before you start evaluating warehouse management software.

11. Locate a project sponsor, potential company project manager and identify super-users.

As you move through the WMS software evaluation process, software vendors will ask questions to help you identify how you plan to implement the software and all other associated technology. If possible, as part of your preparation to start evaluating new WMS software, compile a "short list" of team members that can help with this process. These key individuals can take on crucial roles during the implementation process to help ensure a seamless transition process.

12. Have a clear understanding of your company's operational processes.

As part of the WMS software demonstration process, software vendors will often ask for information about how your organization handles specific processes for demonstration preparation. Before starting the process of searching for a warehouse management system, clarify typical business processes including any special or critical processes that may be different for certain key customers. Having documentation and a clear

understanding of operational processes can help you guide the software vendor during demonstration. It will also help to ensure that you are able to see their WMS software performing as your company would use it.

13. Know the technology you currently use.

Before engaging with a WMS software vendor, it is common to have a discovery call to review your current use of technology. Having all this information ready at the beginning of the process can help to ensure that you are able to clearly communicate your current and future needs and expectations. Questions typically are asked about use of mobile computing devices, RF, servers and other related issues.

14. Have an estimate of the number of potential WMS software users both desktop and mobile.

Warehouse management software sales typically incorporate pricing based on named or concurrent software users. Knowing the number of users, both for desktop and mobile systems before you start the process of evaluating WMS systems is key to being able to obtain price quotations when requested.

15. Anticipate the "ramp up" phase

Implementing a new warehouse management software system takes time and commitment. In order to fully recognize the benefits for your business, your team must be fully trained and comfortable using the WMS. Anticipate that the WMS software users will need to gain confidence. Because it will take time for your workforce to accept the change of technology and to become confident using the new WMS system, it is best to adjust your expectations and not expect results immediately after the implementation has been completed.   Changing to any system will take a little time to produce results.

Conclusion

Thinking through the reasons why you are considering the purchase of new warehouse management technology can help you create a blueprint for a successful WMS evaluation process. It is important to develop an effective business case, win executive commitment and to define a project timeline and budget before starting your search for a WMS.

Utilizing the skills and experience of others throughout your organization can aid in this process. By considering the experience and perspective of other software users, you can help to encourage more "buy in" for the new system. This can also help to reduce the anxiety often associated with changing technology systems and processes.

Knowing the pain points of your current operation as well as your company's current use of technology can help the WMS software vendor to show you how their software can best be used to meet the needs of your business and produce the desired results.

Getting prepared for a warehouse technology software evaluation can take some time and patience but can produce a more streamlined evaluation process and better overall results for your organization.

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