

Guide to Making a Decision on a WMS

Critical Factors to Consider

When Deciding on a Warehouse Management System

Factor #1.....

Factor #2.....

Factor #3.....

Factor #4.....

Factor #5.....

Factor #6.....

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Evaluating warehouse management systems can take a great deal of time and effort. After all the hours your organization has invested, it is time to reach a decision. How do you compare all the information you have accumulated so that you can make a thoughtful, insightful decision for your business?

A warehouse management system is the hub of a supply chain operation and affects all areas of an organization. Involving a team member or team from each department to evaluate, provide feedback and be involved with the decision making process can help to ensure that each department's needs are met.

Here are some factors to consider when conducting your final deliberation on which WMS system to select.



Define your expectations for a new warehouse management system

Determine the objectives of purchasing a new WMS system. What caused your company to start the search? Make a clear, well defined list of what improvements are needed and what you want the new WMS to accomplish then compare this with the WMS software for each vendor.

Benchmark your expectations against your current WMS. If your business has been using warehouse software, consider the list of the functionality and features your organization currently uses and finds beneficial versus those that are cumbersome, lacking capabilities, etc. Compare this list with the warehouse management systems you are evaluating. How do the WMS systems you are evaluating stack up against your current supply chain software?



Consider your WMS System Needs

Review your functionality requirements for supply chain software. Examine whether one warehouse software package can meet all your needs and expectations. Will you need additional modules, third party applications, etc.? If you need additional functionality such as for a TMS, consider if selecting a best of breed transportation management system or additional software from another vendor rather than looking for an all-in-one solution would be a better option for your business.

Be sure that the warehouse management software can meet your needs today and in the future. Most companies utilize a business plan to provide a roadmap for the future of their organization. Review it carefully to determine which WMS system provides the functionality you will need at a later date. Explore the product roadmap of each warehouse management system. Does this keep pace with industry trends and what you anticipate will be needed to help your business remain competitive in the future?

Does the warehouse management system use the latest technology? WMS systems that rely on outdated technology are problematic. Why pay for yesterday's technology when higher, more flexible reliable technology is available now?

Determine if the warehouse management system has the functionality needed to help you win new business. Review the functionality that potential new clients tend to request. Making sure that the system you select meets that criteria can be critical to growing your business and increasing profitability.

Get feedback on the warehouse management systems on your short list

Talk to others in your organization. Involve members of the cross functional team that viewed software demonstrations, participated in meetings with each software vendor both on site and online. Consultations from various perspectives on the WMS systems, software vendors, support and other factors may prove revealing and insightful. Be sensitive to the fact that there may be individuals within your organization who fear or dread change. This can be an important factor if your company is considering upgrading your current warehouse management software versus purchasing a new system.

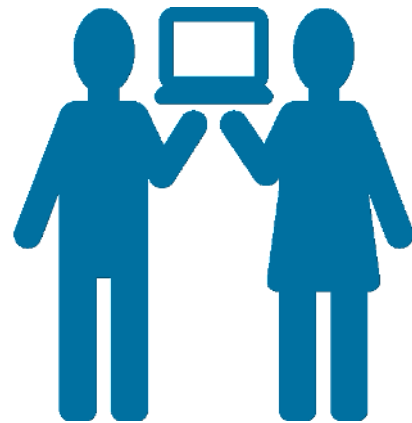
Use a score

Consider the value of the WMS software vendor as a partner in your business

Consider your relationship with each software vendor. Evaluating warehouse management systems typically takes months. During this time, you can learn a great deal about each software vendor. A software vendor that is unresponsive or slow to respond, does not answer your questions or address your concerns, provide requested documentation, scripted demonstrations, on site visits, etc. may prove challenging to deal with in a long term relationship. Conversely, you may want to rate higher the software vendors that make an extraordinary effort to respond to your needs and win your business. If a software vendor is uncooperative during the sales process, consider the possibility that this is likely to continue after the sale. Is this the type of partnership on which you should rely to support your operation?

Calculate the value of partnership with an experienced, responsive software vendor.

Most organizations do not change warehouse management systems frequently. Selecting a WMS software vendor that will be willing and able to provide the technology, expertise and support for your business is vital. Some software companies tend to attract larger, enterprise organizations as clients. If your



company is not as large, this may be a concern for you. If this is the case, consider if your business will receive adequate attention and focus. Will your company be “more than a number” and get lost in the crowd? Selecting a software developer that is experienced in dealing with a range of companies, most especially smaller to mid-sized growing companies may be a better fit for your company.

Consider the on site visit by the software vendor. Did the vendor send an experienced professional who could provide you with the added value of insight into improving your supply chain operations or just send a sales consultant? There is a difference between a solutions provider who wants to partner with you to improve your business and one who simply wants to sell you software.

Consider the results of the WMS software vendor's scripted demo

Examine the feedback regarding the scripted demo done by each software vendor. Did you find that there were gaps in the software functionality that your business would find essential? Did the scripted demo reveal that the functionality you need is not user friendly or time consuming to use and access? Are there workarounds required to do what your business needs rather than built-in functionality?



Consider system reliability and capacity

After evaluating your business needs, determine if each warehouse management software solution is suited for the volume and nature of your business. Investing in a low cost software package may seem like a bargain, but if the system cannot handle the volume, complexity and nature of your business it could end up costing you clients and necessitate the purchase of a more robust system.

Consider the flexibility of the warehouse management systems

Selecting a system that your IT resources can adapt rather than relying on the software vendor can generate major savings in both the short and long run.

Using a WMS that uses workflows to automate operational processes can save both time and labor. Can the WMS software you are evaluating be configured to meet the needs of your 3PL clients? To customize billing? For different operational processes for each client? A WMS software vendor that can train your IT resources to make these kinds of changes helps to minimize dependence upon its development team and can help reduce professional fees. This can help make your business more agile, responsive and service oriented as well as save you money.

Determine the importance of selecting a user friendly WMS system

Supply chain businesses often have higher turnover and have challenges in recruiting, hiring and retaining workers. In addition, often seasonal workers are used. Choosing a warehouse management system that is not user friendly can increase the training time and errors. Some warehouse management systems were not developed “from the ground up” but instead have increased functionality by buying the technology of other vendors and adding it to their own software. This can result in systems that require multiple log-ins and clicks. It can be time consuming and aggravating for system users, especially since the user interface may not be the same throughout the software package. A system that allows users to customize views, filter data, subscribe to reports and receive notifications on tasks, status changes, etc. can help increase workforce productivity, desirable for any operation.



Using the WMS to extend beyond the four walls of the warehouse

An important criteria for most supply chain businesses is the ability to interface with all the systems needed for daily operation. Examine whether each warehouse management solution can integrate with the systems you need such as TMS, accounting and ERP, MRP, material handling systems, shipping carriers, e-commerce and more.

The ability to utilize EDI to communicate with trading partners is typically another mission critical issue. In today's fast paced world, it is important for supply chain businesses to have the capacity to communicate seamlessly. Can the software vendors you are reviewing provide EDI solutions? These added services from a single vendor can help reduce the time, cost and complexity of EDI projects and help to provide better results.

Make sure you evaluate the cost of warehouse management systems equivalently

When evaluating cost of warehouse management software, first make sure you are comparing the cost of the total WMS solution “apples to apples”.

Because software vendors each prepare their proposals in different formats, it can be challenging to evaluate pricing without a little extra effort. A simple spreadsheet to compare the cost of each solution can make this issue easier to review. Here are some special points to determine:



- What is included in support? Are upgrades and any services associated with upgrades included or extra? How frequently are upgrades provided?
- Are there different tiers of support? Which tier do you need? What is included in each proposal?
- Is there a cap on how many system users for the proposed module or edition you are interested in purchasing? What is the cost for the edition that accommodates more users?
- Does the software vendor offer seasonal software licenses if needed?
- What is the cost for additional software licenses?
- Make sure you include the cost of hardware, mobile hardware device configuration, third party software and integrations in any evaluation. If a software vendor is able to provide a turnkey solution, this may save time and cost and help reduce the complexity of the implementation process.
- Notice in each proposal if there are items that are not included in the quotes by other software vendors. If so, question those costs to see why they were included in one proposal and not in others.

Conclusion

Make sure you are comparing “apples to apples”. Cost is not the only factor to consider when deciding which warehouse management software to purchase. Keep an eye out for hidden, omitted or undisclosed costs.

Other important considerations for deciding on a WMS system include if:

- The system has the reliability, capacity, security and functionality to meet your needs now and in the future
- The system is scalable and can meet the growth objectives of your organization
- The software vendor has proven during the sales process that it can be a valuable, supportive partner to your business
- The software uses the latest, flexible technology
- The system is user friendly
- You and your team have the confidence that the WMS software will fit the needs and expectations of your operation

About Datex

Datex provides flexible, reliable supply chain technology solutions to help make businesses more profitable, including supply chain software, mobility solutions, professional services and mobile device management. In business for over 35 years, Datex has a wealth of experience in helping companies across the world meet these critical business challenges.

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