



Distribution Center MANAGEMENT

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Managing people, materials and costs in the warehouse or DC

From the Golden Zone

Five steps to WMS success: Understand, minimize, develop, test, train

By Bill Tyng, principal consultant, FORTE

For most businesses, the distribution center is one of the most critical and strategic areas of their operations. And the evaluation and implementation of a warehouse management system (WMS) is mission-critical to any distribution operation. So, if you've been charged with researching, selecting, implementing, and supporting your WMS, you already know it's no small task.

With everything that is involved, it's easy to skip a step or, even worse, make a wrong decision that will have you retracing your steps and wondering where the whole thing went wrong. Instead of second-guessing your decision later, take a look at these five proactive steps to help your WMS implementation succeed.

Step 1: Understand your requirements.

Begin with an evaluation of your business's needs and goals, comparing these requirements with the benefits of implementing a WMS. If implementing a WMS looks like an appropriate strategy, develop a detailed map of your current business processes. Process flow diagrams are an excellent tool for understanding operations.

Make sure that the WMS can satisfy those business processes. You need to protect processes that are "tribal knowledge" and core competitive differentiators in your business. So, be open to using existing WMS functions and features that satisfy your business process needs, even if the

steps in your process have to change. Remember, the end results are all that matter: meeting customer service requirements, achieving productivity targets, and maintaining high levels of inventory accuracy.

Step 2: Minimize software modification.

"No modifications" should be your mantra. Today's highly configurable WMSs will suit most business requirements. Generally, the top-tier WMS applications use 60 percent to 70 percent of available functionality within a specific implementation. Actual functionality used across implementations will vary, but generally remains in the 60 percent to 70 percent range.

Be prepared to look at changes in your current steps to achieve your business goals using existing WMS functionality and avoiding customizations or modifications. Software modifications are significant contributors to failed projects due to software bugs, upgrade problems, and the negative effects on project schedules and costs.

Step 3: Develop detailed implementation, start-up, and transition plans. Plan to succeed, and follow your plan. An old philosopher said, "If you don't know where you are going, any road will get you there." This is especially true with WMS implementations. There are hundreds of details that must be planned and managed. Multiple business organizations (customer service, order management, information technology, etc.)

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will be affected by the implementation and need to be included in the planning stage.

Spend the time up front to define objectives and build a road map, outlining the resources and tasks needed to align with the timeline for implementation, and then manage your project against this plan. In addition, don't shortchange the time allotted to training.

Step 4: Test your configuration. After determining which WMS features you will implement, you will spend a significant amount of time entering parameters and configuration data. Test your business processes using test scenarios. Testing should be at both the unit and integrated system levels. Verify that your training material is accurate.

Resolve all configuration processes prior to system start-up and transition. Use a small set of items or a small segment of your business during the startup and testing phases.

Step 5: Train effectively. Develop comprehensive training material, and then spend all the time necessary to train your users. If you only do on-the-job training and do not have a formal training program, you may be disappointed, both in the short term and in the long term. People come and go over time, and this is another area where a formal repeatable training program pays off.

Manage expectations at start-up, as with any new system or process, because it will not be fully operational immediately. Make provisions for extended ramp up of the system before achieving full performance.

These five steps are not designed to give you a 100-percent guarantee that your WMS implementation will be a success. They are to provide you with the methodology and the tools to help you define your WMS needs, evaluate and select the proper WMS for your needs, and facilitate the implemen-

Five steps to WMS failure

FORTE's Bill Tyng offers the flip side to his five steps to a successful WMS implementation — five ways to assure WMS failure:

1. Focus on technology, not operations.

Who cares how well your WMS fits into your organization's operating environment, so long as it's the latest and greatest technology?

2. Assemble a project team without regard to their knowledge of operations.

Why bother to include managers and workers directly involved with day-to-day operations?

3. Allow only DC staff to be involved in WMS design and management.

The WMS will affect only the warehouse, so you can afford to ignore other parts of the company, right?

4. Use free-form management to oversee the implementation.

Who needs to track budgets, schedules, or the design of the system?

5. Don't find someone in upper management to sponsor the project.

WMS implementations are simple and easy — what could go wrong?

tation process to make your WMS implementation successful.

Finally, if you're considering implementing a WMS or are in the market for an upgrade, contact an independent consultant or systems integrator, someone who will represent your needs and the needs of your business, not the needs of any particular manufacturer or supplier.

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