

Warehouse Management System– Do it yourself - Foundations

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I get excited when I discover a distribution center where the Warehouse management and the IT or IS Departments work well together to improve warehouse performance. Effective collaboration between departments in a company are positive indicators that usually mean the company is much more resilient to changes in the market, is an effective learning organization and has developed a key element to support growth. And, these are always great people to work with.

My experience has included many mid-sized companies, who usually cannot afford to purchase an expensive Warehouse Management System (WMS), and consequently have built their own systems to improve warehouse performance.

To become successful on the path to create or enhance computer systems to support warehouse operations requires several initial elements. In this column I will present the elements that I believe are most important, the ones that will be required for an effective implementation of a WMS, with some suggestions about how you might begin to initiate and perhaps accomplish the change to reach that level of performance. In my next several columns I will identify some specific systems changes which if implemented, will yield significant performance improvements with a reasonable investment of your time and energy without having to purchase a WMS, and provide suggestions for how to approach them.

But first, there are some critical elements to your success.

1. Get your data in order and keep it that way. As I have mentioned in several columns, regardless of the level of system support you enjoy, without high quality data, you and your company will never achieve the success you want. One phrase has been around a long time that is still worth remembering: “Garbage In – Garbage Out. Maintaining data quality requires quality control on the input and maintaining aggressive daily processes to find and fix problems when they are discovered. The more attention you pay to maintaining high quality data, the more those in your department and senior management will recognize your leadership to maximize the effectiveness of your department and the success of the entire company.

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2. Know your business and the most important opportunities for operations improvement. Start by developing and maintaining a ranked list of your top 5 most important operations problems, challenges, types of errors or bottlenecks. As you monitor the daily flow of materials, identify the functions that work well and the ones that always require extra attention, and when. Maintaining a priority list will keep you focused and is a great reminder when thinking about what project to accomplish next. I usually keep my list on the wall next to my desk.

3. For any improvement you are considering or problem you are attempting to solve, take the time to consider several options. There are two steps to this process, searching and selecting. It is tempting to select and implement the first option that seems to make sense. We often find that considering and evaluating several options, including the cost (investment and ongoing staffing, etc.) can lead to discovering and selecting the best option, and often the best is not the first option available. Analyzing and comparing several options ensures that you can easily defend the one you select and will have thought it through to implementation, which should make it easier to present to others and obtain their support.

I recommend that you tour other warehouses asking questions about options they considered for particular methods, and specifically about their requirements and selection process. Again, as you start to move from discovering options to selecting the one to implement, ask the people doing the work what they think about the problem and options to solve it. Talk with your peers about your situation and the ideas that you have to improve the situation. Make sure that you have done all that you can do without additional IT support before asking for it. In every company there is significant competition for IT resources, and if you don't need to wait for IT support, you can implement your solution more quickly.

4. Know the IT proposal process in your company. When you decide that working with IT is the best way to improve your situation, document your request, describing the problem, specifically describe how you want your solution to work, including estimated savings, etc., before presenting it for approval. Getting others to participate in developing the proposal will increase the probability that your documentation makes sense and the project will be successful when implemented. Be prepared

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to defend your request, negotiate and collaborate with others in the final design of the solution, and then expect competition for IT resources. Often other managers (e.g., Accounting and Sales) will have been significant users of company IT resources for many years, and will find it difficult to accept that the Warehouse has a more important need than theirs. You will find it useful to talk with your manager or the IT Manager to learn more about what this process requires for successfully navigating this path.

5. Stay involved. Once your project is accepted and moves to the top of the list for IT development, stay involved with the people doing the work. It is almost impossible to effectively describe in a written form all that what we want a software program to do for us. Consequently, without frequent conversation about the application with the designers/programmers, the results are often significantly different from what you requested. Fixing software always costs more than creating it correctly the first time. Once programming starts, I suggest that you take the responsibility to meet regularly with the users (people in the warehouse) and the IT staff about what you want and what they are doing. Take the programmer or analyst out to see and work with the process you want to improve. Time invested here is well spent: you almost cannot overdo your commitment to this element.
6. You are responsible. Remain an active part of the change process. Participate in the process of testing and implementation. Take responsibility for the results, the impact on your operation, the training of your staff and obtaining the results you documented in your proposal. No one will understand it and give it the level of attention that you will.

As you become more successful in working with change, you will build your skill and the confidence of others in your capacity to make change happen successfully. And when the time comes to obtain a WMS, you will be a much more competent customer than most, you will already have developed a working relationship with your company's system staff, and you will get much more out of your new system. I am always available to coach or consult with you as you take on these challenges. You can reach me at coach@warehousecoach.com.

In the next several columns I will describe several features of conventional Warehouse Management Systems that you should be able to develop and implement without the major investment of installing a WMS.