

What Does a Sortation System for Distribution Cost?

Baseline Systems Can Be Implemented for about \$1 Million; Wal-Mart Level? Don't Ask

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The following article is excerpted from our recent **Supply Chain Digest Letter on Sortation Systems for Distribution**. The full 16-page electronic copy of the Letter, along with a wealth of other information and resources, is available at our [Sortation Systems Resource Page](#).

What's a system cost?

That's the most common question vendors of almost any supply chain technology get asked, and in fairness to them, it isn't easy to answer, especially for sortation systems.

Why? There are simply so many variables that go into the ultimate system price, and a huge variety of system options, from "a Chevy to a Cadillac," as the saying goes. Finally, there is a question of

System Level	What You Get	Price Range
Basic <i>20,000 Cases/Shift</i>	Conveyors from existing full case pick areas to sorter; lower speed pop-up wheel sorter; sorter; 12-15 diverts	\$750,000-\$1.5 million
Medium <i>40,000 Cases/Shift</i>	2 two-level full case pick-to-belt modules; print and apply systems; some split case picking support; medium speed shoe sorter (approximately X cases per minute); 12-15 divert lanes	\$2-4 million
High End <i>60,000 Cases/Shift</i>	3-4 two-level full case pick-to-belt modules, or 2 three or four-level full case pick-to-belt modules; slit case pick modules; print and apply systems; high speed shoe sorter; 24-48 diverts	\$6-10 million
Wal-Mart Level	Everything	You don't want to know

Source: Supply Chain Digest

What Does a Sortation System for Distribution Cost? (Con't)

what assets a company brings to the table at the start. For example, does it have a Warehouse Management System capable of supporting the new automated system? Or does the WMS have to be upgraded as well?

Despite all that, on the previous page is Supply Chain Digest Materials Handling Editor **Cliff Holste's** guide to the range of sortation system pricing. It is a rough guide at best, but can offer a ballpark snapshot of what this type of technology costs. It is meant to reflect traditional sorters, not tilt-tray technology, which generally adds costs.

The above figures don't include the Warehouse Management System (WMS), which a company may need to add or certainly modify for a new sortation system project.
