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THE RIGHT SYSTEMS CONTINUE TO MEAN MORE PRODUCTIVITY WITH FEWER PEOPLE!

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An advanced logistics system (one with a long future, not a long past) can . . .

- *improve throughput by organizing work and managing workflow*
- *improve inventory performance through greater accuracy and visibility*
- *improve labor performance through better planning and tracking*
- *help expand your business or help you sell more business through cost-effective flexibility and capability in response to customer needs*

Customers want more and they want it faster, and suppliers are finding it difficult to respond well. At best, adding people is a short-term solution. To meet the long term demand growth (more orders handled in shorter windows), warehouse facilities need to become service-centric. Today's answer is to organize flexible facilities with software and communications devices that enable fewer people to do many more, diverse tasks using better information, increasing their effectiveness.

And the payoff is substantial. A recent industry benchmark research report put the competitive advantage gap for those who act to make these improvements at 32% of the cost of sales! These opportunities may take the form of greatly improved operations supported by better technology (decision-making and execution systems at lower costs); creative utilization of labor resources; and better access to information for everyone in the business, especially the individual warehouse worker. They are all facilitated by the right WMS applications, and it surprises many to discover that this can help sell more business.

The right logistics technology platform can improve throughput by organizing work and managing workflow. Fully integrated, flexible software systems organize and prioritize work processes, even as they evolve over time. This includes taking more orders from multiple sources, managing diverse inventories, executing tasks for optimal throughput, and measuring the results. Such a system needs to support very different needs of suppliers and customers, management and employees, dynamically.

Workflow management may include order and inquiry handling via the web, call-center and EDI operations; real-time communications via bar-code scanning, speech recognition and RFID; system directed tasks such as putaway, picking, replenishment, and cycle-counting; automated shipping methods; and system tracking to accurately bill for services. These

requirements, of course, vary widely by operation. What many logistics companies are finding is that the most attractive solution may be enhanced WMS application functionality, but not a full-blown ERP solution with its complexity and cost.

The right logistics technology platform can improve inventory performance through greater accuracy and visibility. Improved inventory performance begins with accurate receiving fully utilizing EDI and ASN data to enhance receiving performance – both speed and accuracy. Visibility of all inventory changes in real time is another important element to consider. A robust system enables tight control of inventory movement using a variety of available product attributes, statuses and conditions. The WMS must also be able to generate a variety of real time alerts as inventory positions change, and to drive on-the-spot and as needed cycle counting during any warehouse process. Finally, visibility via a secure web-access function to relevant and authorized inventory information is important for customer needs as well as those of internal management and staff.

The right logistics technology platform can improve labor performance through better planning and tracking. This means dispatching the right number of warehouse workers to perform a myriad of tasks, enabling them to be in the right place at the right time and to know what to do when they get there. Doing this well depends on better information flow between the order entry system , the centralized WMS, and the flow of information to mobile warehouse workers equipped with advanced portable computers using multiple modes of communication (speech, bar-code scans and browser-based information). It also means arming users with access to additional information to resolve unexpected problems (e.g. the assigned putaway slot already has a pallet in it – what is it?). Finally, it means providing users with feedback on how they are doing compared to what is expected – a key step in improving effectiveness.

Improved labor management includes the ability to forecast and plan for labor needs. It also includes the capability to manage that activity in real time and to provide meaningful and timely reports on execution, quality and costs. For many companies, combining incentives with skilled use of labor tools and real time information means that savings generated from labor resource alone can be a major competitive advantage.

The right logistics technology platform can help expand your business or help you sell more business through cost-effective flexibility and capability in response to customer needs. A fully integrated WMS application suite means having the flexibility to provide users and customers, as needed, with web-access to information, order placement, speech recognition and RFID without additional integration costs and with attractive hardware costs per user. For third-party users, it proves to be an important means of opening new doors and expand sales. For manufacturers and wholesalers it offers additional ways to run the existing business and helps them use excess supply chain capacity to the benefit of their constituents and existing or new customers.

So what is the "right" logistics technology platform? First of all, it is a longer-term solution rather than a temporary fix. Second, it includes connectivity to order management, transportation, speech, the web and other mission-critical software. Third, it flexes as demand changes, and grows as the business does, but in cost-effective ways.

In short, a clear vision of the end result or the critical strategic direction, the right solution, and a strong focus on implementing the right changes in the right way are the keys to putting these savings gains in place. And a serious, double digit competitive advantage accrues to those who pursue this strategy.

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Mr. Hounsell also spent several years as the main logistics executive in privately held publishing and apparel operations. In those assignments he had P & L responsibility, and other functions - IT, Accounts Receivable, Customer Service and Quality Control - reporting directly to him.

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