

Logistics News: Will Psychology be as Large a Barrier to Case Picking Automation as ROI?

New ACP Technologies May Require New Ways of thinking about Distribution Center Management and Processes

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As detailed in the new report from Supply Chain Digest and Distribution Digest, a broad new wave of Automated Case Picking (ACP) solutions is coming to market, with many having the potential to significantly change the way some distribution centers operate. (To download this landmark report, go to [Automated Case Picking 2009](#)).

As part of that report, over 200 logistics managers and executives were surveyed over a number of questions related to case picking processes, challenges and potential solutions. That included one question that asked respondents what they viewed as the biggest challenges their company would face in considering ACP solutions.

As shown from the graphic on page 2, taken from the report, the number one perceived challenge was whether there would be sufficient ROI from potential ACP solutions, cited by 73 percent of respondents. That was followed by the related concern that the company may not have enough volume to justify case picking automation (47%).

Actually, the incremental nature of many of the new ACP solutions can address both the ROI and volume questions for many companies, but those issues will be worked out on a company by company basis.

The report notes, however, that psychology may for many companies be just as large a barrier to adoption as these traditional issues.

"Many of these solutions are based on a substantially different operating and automation paradigm than almost anyone in the distribution and logistics industry has experience with," the report notes. "Even in

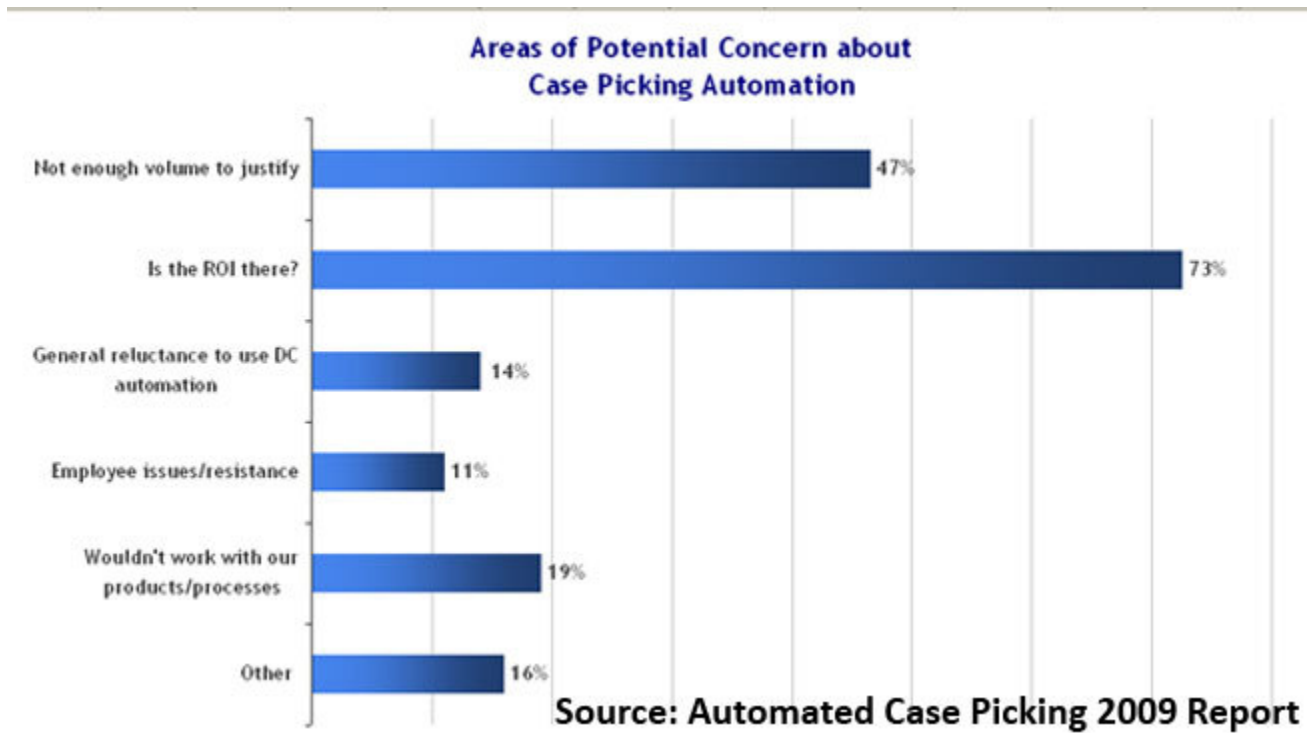
These new technologies will require in many scenarios new ways of thinking about distribution center management and processes – and perhaps even different skill sets in supervisors and managers.

initially reviewing some of these solutions, and certainly when taking more active steps to consider them for your operations, this disconnect with your experience and world of the familiar will likely be strong – and likely cause some discomfort because it seems so different and hard to imagine in your DC."

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The report notes that this type of "cognitive dissonance" is quite normal and to be expected. The key is taking a step back and dealing effectively with the psychology of the situation. As just one example, few companies are yet used to having robots running around their distribution centers. Both mid and senior-level managers need to be aware of the psychology involved in themselves and those around them when evaluating this kind of unfamiliar technology.

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Those psychological reactions are OK, and to be expected, the report notes, adding that "It is better to recognize that such feelings may arise, and to be prepared to deal with them in a logical way, rather than pretend they won't exist."

Over the next five years, the report says, many companies are likely to adopt this high level of DC automation, very different from today's world. This has already started to happen to a degree in areas of Europe.