

Körber Supply Chain

Leveling up your warehouse

Find the right WMS to boost your
SMB's warehouse performance



Introduction

One of the biggest impacts on supply chain operations in recent years has been the shift in consumer preference to online shopping. For customers, it does not matter whether they order from an eCommerce giant like Amazon or a small-to-medium business (SMB) – they expect the same level of shopping convenience and fulfillment options.

This presents a significant challenge for businesses with little or no experience running an eCommerce operation, as is often the case with SMBs. However, as in-store shopping decreases, or ceases completely as it has during the Covid-19 pandemic, offering a quality online shopping experience has become a matter of survival for many SMBs.

Evolving challenges of SMB warehouse management

This growth in eCommerce has been felt the hardest in the warehouse, which now has to satisfy a whole new level of fulfillment requirements, including next day (and, in some cases, same day) delivery.

However, many SMBs find that their current warehousing processes and management tools are not up to the job. According to a 2019 report from Deloitte¹, the majority of SMBs are not using digital tools for supply chain management, and only 20 percent are using supply chain software.

For those SMBs who have adopted supply chain software, this is often an ERP with a built-in inventory management system or an RF extension that tracks transactions and updates inventory data. Such systems do not eliminate paper and manual processes, nor can they help automate essential warehouse processes like receiving and put-away, order picking and packing, and shipping – all processes that need to become more efficient for successful eCommerce operations.



Meeting the challenges of SMB warehousing

The obvious solution is to introduce a warehouse management system (WMS). However, because many are geared towards large, enterprise-level warehouses and distribution centers, they are typically not a good fit for SMBs.

Instead, SMBs need solutions that provide comprehensive, yet flexible, functionality out-of-the-box, and support eCommerce business models while meeting their organizational and budgetary needs.

Improving functionality

To take SMB warehouse performance to the next level, warehouse operations need to become smarter and more system driven. To that end, a WMS needs to automate key warehouse processes and meet the following requirements:

- **Support for all fundamental WMS capabilities:** receiving and put-away, inventory management, cycle counting, task interleaving, wave planning, order allocation, order picking and packing, inventory replenishment, shipping and labor management.
- **Ecommerce functionality to support online order fulfillment with the flexibility to handle multiple order types:** this can be accomplished with adaptable execution workflows to support different cut-off times, streamlined order picking and multiple delivery options. Built-in, comprehensive shipping functionality with pre-rated shipping options and courier express parcel services (CEP) helps to control cost and ensures that orders can be processed through the warehouse more quickly.
- **Integration capability for key complementary solutions:** these include ERP systems, RF and mobility solutions, as well as solutions for voice-directed work to increase picking speed and accuracy.



Streamlining implementation

Another hurdle for introducing a WMS in SMBs is the implementation itself. Typically, SMBs do not have the IT resources to dedicate to a WMS implementation, and cannot support long, complex implementation phases. However, the following can significantly streamline WMS deployments:

- **Flexibility:** a WMS must be able to support the operational needs of each customer's warehouse. Solutions that can be adapted by configuring parameters and flagging, without lengthy customization and additional development, are ideal.
- **ERP connectivity:** ready-to-use interfaces to commonly used ERPs (e.g. Netsuite, Microsoft D365, SAP BusinessOne and others) save significant integration work and cost.
- **Integrated shipping management:** out-of-the box shipping functionality, as opposed to integrating a separate solution, saves both implementation time and costs.

A WMS that supports a streamlined implementation process can be deployed in a relatively short time. Look for solutions that require an average of 90 days to go live, or about 600–800 hours of implementation work. Also, choosing to deploy the WMS in the cloud, as opposed to on-premises, can further simplify and shorten the process.

Driving usability and UI

Since the WMS will be used by almost everyone in the warehouse, from mobile workers on the floor to back-office and supervisory staff, an intuitive user interface (UI) on both desktop and mobile devices is key. This also shortens users' learning curve, allowing your business to leverage the capabilities of the new WMS more quickly.

Therefore, it is crucial to evaluate your user needs prior to purchase, accounting for interface look and feel, ease of use, navigation, and support for role-based UIs.

Controlling costs

Introducing a WMS is a significant expense, and SMBs need to ensure they maximize their value for money.

Adopting a total cost of ownership (TCO) approach will help you assess the cost of the WMS more holistically. This will ensure you look beyond the initial software and implementation costs, and consider factors such as maintenance, upgrades and technical support.

Running a WMS in the cloud can significantly reduce TCO. It will eliminate the high up-front investment for on-premises IT infrastructure, and allow SMBs to transition to an opex financing model with stable, predictable monthly fees. System maintenance and software upgrades are typically performed as part of a cloud service, reducing the need for in-house IT support too.

Conclusion

SMBs gain significant and immediate benefits by introducing a WMS. Not only do they provide an accurate view of your inventory, they enable processing of larger volumes and different types of orders, across eCommerce and other channels. For SMBs, a WMS can also help plan tasks more efficiently and reduce unnecessary labor. In short, selecting the right WMS enables SMBs to adapt to the increasing complexity of warehouse operations, and to support new business models while boosting productivity and customer satisfaction.

How can Körber help?

Körber offers WMS solutions developed specifically for the needs of SMBs, including comprehensive yet flexible out-of-the-box functionality and support for eCommerce business models. They also enable a short time-to-launch and an attractive TCO, especially when deployed in the cloud.

See how our WMS solutions can take your SMB's warehouse performance to the next level:

Warehouse Management

Internet Retail & Ecommerce

Reference

1. www2.deloitte.com/content/dam/Deloitte/es/Documents/Consultoria/The-performance-of-SMBs-in-digital-world.pdf

