

WMS: STRAIGHT FROM THE HEART

If the entire logistics process chain can be compared to the human cardiovascular system, then the WMS should be right at the heart. **TORSTEN MALLEE** explains why.

In the current era of online research, if you were to “google” for warehouse management software or WMS, your search would yield over two million hits with the first few pages made up of three groups of specific software or system providers. And after you have improved your search criteria with warehouse inventory management software, or warehouse inventory control software, there is even more information to digest. A rather daunting task, especially if you are unsure of all the questions to ask yourself in order to select “the right” solution.

GENERALLY SPEAKING

The first group that comes up includes ERP providers like SAP, Oracle, Infor and Microsoft Dynamics. Their claim to provide software for all areas of a company has led to every one of these major players offering “their own” WMS. But it’s worth keeping three things in mind as you conduct your search:

Firstly, the range of the applications is almost always at the expense of functional depth. Those who also provide Human Capital Management as well as software for city councils cannot be familiar with all facets of a warehouse operation – simply because their strength lies in generalization.

Secondly, many of these systems cannot be adapted flexibly to the specific processes of your company. If they can, it would be at a significant cost. In this respect there is a downside to the standardization that an ERP system brings to processes because, compared to tender letters or wage accounting, logistics is an entirely different kettle of fish.

Thirdly, although ERP providers try to use the openness of their systems as the main argument, this openness is by no means consistent. The WMS modules are often not proprietary developments by the ERP providers and can therefore only be integrated using interfaces.



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Positioned at the exact opposite of ERP generalization, the second major group is highly specialized niche providers. In many cases, coming from a warehouse automation background, over time, they have, often by necessity, incorporated software for warehouse administration into their portfolio alongside automated storage and retrieval systems and forklift trucks.

Examples of such companies include Dematic, Swisslog, and Knapp. While ERP systems take a bird’s eye view of the entire company, these software providers examine each individual warehouse very closely. The advantages are obvious: particularly during the planning and building of a new warehouse, it is convenient to have a single point of contact for all questions regarding warehousing.

Needless to say, this advantage also has a downside in that this type of warehouse management system is a classic “silo” that must first be connected with other systems using interfaces and often cannot support the logistics workflows that are an inherent

[The entire upstream and downstream processes must be considered in order to fully optimize the system.]

part of the warehouse process.

Such warehouses are very powerful in themselves but their integration into the supply chain is more of a stumbling block due to their isolated “operating system”. A conversion of the delivery strategy, for example to VMI or to decentralized storage in several places, is only possible at great additional cost and effort.

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The WMS is often compared to the heart of a living organism. Those who take this image seriously see the entire logistics process chain as a unit: the cardiovascular system. The entire upstream and downstream processes



[In order to achieve maximum inventory transparency, 'stock in transit' should also be made visible in the WMS.]

with the same IT efficiency must be considered in order to fully optimize the system; otherwise, secondary processes will continue to be dealt with manually or are only made available via complicated and rigid interfaces.

Incoming goods, customs, transportation planning and shipping orders, as well as the calculation of

This is exactly what the third group of software providers achieve. These suppliers are more specialized than ERP providers but, at the same time, are more broadly positioned than niche WMS contractors. They follow the entire logistics process, pick up the thread at one end (for example, entry of an order in the ERP system) and take it through all steps to the other end (right through to delivery to the customer).

freight costs are just some areas that, to use the same metaphor, have to function as "arteries" so that the WMS heart keeps beating. Another example is the view of inventory. An exclusive WMS provider can provide a general overview of "its" warehouse, but in order to achieve maximum transparency, "stock in transit" should also be made visible. A requirement no exclusive WMS system can meet.

It is highly beneficial therefore that such a logistics suite should include modules for: Transport Management; Freight Management; Customs Management; Resource Management; Order Fulfillment; Supply Network Planning; Supply Chain Visibility; Performance Management.

This comprehensive approach ensures that a single provider can take care of all logistics processes end-to-end. Red Prairie and Manhattan Associates are such providers, as is AEB. Companies that have filtered the providers of such logistics suites out of the two million Google hits will meet the demands that supply chains make on their members in the 21st century: adaptability, ability to collaborate, transparency and speed in all processes. ■

Torsten Mallee is Business Development Director, AEB (Asia Pacific), a provider of end-to-end supply chain management IT solutions, (www.aeb.com.sg).