



TRINITY



AUTOMATION IN THE WAREHOUSE - WHY BOTHER?

Q & A

1. My warehouse seems to be operating efficiently – why should I be considering an Automated Data Capture (ADC) solution or a full Warehouse management system (WMS)?

Manual systems can appear to be operating OK but many substantial improvements are likely with a computerised WMS. Examples are:

- Speed up the picking process
- Improve the accuracy of your deliveries and reduce customer returns
- Take less time doing a stock count with less disruption to the business
- Have much more confidence in the accuracy of your stock records
- Make sure that you avoid carrying stock that is old or passed its use by date.
- When goods are received they are available in stock before the suppliers invoice is processed in the accounting system.

2. Finding stock can be difficult – how can more automation in the warehouse help?

The warehouse system maintains the exact location of your stock. This is due to the underlying key procedure that whenever any stock is moved (received, kitted, packed and shipped) it is scanned together with the bin location label in the warehouse. This means that you have a real time visibility of the stock in the warehouse.

Enquiries can be made on the handheld and the screen to find the bins a particular stock item resides in. WMS provides a real time lookup of where the stock resides in the warehouse. It is that simple. You can look it up on the screen or on the handheld scanner.

3. How will WMS help me manage short dated stock?

WMS keeps not only the receipt date of stock but also any “use by” or “best before” dates. This information is used in the order management process.

WMS will be set up to make sure that the stock that is picked is FIFO and meets the customer requirement for the number of days left before those date markers.

4. My warehouse operatives are set in their ways – how would they handle change? Would the new systems be difficult to use? How can I ‘sell’ the system to them?

Moving to a WMS is a simple step to take as you are “unbundling” the stocking information that most warehouse people have to build up to be effective in a paper based warehouse. With a WMS, the system tells the operator where to go and what to pick. All he does is scan the bar code of the bin label and product label and the system confirms he is at the right place. In fact the only thing he has to enter is the quantity.

Making a change is always a little difficult but the end result is that your warehouse staff can be trained quicker and perform many different tasks.

We also recommend that a mini training system is set up. It will be an area with some real stock and you can carry out all the functions that you would do on the live system.

5. What about information on what’s happening in the warehouse – will WMS help?

ADC will not be much help but WMS provides extensive information. You can see what a particular operator is doing, you can see the progress of an order being picked.

Apart from live data there are performance reports that help management assess the efficiency of operators, order fulfillment rates and areas most traveled.

6. Voice picking seems to be in the news at the moment – would it be worth considering?

Yes it is a further efficiency in the picking process. It is more efficient than a handheld scanner because it frees up the operator so that he can use both hands.

The downside is that voice picking relies on the operator identifying the correct stock and location. However checks are made to reduce this by asking the operator to provide a “check digit” on the item code or location label.

There are now voice picking units that include a scanner. This makes them multi purpose. For example the voice facility would be used for picking orders and the scanner for putting goods away after receiving.

7. If I put WMS in the warehouse, won't I lose flexibility? Doesn't automation mean staff will be burdened by additional procedures that will mean I lose overall?

A WMS will mean the introduction of set procedures for doing warehouse operations and warehouse staff will need to get used to using handheld terminals etc rather than paper. However introducing more control does not mean reduced flexibility. A WMS will provide you with the ability to have different picking styles, customer specific labeling, real time stock counts, re arranging of the warehouse and many more optional configurations.

In addition, there are potentially very large savings due to reduction in errors and productivity improvements when the system is fully installed – see below (Q11) for more details on these savings.

Overall it is very unlikely you will lose by using a WMS – in fact you are very likely to make substantial gains.

8. Stock-taking is a time consuming task – how will WMS help?

As with most other warehouse operations, a WMS will certainly help in reducing the time that it takes to perform a stock count because the operator can record the count on the handheld as he counts. Without it he has to write down the quantity and then go to a terminal and record it which is time-consuming and prone to error.

Most WMS systems will also allow you to perform Perpetual Inventory or regular stock checks without having to stop normal operations in the warehouse. This saves the high cost of 'out of hours' checks.

9. Are there different levels of WMS? Can I start with a simple system and move on later?

Yes, functionality within WMS solutions can vary. An automated data capture (ADC) system may fit your requirements in the first place and you can subsequently move to a full WMS system.

ADC is the start of warehouse automation. It enables the entry of stock movements, (receipting of stock, dispatching stock and adjusting stock) via a bar code scanner in the warehouse. The ADC system and bar code scanner are doing the same entry that an operator would do when standing at a terminal and entering information from a paper pick sheet or other paper instruction. The key thing is that it saves time as there is no need to re enter information at a terminal. It also provides accuracy as the bar code reader recognizes the stock code from the label.

However the ADC system is limited to the functionality of your existing stock control /order processing system and key warehouse management functions are not catered for.

A full WMS solution has all the warehouse management features as well as being integrated with your SOP / financials system. The key features are the ability to control the receiving, packing and picking processes, the monitoring of performance in the warehouse and the provision of a high level of sophistication in how a warehouse is ordered, additional processes in the picking and packing function and a high level of accuracy.

10. I've heard it's difficult to make a success out of IT investment in the warehouse. What ROI can I expect from installing a system?

Our clients have experienced the following savings:

- 15 % Increase in ability to fulfil customer orders
- Reduction in headcount in the warehouse (one client as much as 50% from 20 to 12)
- Reduction in the downtime for stock taking (2 days a year)
- Reduction in stock levels (25% for one client that was keeping reserve stock)
- Reduction in customer returns for wrong items in delivery (50%)
- Reduction in warehouse overtime

With these types of gains and the very attractive pricing of WMS systems, especially those targeted at the small / medium sized businesses, a well-managed project for warehouse automation is likely to be a very successful investment – rather than the reverse. Payback periods of 12-18 months are typical with many systems doing much better.

11. Is there anything special that Accellos / Radio Beacon are offering in this area?

Yes, Accellos provide to products that are fully integrated to GP. They are Maximum Data ADC and Accellos WMS.

The Accellos WMS is the flagship product. It makes it possible for a mid sized business to have the warehouse automation that is normally only found in the top tier businesses at an affordable price.

The WMS system is modular so it can be useful to a smaller warehouse with straight forward warehouse processes at an affordable price. By adding additional modules the system is able to cater for the needs of multi site warehouses with enhanced requirements like advanced replenishment and links to RFID portals and other automated picking systems.

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