

Selecting, Buying, Installing and Using a Modern Warehouse Management System

Executive Briefing Synopsis
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The purchase of a warehouse management system (WMS) is like the purchase of your first house. It is a major financial transaction, representing a major commitment to the future, but with only imperfect knowledge of what you're buying and what the consequences will be. While the concepts behind warehouse management systems have been proven through thousands of successful installations all over the world, it is also a fact that a significant proportion of those installations were only successful on the second or even the third costly attempt.

This executive briefing is written for the executive who is considering the installation of a warehouse management system in a currently un-automated supply chain. It contains, however, a significant amount of information of value to those who have been through the process and are now in maintenance and operation mode and may have special value to those who are dissatisfied with their present system and are considering a replacement.

The remarks included in this briefing apply equally well whether you outsource all or part your supply chain, or whether you perform all functions internally. Unless you have contracted with a 3PL for use of its warehouse management system, the issues faced, the processes required, and the costs and benefits are identical. There are, of course, benefits to the 3PL of having a single system for all of its customers, but there are also benefits within a company of having a single system for all of its 3PLs.

We begin with the purpose of warehouse management systems and a description of their costs and benefits. The build-versus-buy choice is discussed. Organizational impact and the short and long-term effect on your customers are described. The briefing then moves into a detailed description of how to buy a WMS. This description covers the project team that must be assembled, the marketplace for commercial systems, the types of systems available and how you should go about choosing among them, the creation of a Request for Proposal and the evaluation of RFP responses. It also provides a methodology for justifying/funding a warehouse management system and concludes with discussions of system installation and maintenance.