

Companies Can Optimize Warehouse Operating Efficiencies, Customer Service With Integrated Technology Initiatives

Considering the current global economic climate and increased concerns over variable inventory levels, 3PL warehouse providers may be hesitant to invest capital in software solutions. However, many companies are realizing the benefits of utilizing new technology to help maximize warehouse management systems (WMS) at this time.

Despite the recessionary nature of the global economy, many freight forwarders and logistics providers are increasingly seeking value-added software solutions in order to boost warehouse operating efficiencies and better control inventory levels to meet demand variability. Integrating technology solutions into the warehouse function is enabling many companies to operate leaner, provide improved storage capacity and reduce overhead and operating costs significantly. While current inventory levels are lower across the globe, proactive forwarding companies are finding that technology can be an invaluable tool in warehouse optimization and can significantly help position companies to better compete when consumer demand returns and inventory volume levels return to normal.



Andrea Robinson, Business Development Manager - UK

While companies can utilize software technology to streamline their warehousing process, they can also better meet customer demands and improve customer service by establishing and meeting key performance indicators that will ensure the warehousing business sustains the current economic climate for both parties.

For many small to medium-sized enterprises (SMEs) finding the right IT solution isn't always an easy task. Often good WMS options seem to trend toward stand-alone solutions that can be costly and offer no integration with internal or external systems. Also, the stand-alone option may not provide a computerized warehouse function at all; it may simply run on paperwork and spread sheets. There are potentially huge overheads incurred in these situations, with administrative work, operational expenses, transport planning and inventory management. Processing errors, time delays, high costs and general confusion are the usual symptoms of a disorganized warehouse and can suggest that the actual cost of units coming through the warehouse is providing only marginal profits.

With a few simple but critical changes, smaller 3PL warehouse operators can realize significant gains throughout the warehousing operation with a software solution that is tailored specifically to its business. Taking ownership of a company's WMS system without incurring lengthy development, implementation and training delays while minimizing running costs is possible with some careful planning and the right software provider that understands your business and offers an integrated and diverse range of services.

Therefore, to achieve maximum benefit, promote efficient inventory control processes and improve productivity, companies must select a WMS software program designed to integrate with internal operating systems. A thoroughly integrated WMS process will ensure a positive effect on cost reductions and bottom line profitability. A significant element of payback with investment into WMS software can be found in the reduction of errors, reduction in labor costs and a maximizing of warehouse floor space. The introduction of electronic

VIEWPOINT

ANDREA ROBINSON, BUSINESS DEVELOPMENT MANAGER - UK

data interchange (EDI) into the warehousing process can also help reduce manual data entry, reduce duplication of paperwork and enable a more efficient inventory management process that reduces labor costs by optimizing picks, locations and release of stock from storage.

While companies can utilize software technology to streamline their warehousing process, they can also better meet customer demands and improve customer service by establishing and meeting key performance indicators (KPIs) that will ensure the warehousing business sustains the current economic climate for both parties. Product tracking, stock visibility and traceability, along with automated data collection throughout the warehouse system should be standard features accessible to customers.

Utilizing RF technology is another initiative that can cut down on labor and data entry efforts while providing real-time information and complete stock visibility. With RF technology, on-line receipts, locations, movements and dispatches can be instantly applied to the back office warehouse management system without the need for rekeying information. Location management, automated billing, optimizing stock replenishment -- even yard management and the improved utilization of warehouse space all contribute to maximizing profits and ensuring that improved ROI is achieved in a very short time.

Ultimately, SMEs, in particular, can benefit from evaluating their warehouse processes in this economic climate by strategically identifying the actual unit costs across the entire warehouse process. By identifying where WMS performance can be enhanced through the implementation of an enterprise software system, they can identify the greatest areas of expenditure in relation to inventory, space and transport planning and reduce costs in order to justify the initial and ongoing management expenses involved. The results may initially seem alarming; but with a strategic focus on why overheads are high, companies can determine how the inventory management process can be controlled with automated systems without adding to outlays, and take the necessary steps to improve warehouse efficiencies without reducing the value-added services that customers expect now and in the long term.

ABOUT CARGOWISE® EDI

CargoWise edi provides solutions for forwarders, customs brokers and logistics service providers focused on supply chain execution capability in an integrated ERP-like globally capable system. It is a world-leading provider of low-cost, high-value software solutions and services for the freight forwarding, NVOCC, express courier, customs brokerage, contract warehouse, container freight station, ships agency, local cartage and other supply chain services.

Every day, 1,300 logistics service providers, consisting of 33,000 users in 45 countries, move goods through the global supply chain using CargoWise edi's flagship product ediEnterprise. CargoWise edi offers supply chain logistics management systems that provide full integration across all departments and functionality for domestic, regional and global customers. Headquartered in the U.S., Australia and the UK, the Company operates from 12 worldwide offices across the U.S., Europe and Asia. More information on CargoWise edi can be found at: www.cargowise.com.