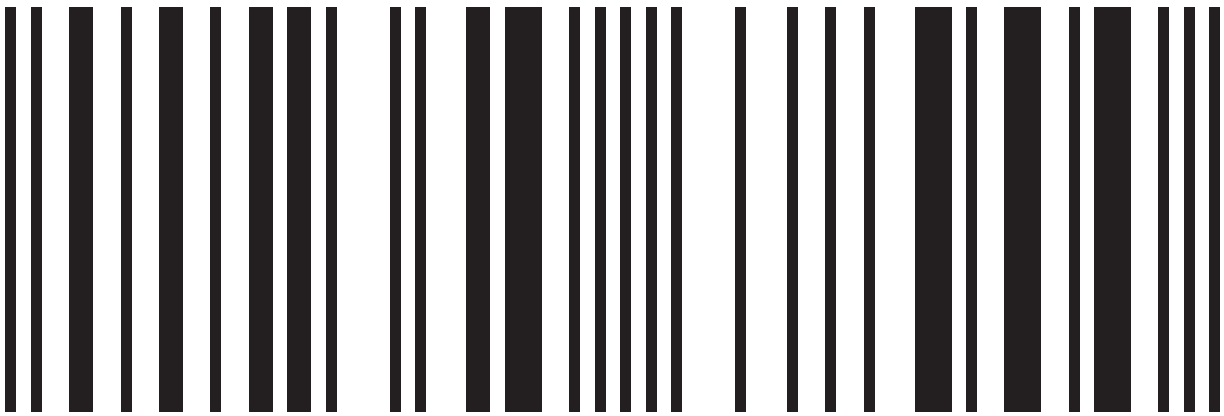
The 11 Ways a WMS Elevates Warehouse Ops



savant SOFTWARE

APPWARE SOLUTIONS



What You'll Learn

The 11 Ways a WMS Can Transform Your Warehouse Operations

The following guide is will show you exactly how a **modern warehouse management system (WMS) can transform every fact of warehouse operations**, including: receiving, put away, cross-docking, inventory control, picking, packing, and shipping.

1. What is a WMS? >

2. The Benefits of a WMS >

- **a. Receiving** >
- **b. Putaway** >
- **c. Picking** >
- **d. Shipping** >
- **e. Inventory Strategy** >

Recommended Solution >

About Appware Solutions & Savant Software >

What is a WMS?

Your warehouse management system (WMS) is the brain of your distribution operation. Choosing the right WMS for your business is critical for ensuring optimal warehouse operations and keeping your customers happy.

Whether you are installing your first WMS or upgrading to a new solution, it is important to match the features and functions of the solution to your warehouse needs and the needs of your customers/trading partners. Below are a few of the things to consider when evaluating warehouse management systems:

THINGS TO CONSIDER

Scalability & Upgrade Path

"Land and Expand" is a concept where you Purchase or "land" on the system that fits your needs and budget today, then expands or grows into the system that you need for tomorrow. Make sure the provider you're considering provides an upgrade path from its basic warehouse automation solution to a feature-rich WMS. Avoid a rip-and-replace scenario by choosing a partner who enables upgrades via license key.

Handheld Devices & Operating Systems

When evaluating a WMS, it's important to consider compatibility with your enterprise handheld devices such as mobile computers, barcode scanners or RFID-readers. As well, you'll want to ensure the operating system you move forward with is secure, supported well into the future, and includes an easy-to-use interface. An easy-to-use interface will substantially decrease new employee training time.

Cost & Time to Deploy

During your research phase, ask questions about the time and cost associated with WMS deployment. Are staff training services offered? Find out if thorough system documentation is provided. Get an idea of how long configuration and setup will take and whether you should anticipate any operational downtime. As well, ask about pricing models and the cost to add additional users or new functionality.





Benefits of a WMS

Make more money. Pay less overtime. Use fewer resources. Reduce operating costs. Lower headcount. Increase efficiency. Attract, grow, and retain your existing customer. Improve your business processes.

Develop insights into your business so you can understand where your roadblocks are.

You'll be able to raise your efficiency in:

- **Receiving**
- **Put-away**
- **Picking**
- **Shipping**
- **Inventory Management & Strategy**

You'll be able to increase your on-time, and accurate shipping percentage, and lower overtime costs.

You'll garner insight and understanding of the problems and inefficiencies in your warehouse operations.

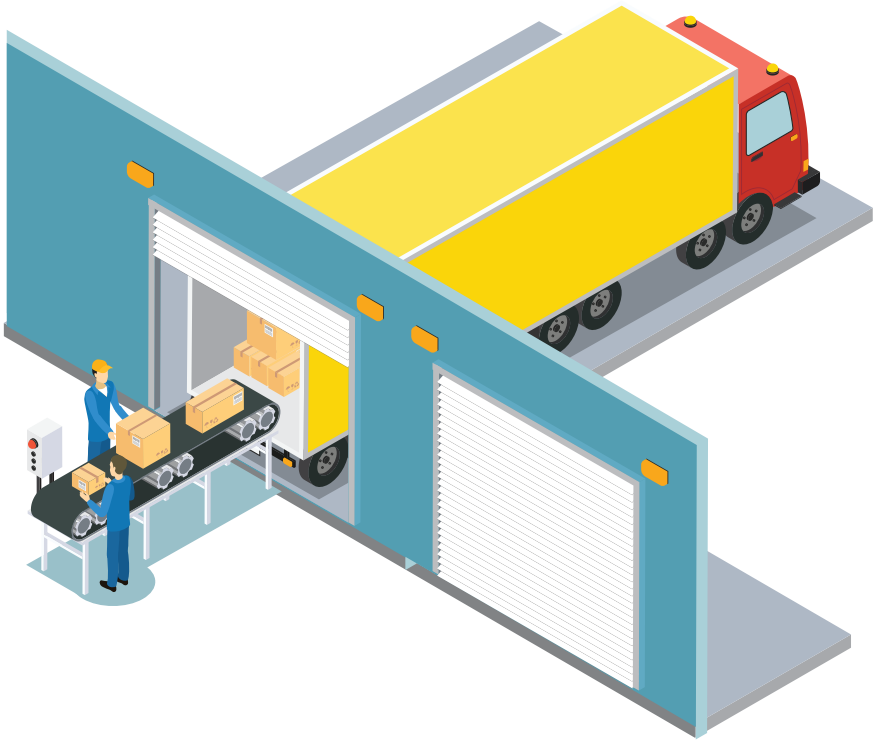
> "Sierra Nevada Brewing selected Savant Software in 2007 as our Supply Chain partner. During the past six years, Savant has accomplished numerous phased implementations and upgrades. Savant has proven to be a valuable partner in the past and will continue to be an important part of Sierra Nevada Brewing's future."
>
> Bill Bales, CFO
> Sierra Nevada Brewing

Receiving

Receiving can be broken into 3 facets: **receipt, verification, and billing**. A receiving manager is responsible for signing for shipments, verifying their contents, and ensuring payments of vendor invoices.

Speed and accuracy are critical parts of warehouse management. Slow receiving means chaos on the warehouse floor. Accuracy in reconciling what was ordered versus what was received is directly tied to the profitability, as failure to hold vendors accountable for missing or damaged goods directly affects the bottom line.

If damaged materials are received, it's often the responsibility of the receiving manager to interface with the vendor to get credit or to have missing stock re-shipped.



How a WMS Can Improve Your Receiving

1. The value of a WMS starts even before materials arrive at your warehouse. Best-in-breed WMS are capable of receiving **Advanced Shipping Notices**. Requiring ASNs along with shipping pre-labeled materials enables your warehouse management system to automate the receiving queue and ensure that required staff members are alerted and prepared.

2. Now that we've streamlined the unloading queue, **our WMS can help optimize the verification of physical goods received**. Utilizing integrated handheld computers with barcode scanning capabilities, warehouse workers can load purchase orders from the ERP and scan pre-labeled containers to reconcile received goods.

3. Lastly, your WMS/ERP integration will **allow the automatic creation of reception documents,** which enables automatic putaway. This document will account for missing, damaged, and received materials, significantly decreasing man hours spent to manually create these documents for your vendors.

Advanced Shipping Notice (ASN)

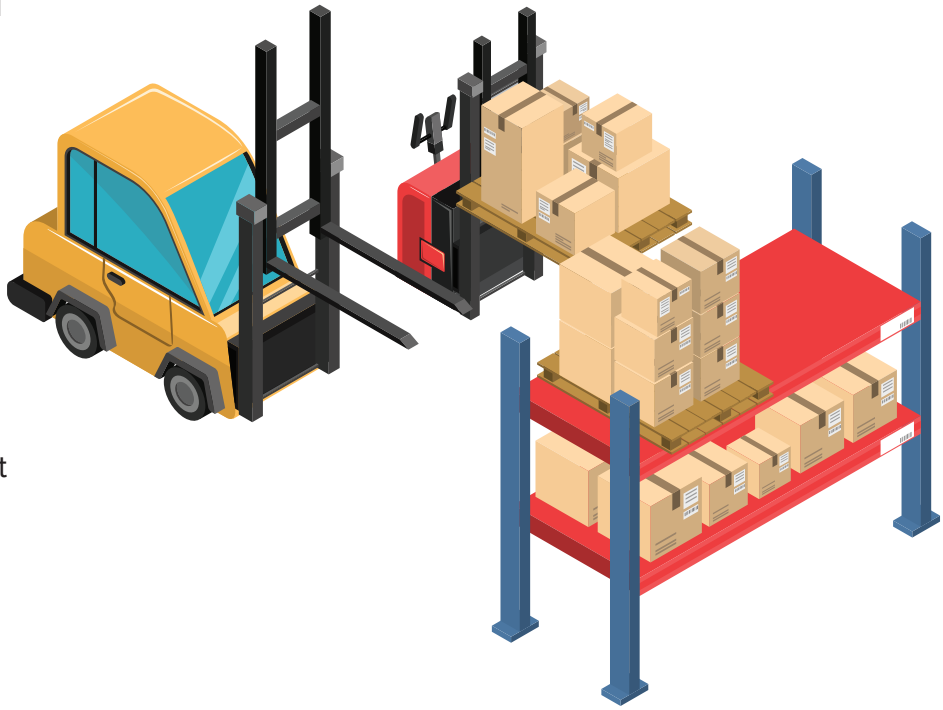
An advanced shipping notice is a document sent from a vendor to a receiver prior to a shipment's arrival.

ASNs typically include:

- Shipment Date
- Contents of Shipment
- Quantities
- Weight, Size, and
- Packaging Type
- Shipment Type (air, ground)
- Carrier Information

Put-Away

Put-away is the process of taking received materials from the dock and transferring them to their rightful zone or bin in the warehouse.



The speed at which materials are put-away dictates how quickly they become available for use or to be shipped to a customer.

Putting received materials away quickly not only has the benefit of making inventory immediately available to pickers, but it also reduces staging area congestion and the amount of time materials are handled, which lowers damage rates.

A best-in-breed WMS can alleviate much of the manual pain associated with this critical warehouse management step through **directed put-away**.

How a WMS Can Improve Put-Away

4

Directed Put-away is a function of many best-in-breed warehouse management systems; it functions by locating the most optimal area for your received materials based on ASNs.

Optimizing the warehouse layout and location of goods means faster travel times, less aisle congestion, and higher productivity.

5

Slotting Reports are WMS-produced reports that recommend product moves that will have significant impact on picking speed and productivity. Slotting reports take into account the fastest moving items and optimizes their location in your warehouse for travel time during the picking process.

6

Cross-Docking is the process of immediately making received good available for order fulfillment or use with minimal handling. A modern WMS can flag a product for cross-docking by referencing an open order at the time of receipt.

Picking

Picking is the process of locating and selecting goods from warehouse inventory to fulfill orders. Picking is potentially the most labor-intensive activity in a warehouse. Companies employ the picking technique that best aligns to their business model:

Single or Multi-Order Picking
Items for a single order are picked and immediately placed in shipping containers.

Multi-order Batch Picking
Pickers are selecting goods for several orders at once.

Order Consolidation
Picking is done by destination or customer and is typically multi-order.

Wave Picking
Orders are grouped by specific criteria such as carrier or location.

Zone Picking
Orders are picked by warehouse location, or zone.



How a WMS Can Improve Your Picking Process

7 **WMS + Handheld Devices**: Barcoding technology is a tried-and-true tool for warehouse accuracy. Integration with a WMS means pickers are sent their pick list digitally to their device, with audio and visual notifications confirming each step of the way to a virtual paperless process.

8 **Voice Picking** makes the task of picking hands-free. Picking staff is equipped with a headset that is integrated with the WMS. Instructions are sent through the headset guiding the employee from zone to zone through completion of their pick.

9 **Pick-to-Light** is a picking method that visually guides picking staff from area to area with a series of WMS-driven light notification. As the picker moves throughout the warehouse floor, they are prompted with quantities to pick at each location.

Packing & Shipping

Packing and shipping are the steps associated with preparing picked goods or materials for arrival at their final destination: your customers.

An accurate packing operation is critical to customer satisfaction and could be the difference maker between keeping or losing your customers.

Managing the specific requirements of your various customers can be a daunting, if not impossible mission if you're relying on a manual system. Below are a couple of the ways a WMS can help you meet the expectations of your customers.



How a WMS Can Improve Your Shipping Process

10

Meeting Customer Requirements

Using the WMS to store customer data including pricing, packaging specifications, pallet types, carrier data, ASN requirements, and shipping and delivery windows will help ensure accuracy in outgoing shipments.

11

Automatic Document Creation

The shipping module of your WMS should be able to access and interface with scales, label printers, and barcode scanners, giving you the ability to automatically create shipping labels, carrier documentation,



Inventory Strategy

Cycle Counts
Cycle counting is an inventory audit technique that takes place on regular "cycles" as opposed to once annually and ensures accurate physical inventory count.

Best-in-class companies employ an **ABC methodology** to cycle counting. ABC analysis means segmenting SKUs into groups from highest dollar volume or units sold **(A)** to lowest dollar volume or units solid **(C)** which represents the lowest dollar amount or unit volume.

The strategy is then to count SKUs classified as **(A)**, which typically account for 10-20% of total SKUs but 50-70% of total revenue, more often than **B** and **C**, which are counted regularly but less frequently.

Your WMS facilitates cycle counting by identifying and segments your SKUs into A-B-C classifications.

Slow-Moving / Excess / Obsolete Inventory
Having a strategy for dealing with excess and obsolete inventory is critical to optimizing available warehouse space. You should give special attention to products with short life cycles. Active strategies that can be taken include: **selling to alternative markets, returning to vendors,** or **selling for scrap value.**

Inventory Adjustments
An inventory adjustment is making changes to inventory levels as a result of a cycle count. The majority of companies deal with two types of inventory adjustments:

1. **Stock on Hand**
   Sellable stock that is physically available in the warehouse.

2. **Unavailable Inventory**
   Defined as inventory that is unavailable for order fulfillment on account of: breakage, write-offs, and end-of-life.

UP TO
45%
of a company's inventory value is excess or obsolete inventory

SKU Classifications for ABC Analysis

Classification	Proportion to Inventory
A	10-20% of SKUs 50-70% of Revenue
B	20% of SKUs 20% of Revenue
C	60-70% of SKUs 10% of Revenue

Recommended Solution



Flexible Warehouse Management System

by Savant ADC

Savant ADC decreases manual operations, eliminates paperwork and reduces operational costs by increasing the accuracy and speed of warehouse functions like: receiving, putaway, inventory counts, inventory moves, picking and shipping. Savant ADC integrates with many leading ERP system.

BENEFITS INCLUDE:

- Detailed Transaction, Audit and Productivity Reporting
- Manage Inventory Movement, Inventory Adjustments & Reporting
- Scalable System with an Upgrade Path to Savant's Full WMS
- Crystal Reporting
- Supports Both Physical Inventories and Cycle Counts
- Full Pallet and Item Picking, Directed Picking, Pick to Pack

Learn More

About Savant Software

Designed to help grow small and mid-sized manufacturing and distribution companies.

Unlike most automated data collection (ADC) solutions that have evolved from technology integrators with often little or no industry expertise, **Savant ADC** was developed by supply chain professionals who have worked with global distribution and manufacturing companies in the design and implementation of warehouse automation.

[Schedule a Free Product Demo]

Only

17%

of companies that installed warehouse management systems regarded their projects as "highly successful"

About Appware Solutions

Appware Solutions is a free service that connects businesses with technology solutions.
We know that technology can make a business better.

How we help:

We simplify the research and selection process with our free, comprehensive directory of hardware, software, and bundled solutions for popular applications like point of sale, digital signage, asset tracking, inventory control, mobility, and payment processing.

- We provide free resources including articles, eBooks, and guides that are designed to help educate and inform technology buyers.
- We do the product research to identify proven solutions that have been tested, certified, and can be bundled to provide best of breed solutions that integrate seamlessly.
- We help find technology providers that offer local sales, service, and support through our nationwide network of certified partners.

Learn more at www.appwaresolutions.com

Sources

[1] WERC (1999) Warehouse Systems and the Supply Chain: A Survey of Success Factors, Warehousing Education & Research Council, Oak Brook, IL.