

*Advances in Warehouse
Management Systems:*
**How Modern WMS Functionality
Drives Online Retail**

Zethcon





The State of Retail

- **Today two types of retailers are doing well**
 - **Lowest price retailers (Wal-Mart, Dollar Tree, etc.)**
 - **Online retailers**
- **Why Online Retail?**
 - **It provides a mode of selling with a different value proposition to the consumer that resonates**



What motivates the online consumer?

- **The combination of reasonable pricing with an experience that is superior to that of a retail store.**
- **Price must be reasonable but does not have to be the lowest.**
- **The convenience of shopping online should exceed the positive aspects of being able to actually see the product.**
- **The ability to create a shopping experience that is the value-equivalent of shopping in a retail store is dependent on operational and system capabilities almost completely.**



Factors contributing to a positive online experience

- **Product perceived to be available is in stock**
- **Orders are confirmed nearly immediately**
- **Updates are sent as order progresses**
- **Product is clean and undamaged**
- **Packaging is professional**
- **Shipment is confirmed with comprehensive data**
- **Tracking is accurate**
- **Returns must be easy and efficient**



Operations and WMS Impact on Key Factors

- **Product stock reporting**
 - **Warehouse must be able to report stock accurately 100% of the time.**
 - **A customer must never order something to learn it is out of stock.**
 - **Cycle counting with near immediate resolution is essential.**
 - **Host updates must be fast.**



Operations and WMS Impact on Key Factors

- **Communication**
 - Consumers like to know that their order is progressing.
 - Updates via email can be used to do this.
 - These emails are generated from WMS driven data.



Operations and WMS Impact on Key Factors

- **Product must be clean and undamaged**
 - **Operationally, storage must be configured to minimize damage.**
 - **Racking is ideal.**
 - **Minimal product moves.**
 - **System direction in putaway and moves can minimize damage.**
 - **System directed consolidation and recoup can aid this as well.**
 - **Move only full pallets and pick by hand as much as possible using mixed pick modes.**
 - **Transport via conveyor.**



Operations and WMS Impact on Key Factors

- **Packaging must be professional**
 - Boxes logically chosen with system direction.
 - Contents of individual packages tracked.
 - Packing done neatly as guided by WMS packing logic.
 - **Branding**
 - Cartons, tape, dunnage, marketing material, and paperwork should all be branded.



Operations and WMS Impact on Key Factors

- **Shipping confirmations should be fast and accurate and include detailed information**
 - **Content should represent numerous WMS provided data elements.**



Operations and WMS Impact on Key Factors

- **Returns must be simple and efficient**
 - **When a return is authorized, it's receipt must be quick in the warehouse.**
 - **System directed sortation can allow for rapid return to stock or disposal.**
 - **Speedy updates from the WMS facilitate rapid credit to customer.**



Systems Functions to Enhance Overall Performance

- **Labor Tracking and Reporting**
 - Detailed labor reporting allows easy and fair measurement of associate performance.
 - Goal times by activity provide a collective performance target
 - This allows for incentivized associates
 - Training needs are highlighted
 - Underperforming associates can be reassigned



Systems Functions to Enhance Overall Performance

- **Fraud Management**
 - Quick order cancellation prevents fraudulent orders from shipping.
 - Detailed returns codes allow fraudulent returns to be investigated and resolved.



Summary

- **Throughout the entire online shopping process, warehouse operations and systems performing well can provide a shopper with an experience that compares favorably to that attained in a retail store.**

Questions and Discussion

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