

Is Your Company's WMS Doing More Harm than Good?

Discover how to tell if your WMS is standing in the way of your company's growth and profitability.

Your warehouse management system may be presenting problems that compromise your warehouse operation's efficiency, productivity, and level of customer service. All while limiting your company's growth, profitability, and ability to pursue new business opportunities.

How can you tell if your WMS is no longer capable of performing effectively, and may in fact be doing more harm than good? There are many signs, some obvious and others less so, that your WMS's best days are behind it.

1. Performance

WMS performance problems are typically easy to spot. However, they may develop so slowly that it takes some time to recognize there is a problem.

A visible sign is when operations that were once fast have become significantly slower, causing declines in efficiency, and longer order processing times. Database problems such as locks or runaway processes may occur, resulting in severe system slowdowns. Report processing may take far longer than it should. There could be deterioration in customer service because your WMS can no longer record inventory accurately - causing late, inaccurate, or missing shipments. The system may fail at peak times. Integration problems may be reducing the efficiency of your TMS and specialized warehouse applications.

On the human side, poor WMS performance inevitably means a reduction in employee productivity, and in severe cases, a decline in staff morale as well.

The temptation may be to continuously tweak the system to achieve an acceptable level of performance, but that can quickly turn into a costly, and ultimately, a losing battle.

2. Functionality

If your WMS lacks the features and functionalities, you need to compete effectively in a rapidly evolving marketplace, your business is missing significant opportunities. Thus resulting in loss of customers. An example of a flawed WMS is not having support for multiple languages; this is a substantial drawback in today's global economy and interactions with international businesses. Another example of a flawed WMS System is if its reports and dashboards are difficult to manipulate. By having a lacking system, you are failing to provide the information you need to take advantage of new strategies and opportunities.

Due to the lack of features and functionalities in your WMS, customers, suppliers, and partners may find it challenging, or even impossible, to interact with your system; which then hinders your ability to bring in new business. The worst-case scenario is they will take their business to a competitor that offers the integration, collaboration, and visibility they demand.

To compensate for the lack of WMS functionalities your employees may begin using manual processes that are impossible to scale, standardize, and control effectively. There may also be a lack of security, which might expose your warehouse operations to theft and fraud.

3. Compliance

Compliance issues take many forms.

If you are in the Pharmaceutical, Life Sciences, or Food & Beverage industries; regulatory requirements are extensive, stringent, and enforced by stiff financial penalties and changing government regulations. If your current WMS lacks sufficient native compliance functionalities, you may be forced to resort to workarounds and custom coding. These are less than ideal choices, but you may have no other alternatives with an aging WMS.

In other industries, compliance is a matter of business necessity. Customers, suppliers, and partners may mandate standards that you must conform to. For example, doing business with large retailers means adhering to specific EDI and labeling standards.

Shipping goods across national borders requires more than getting the export paperwork right. It demands compliance with international standards that will vary by geographical region and country.

Your goal is to be compliant and profitable, which is a difficult challenge to accomplish with a WMS that was initially not designed for the task.

4. System Maintenance Cost

One of the significant consequences of an aging WMS is the rising maintenance and support costs.

Keeping an older system efficiently running can be an expensive proposition, especially if it contains plenty of customizations. You may reach the point where growing maintenance fees are eating up a substantial portion of your IT budget. The total cost of ownership could be spiraling upward for a system that ultimately will not be able to deliver all the performance and functionality you need.

As your WMS ages, it will become increasingly difficult to find people within your organization - or the vendor's - who know the system well enough to solve complex or challenging problems.

5. Future Needs

Finally, there's the question of your organization's future needs. If you are putting a considerable amount of resources into your WMS to get it to cope with today's business requirements, how well will your WMS perform down the road? Moreover, what will be the cost be in terms of human and financial resources?

It is worth remembering that a new or upgraded WMS offers you substantial benefits:

- ✓ More efficient warehouse operations
- ✓ Enhanced system performance and functionality
- ✓ Better regulatory compliance
- ✓ Lower maintenance costs
- ✓ A clear path to future growth



The issues listed above will not improve over time - they will only get worse. While there is no exact formula to tell you when it's time to replace or upgrade your current WMS, it is time to act if you are experiencing any or all of the problems discussed in this whitepaper.

About Longbow Advantage

Longbow Advantage is a leading supply chain consulting services firm with deep expertise in warehouse and labor management systems. We put a premium on customer experience, and we value the trust customers put in us to deliver the highest quality in the industry. Our customers are industry leaders who turn to us for our industry experience, faster implementation, and lower total project cost.

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