



Top 10 Reasons to Implement a Warehouse Management System

by **Rene' Jones** (founder of Total Logistics Solutions Inc. (www.logisticsociety.com), a warehouse efficiency consulting company headquartered in Burbank, California (US))

1. Less than 30 percent of warehouses are efficient, according to "Benchmarking Warehouse Performance," a study by the Georgia Institute of Technology (Atlanta, Georgia [US]). That probably speaks directly to why you're reading this list. You may have been wondering if a WMS system could make your warehouse more efficient.
2. Your data-entry personnel produce 1 error for every 300 keystrokes. With radio frequency (RF) scanning of bar codes, that number reduces to one error for every three million scans. Think about the accuracy of your inventory. Now think about your receiving department. How many keystrokes do they make a day?
3. WMS-directed picks and put-aways will reduce the travel time of your forklifts by as much as 50 percent. Your put-away people spend at least an hour a day searching for put-away locations. That hour will be eliminated immediately. Picking accounts for 55 percent of your warehouse labor dollars. And 50 percent of the picking process consists of traveling to and from the locations.
4. You can expect to receive as much as a 35 percent reduction in your operating expenses.
5. The cost of carrying inventory is usually about 27 percent less in an automated WMS environment.
6. Inventory accuracy will increase around 20 percent with a WMS system.
7. Your shipment accuracy will improve.
8. You will lower your total cost per unit shipped.
9. The number of inventory out-of-stocks will be reduced.
10. Your delivery accuracy and timeliness will improve.

Four Bonus Reasons:

1. Increase profitability per order and per customer
2. Reduced customer service cost
3. Reduced phone communication costs
4. Increase sales