



## **Understanding the Benefits of a Paperless Warehouse Management System (WMS)**

# Understanding the Paperless benefits of a Warehouse Management System (WMS)

Some of the benefits that a paperless enabled WMS can provide are:

- 1) Reduced errors.
- 2) Improved inventory accuracy.
- 3) Increased productivity.
- 4) Reduced paperwork.
- 5) Improved space utilisation.
- 6) Elimination of physical inventories,
- 7) Better control of workload.
- 8) Improved labour management and reporting.
- 9) Support of customer EDI requirements.
- 10) Support of value-added customer compliance programs.

A summary of the benefits of “Paperless Interleaved Task Management” enabled by the i2i Logistics WMS, as opposed to ‘PAPER ENABLED WMS’, are as follows:

**Reduced errors:** A WMS is self-checking and ensures 100 percent accuracy of every transaction. Errors in receiving, stocking, picking, and shipping are common in manual paper-based warehouses. The impact of each error is magnified because correcting errors is not real-time. Corrections are made on paper, piled up and then keyed into a computer. The time lag and the possibility of keypunch data errors only makes the original errors even worse.

**Improved inventory accuracy:** If the inventory “on the books” and the physical inventory in a warehouse do not match, the situation is often chaotic. When a picker goes to retrieve a part and it is not there (or not enough of it is there), a series of manual checks and backtracking must be completed to fix the problem and get the order out of the door. This leads to poor purchasing practices because inventory personnel think there is a product in the warehouse when there isn't, so more is not purchased. Customer service also suffers because agents are committing to customer's product that doesn't exist. The result is huge costs, low productivity and bad customer service. The self-checking nature of a WMS, in addition to a good cycle counting program, will ensure inventory accuracy.

**Increased productivity:** A WMS maximises the time operators spend adding value to the distribution process, filling orders and receiving goods. Both equipment and labour productivity can be improved with real-time information and system directed tasks. System direction minimises search time and dispatches operators to the best task given their equipment and current location.

**Reduced paperwork:** Paperwork used for picking and stocking in a warehouse drastically hampers productivity. Pickers using paper pick-lists spend approximately 40 percent of their time searching for product, 30 percent rectifying discrepancies and the remaining 30 percent actually picking. Paperless WMS applications provide real time information, reduce the possibility of data entry errors and information delays, and improve productivity.

**Improved space utilisation:** A WMS tracks every location and knows where each product and quantity received can best be stored in the warehouse. Putaway can be directed to maximise space utilisation. By contrast, manual putaway procedures depend upon the operator to find the correct location for a received product. This usually leads to storage in the location that is the most convenient, not the location that best suits the size and velocity of the product. Also, not all locations are visible to a putaway operator, especially in shelving where many locations are left empty.

**Elimination of physical inventories:** The relatively poor accuracy of paper based warehouses requires physical inventories to reconcile the system inventory to actual inventory. Warehouses must shut down during these periods, schedule large amounts of overtime and force customers to wait for their orders. The inherent accuracy and the cycle counting features of WMS applications eliminate the need for physical inventories.

**Better control of work load:** Batch host business systems typically “dump” orders to the warehouse. (You know that large stack of pick tickets that are on the printer in the morning). This requires manual sortation, batching and reprioritisation of the orders before they can be released. More importantly, the warehouse does not know the size of tomorrow’s batch until that morning, which prevents efficient manpower scheduling. A WMS gives the warehouse control of the workload and gives a view of future workload. The sortation, batching and reprioritisation are accomplished with the WMS.

**Improved labour management and reporting:** WMS’s possess vast reporting capabilities because every transaction is recorded and the WMS knows the “who”, “what”, “when” and “where” for each activity in the warehouse. In a paper based warehouse, the only method available for tracking productivity and performance is manual logs. This is time consuming, susceptible to error and is only as good as the information each operator provides.

**Support of customer EDI requirements:** Some businesses are forced into WMS applications because of Electronic Data Interchange (EDI) requirements from their customers. End customers want an EDI Advanced Shipping Notice (ASN) that details the shipment they will receive and what is in every carton. Trying to provide this level of detail manually would strangle a warehouse. A WMS can provide detailed information automatically when the order is shipped.

**Support of value added customer compliance programs:** As with EDI, warehouse is frequently forced to provide special labelling and packaging for their customers. The labelling requirements usually involve special bar coding, specific license plate labels and carton content identification. A WMS can provide special bar code labelling as well as track any value added packaging operations required.