



WHY DISTRIBUTORS NEED CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS

This download explains what cloud-based warehouse management systems can do for distributors

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CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS

Distributors purchase and stock tens of thousands of products, in multiple units of measure, in multiple warehouses. They manage high volumes of orders for these products from thousands of customers. Warehouse management systems help distributors manage and systematize the standard warehouse operations of receiving, picking, packing and shipping and physical counts. To work effectively, warehouse management systems should be fully integrated with the ERP systems that manage inventory, purchasing and tracking of the goods through the supply chain from vendors to distributors' warehouses. Cloud-based warehouse management systems offer the ability to run these complex systems without the need for on-premises hardware, networks, and firewalls. Cloud-based warehouse management systems provide much better scalability, security and ease-of-use than on-premises systems. They also facilitate connectivity with supply chain participants and customers.

CAPABILITIES OF CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS

HOW A CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEM CAN HELP

There are several areas of distributors' operations that can be improved using cloud-based warehouse management systems. The key areas in which a cloud-based warehouse management system can improve the efficiency of warehouse operations include:

Warehouse Layout

Warehouse operations are typically very labor-intensive and frequently account for a significant portion of distributors' costs. As such, warehouse layout is a key contributor to overall effectiveness so that goods flow into and out of the warehouse as efficiently as possible and with the least amount of wasted effort. The layout must also make the best use of the available space to store as much as possible in the warehouse footprint. Having to add additional warehouses because of sub-optimal use of the warehouse space greatly increases the cost and complexity of warehouse operations. Loading, shipping, and staging areas should be designed to facilitate getting goods to and from product storage areas quickly and easily. The storage locations for products should be designed to allow for safe and easy access by forklifts, pallet jacks and picking carts. Cloud-based warehouse management systems provide the data needed to optimize warehouse layout, which can yield huge savings in cost and efficiency.

CAPABILITIES OF CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS (CONT'D)

Product Placement

Creating a warehouse layout with defined locations within the warehouse allows products to be assigned to specific storage locations. Sometimes products can have multiple locations for packaged items, bulk items, etc. Optimizing product locations reduces the effort needed to pick or put-away goods. It can also improve warehouse safety by making heavy items more accessible in areas that are easier for forklifts to maneuver in. Faster moving items could be moved closer to the staging areas. Similarly, heavier items could be moved to areas that have better access for forklifts and pallet jacks. Cloud-based warehouse management systems provide the data to evaluate and optimize product placement based on order volume and other product-specific factors. There are three main methods of determining optimal placement of products in the warehouse: Inventory Stratification, Like-Items, and Special Considerations.

Wireless WMS Capabilities

Most cloud-based warehouse management systems offer the ability for all standard warehouse management operations to be performed using wireless handheld devices. This increases flexibility for warehouse personnel as they can go to where the goods are, rather than require the goods to be moved somewhere specific for processing. Also, it allows products to be put-away, picked and packed using barcoding to reduce manual errors and increase efficiency. In addition, using wireless barcoding can facilitate proper maintenance of lot control procedures, serial number tracking and expiration date management.

CAPABILITIES OF CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS (CONT'D)

Receiving Goods

Using cloud-based warehouse management systems with wireless handheld scanners allows receiving and verifying of purchase orders to be done at the unloading dock. Doing this ensures that damage in transit or purchase order errors are caught early and returns/new purchase orders can be generated immediately. Once verified, cloud-based warehouse management systems can create put-away documents for received purchase orders or returned goods to the correct locations assigned to the products within the warehouse. Product requirements for lot-control purposes, cold-chain compliance, expiration date or catch weight can be handled automatically. In addition, a put-away document ensures that products are stored correctly and can be easily found by pickers filling orders.

Picking Orders

A cloud-based warehouse management system allows orders to be efficiently picked. The wireless WMS handhelds give the pickers access to products' lot control information, expiration dates, serial numbers and catch weights by location. This meaningfully cuts down on errors and wastage as a result of product expirations. Orders can be picked individually or in batches using various picking methodologies such as wave picking or zone picking. Cloud-based warehouse management systems allow distributors to implement more sophisticated batch picking processes and picking patterns. The benefit is that these can greatly cut down on multiple passes through the warehouse, increasing efficiency, and reducing labor costs. They can also reduce picker congestion and cut down on forklift accidents, thereby improving worker safety.

CAPABILITIES OF CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS (CONT'D)

Packing Orders

Once picked, orders then need to be packed. Cloud-based warehouse management systems allow users to automatically access the packaging requirements for the order, automatically generate packing slips for each box and create shipping labels. Hazardous materials requirements and other special handling requirements are automatically available to the packer. This ensures mistakes are minimized and the risks of damage in transit are reduced.

Shipping Orders

A cloud-based warehouse management system gives warehouse personnel access to multiple carriers, LTL and FTL carriers, rail and inter-modal carriers. Many cloud-based warehouse management systems are integrated with TMS (Transportation Management Systems) to provide linkage to multiple inbound and outbound carriers. The benefits of this are that warehouse personnel can access multiple carriers, rate-shop these carriers, select the shipping service, and print shipping labels easily to make sure orders get to customers correctly and quickly. This can lead to big savings in shipping and transportation costs as well as improved customer satisfaction.

CAPABILITIES OF CLOUD-BASED WAREHOUSE MANAGEMENT SYSTEMS (CONT'D)

Delivery by Distributors' Trucks

Many distributors deliver using their own trucks. A cloud-based warehouse management system can help by tracking orders by delivery route which facilitates picking, packing, and loading of trucks with the right orders. This improves efficiency and cuts down on errors leading to improved customer satisfaction. A further improvement can be to track order delivery using mobile apps for proof-of-delivery that are synchronized directly into the cloud-based warehouse management system to provide up to the minute status information on customer orders.

Integration with ERP System

To work effectively, the cloud-based warehouse management system must integrate with the ERP system that provides order management and processing, inventory management, purchasing management and tracking of goods through the supply chain. For the best results, the ERP system should be able to track inventory for multiple warehouses by multiple locations within each warehouse. It should be able to generate automatic replenishment reports based on product parameters such as Lead Time, Cycle Time, and Safety Stock. The ERP system should be able to automatically create POs for the primary vendors or allow for procurement by sending RFQs (Requests for Quotation) to multiple approved vendors at the same time, then selecting the winning combination of vendors to fill the requirements. POs should be able to be tracked by container through the supply chain and all landed costs correctly tracked and apportioned to the products, including all HTSUS tariffs, if any.

HOW DISTRIBUTORS CAN IMPROVE WAREHOUSE OPERATIONS

IMPROVING WAREHOUSE OPERATIONS

Distributors' warehouse operations are inherently complex involving tens of thousands of products, hundreds of orders filled daily, for thousands of customers. To keep this all working smoothly requires a strong cloud-based warehouse management system integrated with a powerful cloud-based ERP system.

Further, all warehouse operations need to be continually reviewed and optimized to get the best results. Warehouse operations are not static processes, and skipping on the review and improvement steps is guaranteed to result in sub-optimal processes. Some ongoing process evaluation and improvement processes include:

Warehouse Layout

The warehouse layout needs to be reviewed and if necessary de-bottlenecked from time to time. Adding new shipping or loading areas for example may not be properly supported by staging and or unloading areas. These can result in efficiency breakdowns at best and serious damage/safety issues at worst.

Product Placement

Product velocities change and this needs to be reflected in the locations assigned to products. The optimal product placement will lead to the least amount of wasted effort by pickers and put-away personnel and reduce costs.

HOW DISTRIBUTORS CAN IMPROVE WAREHOUSE OPERATIONS (CONT'D)

Picking, Packing and Shipping Processes

These warehouse operations can be continually improved by: (1) standardizing processes (2) moving from manual methods to barcoding and wireless handhelds, (3) adopting more complex batch picking processes to cut down on passes through the warehouse, and (4) periodically reviewing and, where needed, modifying layout/product placement to reduce picking congestion and reduce vehicular accidents. The result of these changes will be less wasted time, improved efficiency, reduced labor costs, reduced level of picking errors, and faster turn-around of orders.

Strong WMS and ERP Systems

Successfully managing warehouse operations is critically dependent on having in place strong cloud-based warehouse management systems fully integrated with cloud-based ERP systems. This is the core functionality for any distribution business and these two systems must be tightly integrated and function together seamlessly. The effectiveness of these systems should be continually assessed. Putting up with old, outdated systems creates significant efficiency and effectiveness problems.

CONCLUSION

To have the biggest effect on warehouse operations, distributors need to implement cloud-based warehouse management systems that are fully integrated with their ERP systems.

The cloud-based warehouse management system should support:

Receiving and Put-Away

- Receive POs and put-away using wireless WMS handheld or manually
- Create put-away based on assigned product locations
- Use wireless WMS barcode scanning to record put-away products and quantities to eliminate errors
- Use mobile devices with Bluetooth scanners or all-in-one proprietary handheld devices

Picking

- Pick using wireless WMS handheld or manually
- Pick individual orders or in batches to cut down on passes through the warehouse reducing labor costs and increasing efficiency
- Pick in location sequence or select pick path through the warehouse to minimize path
- Wireless WMS handheld directs picker through the warehouse
- Use barcode scanning to record picked products and quantities to eliminate picking errors

CONCLUSION (CONT'D)

Packing

- Create value list of standard packaging specifications
- Specify packaging type on the order
- Use wireless WMS barcode scanning to record which items in which box and automatically generate packing lists

Shipping

- Create shipments for EasyPost, UPS, FedEx, USPS, and multiple other international and regional carriers
- Create inbound or outbound shipments for LTL, FTL, ocean freight and other carriers through a full TMS integration
- Create tracking numbers, shipping labels and documents directly
- Automatically email customers shipping notifications

Physical Inventory

- Do physical inventory counting by full count or cycle counts
- Count manually or using wireless WMS or a combination
- Assign specific count sheets to wireless WMS users that can scan barcodes to record counts and automatically update WMS counts

Accolent ERP Cloud-Based Warehouse Management System

If your cloud-based warehouse management system isn't delivering for you, contact us to learn about Accolent ERP.

Accolent ERP is cloud-based ERP for distributors that includes a fully-integrated, cloud-based warehouse management system. Accolent ERP also includes a wireless WMS system that allows all warehouse operations to be performed using handheld devices.



CONTACT US TODAY TO LEARN MORE

ADS Solutions is a leading provider of Cloud ERP software to small and medium-sized businesses.

Accolent ERP is optimized to serve the needs of distributors and building materials suppliers. Contact us for a quote or to schedule a demo.

Email info@adssolutions.com, or visit our website, [adssolutions.com](https://www.adssolutions.com).