



"Reengineer
operation"

OR

"Customised
WMS"

WMS Implementation: Beware of Extreme Methodologies

When requesting for assistance in the selection of a WMS, typically there are 2 schools of recommendation, especially by vendors.

1. Total re-engineer the warehouse operation to conform to the software requirement
2. Have a WMS written or customised around the existing operation.

Reengineering or Customisation

Total reengineering of the warehouse operation usually creates more harms than good, at least during the adaptation period. The main issue is whether your organisation can afford the length of time that the adaptation is going to take. Such approach is known to create so much frustration among the staff that they decide to seek alternative jobs.

It is not surprise that few organisations are willing to accept such recommendation, as it would ultimately mean training a new team. **The main issue that have to be faced is whether your customers is willing to accept "hitches" in the service level while the new team accumulates the required experience.**

There is no doubt that there are cases that such approach is applicable. However, this is rare and far between.

On the other hand, implementing a WMS while maintaining existing operational practices is simply a waste of scarce resource. If the existing operational practice is meeting your organisation's objective, why do you want to install a WMS?

Cost-benefit justification

In both approaches, it is very difficult to justify the implementation on a cost-benefit rationalisation.

For the former approach, a paper exercise on the cost-benefit justification is going to be, well, a paper exercise. The actual result is unlikely to be as favourable as the paper exercise projected it to be, given that the additional cost of recruitment and training of replacement staff, lower customer service level, etc. In many cases, they are not foreseen and difficult to quantify.

In the latter case, without change to existing operational procedures and practices, there is little benefit to be realised. It is recommended that you maintain the existing practice than try to install a WMS if the current operation is meeting your organisation requirement, be it is manual or otherwise.

How to choose?

The decision to install a WMS should be based on real benefits that can be realised. Extreme methodology is workable in exceptional situation. A middle-of-the-road approach would be more suitable to the majority.

In general, Perato rule is a good start point. Expecting a generic WMS to meet 80% of your

requirement is a good criterion to short-list the potential WMS vendors. This is the easy part.

The next step would be to identify the vendor(s) that is capable of ensuring a successful implementation.

Be prepared to accept some customisation. However, beware of vendor that recommends quantum modification, bearing in mind that whenever a modification is carried out, there is always a risk of new "bug" being introduced. The more "major" the modification, the higher the risk.

On the other hand, "customisation" can be in term of procedure change is "less expensive" and have a fast return.

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