

Warehouse Optimization in a Pandemic



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It's been suggested by many experts that the current pandemic has driven accelerated technology adoption across numerous industries. Undoubtedly, some businesses were caught off guard when COVID-19 brought about substantial disruption, from higher volumes of e-commerce, a skeleton workforce in some areas, and intermittent shutdowns. Whether for distributors of professional trade and industrial products, or safety and medical supplies, this means optimizing warehouse operations. But just what, exactly, does this mean?

Critical factors

One of the most critical points for distributors to consider is that all activities which take place within the warehouse have a direct impact on their relationship with customers.

The challenge here is that the goals, and indeed the goalposts, are seemingly constantly changing. The pandemic has brought a number of simultaneous challenges to warehouse operations. The most obvious is that the pandemic has made for workforce inconsistency, as team members deal with illness, quarantine, or childcare demands, putting pressure on teams and impeding productivity.

Another is that growth in e-commerce is outpacing even the most bullish of prior estimates, with customers having established high standards for an omni-channel experience. In 2021, if you don't have an omni-channel fulfilment strategy, you risk losing out on a lot of business, therefore having a warehouse which can effectively fulfil many channels optimally, is key. This challenge is particularly pertinent as many warehouse management systems (WMS) out there are pretty old and simply don't have the capacity to provide this optimized fulfilment.

A common misconception is that optimized fulfilment is just about getting the product out of the door on time. In fact, while this is of course crucial, optimized fulfilment is about adding value to fulfilment, despite the inability to offer face-to-face services. The ability to go above and beyond in the name of the customer experience requires the right digital foundation in place to facilitate these

efforts effectively.

Cost Controls

This time of business disruption saw many distributors hunkering down and attempting to trim the fat off already extremely lean processes. If inventory is incrementally managed more effectively based on greater transparency across your organization, it can equate to huge amounts of savings.

A WMS system designed specifically to keep costs streamlined through intelligent inventory insights can help distributors have more confidence that they can meet their customer commitments without needing to buy and stock more than necessary. So, we look at warehouse operations as a way to control purchasing, and certainly control any lost inventory or inventory that's walking out the door as a result of it not being managed or tracked properly.

The Value of Cloud

On-premise was once the accepted standard in wholesale distribution, but it's no longer offering the flexibility and innovation needed in today's business environments. Where cloud really shines is in managing increased throughput in the warehouse. Cloud provides the capability to quickly calculate the increased throughput, and then automatically add the additional computing power necessary for that increased throughput. The security, reliability and built-in disaster recovery all go without saying, but it's the ability to handle this increased throughput automatically, at any given moment, which truly adds value.

Testament to this value is that those customers already using cloud solutions had a much easier time adapting to last year's disruption, making the necessary adjustments as needed.

Added Considerations

Optimizing e-commerce isn't as simple as streamlining pick-pack-ship. There are new variables that need to be considered, including what happens to the product once it leaves the dock, and many distributors have been caught off-guard by the number of returns they've needed to process.

As a consumer in the e-commerce world, they might buy something in three different sizes or three different colours, and then return two of the three. It is now evident that something similar is happening to wholesale distributors. Distributors must have a system that allows them to seamlessly accept that return and get it back on the shelf in an effective manner.

In achieving this, distributors are not only optimising their fulfilment, but designing a strategy for the digital economy which boosts performance and expands market share.