Warehouse & Workforce Management Technology Initiatives

DAWN ANDRE, Director of CPG industry marketing, RedPrairie

Consumer Packaged Goods (CPG) companies traditionally implement warehouse management (WMS) and workforce management (WFM) solutions in silos. In doing so, they risk not being able to realize the full benefits that can be achieved if they roll them out as one integrated system.

So why implement these solutions in tandem? There are several reasons, starting with a better return on investment (ROI) and the elimination of costly excess IT infrastructure and independent testing that would be required for separate implementations. Throw in pronounced improvements in change management, productivity, worker safety and even product recalls, and the case for taking an integrated approach makes even more fiscal and operational sense across the CPG enterprise.

One of the world’s largest food manufacturers is saving $64 million annually by leveraging both warehouse- and workforce-management technologies at once with a labor standards program. Additionally, a confectioner reported a 10 percent savings immediately after implementing both systems together.

These results shouldn’t be the exceptions to the rule. Companies implementing both WMS and WFM, combined with performing time and motion studies and implementing engineered standards, estimate that the ROI can be as much as 20 percent within nine to 12 months, as measured by savings in labor.

But let’s take a look beyond the accounting numbers at some of the other systemic benefits to CPG companies and their supply chain partners.

Product Quality

Product quality and safety are core to every brand’s consumer experience. WMS and WFM bundled together can optimize people and process to bring focus on product quality workflows, in order to avoid substandard product reaching the consumer. In the event a product recall is required, having the WMS and WFM solutions working seamlessly together enables CPG companies to track not only product movements, but the people who have touched them, as well as the actions they have performed, throughout the supply chain.

This ability to trace product pedigrees throughout the supply chain enables more accurate audit logs, whether it is through the existing Supply Chain Execution systems, mobile devices or even on paper. That enables CPG companies to trace any problems back to its root cause for a faster response. Product visibility allows bad inventory to be locked down in the supply chain network. And if a quality hold is placed on a product, employees are more quickly notified not to pick from that slot or area in the fulfillment process.

Also, by aligning the WMS and WFM systems, the assignment for picking orders will take into account the timing, employee skills and equipment needed to ensure the task is executed properly.

Negating the Supply Chain Labor Drain

One of the biggest challenges for CPG companies is attracting, retaining and developing the best employees. By integrating WMS and WFM, companies and their employees can now receive instant feedback on performance against goals, ensuring fair and equal treatment. In this high turnover environment, CPG companies are better able to identify the top performers and reward them. Additionally, poor performers can be quickly identified and coached back to a more solid performance status.

Data exchanged between the two systems also helps with professional development in areas such as coaching, counseling and training — for instance, the system can identify trends in picking errors and other key performance indicators by employee, and it can identify when an employee has passed his ramp-up phase and is ready for the next level of training.

Location, Location, Location

By combining warehouse and workforce solutions, CPG companies can now work off one single map of a facility that takes into consideration product, people, equipment and, most importantly, location.

These systems are now capable of recognizing the actual travel path of warehouse employees —not just distance as the forklift travels, but barriers such as equipment

restrictions and stacks of productor tunnels that may affect that path as well. Ultimately, this helps reduce the travel time. The combined systems also create a map that can help select the best location for a pick slot, and assign employees the next most efficient tasks in the warehouse based on rules, constraints and proximity.

Building a Smarter Dock

CPG companies taking a combined approach are finding that they can leverage the intelligence in both systems to schedule dock appointments more efficiently. For instance, WMS enables them to see the number of trucks planned for inbound receiving. WFM takes that information and then enables the warehouse to plan labor and the appointment schedule based on ASNs and the time it takes to offload that type of truck.

The scheduling can also take into account variables such as the difference in labor and equipment needed for a full truckload of a palletized single SKU shipment compared to a shipment with multiple SKUs that need to be broken down before put away, which would tie up the dock.

Catching the Wave

As we head into the holiday season, managing warehouse “waves” is one of the biggest challenges for CPG companies. If the warehouse needs to complete a four-hour wave in just two hours, the manager now has the ability to use WFM to look across other departments to load balance by pulling qualified resources. By using a slotting/dynamic calculation of ROI with moving slots that consider warehouse and labor restraints, warehouse managers now have the ability to manage both the movement of product as well as people simultaneously.

The Bundled Business Case

Like the sections of an orchestra working together to create a whole that is more harmonious than the individual components, the business case for a bundled approach to warehouse and workforce management is becoming more evident every day as CPG companies look for competitive edge. Organizations can gain a better understanding how labor and the movement of product interact within the warehouse. And ultimately, such a combined initiative will provide significant benefits to the bottom line.

Dawn Andre is Director of CPG industry marketing at RedPrairie, a global supply chain and retail technology provider that puts Commerce in Motion for the world’s leading companies.

For more information, please visit www.redprairie.com *[1].*

Source URL (retrieved on *04/18/2015 - 5:11am*):
http://www.chem.info/articles/2012/01/warehouse-workforce-management-technology-initiatives

Links:
[1] http://www.redprairie.com/