Automated Warehouse Management Software
Critical to Optimizing E-commerce Fulfillment Centers’ Order Processing and Overcoming Labor Shortages

Presented by:
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Welcome

**Automated Warehouse Management Software:**
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Today’s Discussion

• Understanding your e-commerce fulfillment goals.
• Learn how an appropriate WMS with waveless order processing fulfillment can help with labor shortage.
• Understand how accurate insights can improve warehouse staffing.
• Get an overview of warehouse labor trends and what the market holds for future growth.
• Gain clear knowledge of how productivity incentive tracking can help win the talent acquisition challenge.
Start with the End in Mind

• Know your goals.
• What problem are you trying to solve?
• Do you need to:
  – Increase throughput?
  – Looking to lower Variable Cost Per Unit?
  – Looking for the lowest Cost Per Unit?
Providing an Omni-Channel Experience

• New technologies create additional opportunities to increase or improve consumer experience.
  – In store
  – Kiosk
  – Online / Mobile
  – Virtual / Home Assistant
Providing an Omni-Channel Fulfillment

• Different fulfillment approaches can lead to challenges.
  – Order online and pay cash in store
  – Order and pay online with store pickup
  – Same day delivery / associate delivery
  – Pickup discounts
  – Quick and easy reordering
Challenges in the Fulfillment Center

• Managing multiple fulfillment strategies in the same building can drive additional challenges:
  – More eComm orders requires additional processing labor and offers less pick efficiency
  – Company growth requires additional processing labor
  – Higher SKU counts
  – Less optimized storage due to higher location utilization
Challenges in the Fulfillment Center

• Different fulfillment approaches can lead to challenges.
  – Think flexible
  – Need right-size packaging, minimize dunnage and dim weight
  – Need to right-size facility
Labor Shortage is a Major Challenge

• One of the largest challenges is labor resources.
  – Reduce touches
  – Improve fulfillment processes
  – Focus on creating more sustainable jobs
Labor is a major challenge already

However, finding warehouse labor has become increasingly challenging:

- **U.S. unemployment rates**
  - Oct 2009 10% (high)
  - Jan 2018 4.1% (low)
- **Pay Rates increasing**
  - Incentives & Bonus
- **Labor turnover is high**
- **Omnichannel drives need for more labor that doesn’t exist**

E-COMMERCE TYPICAL FULFILLMENT:
CURRENT STATE PROCESS:
11+ TOUCHES
E-COMMERCE AUTOMATED FULFILLMENT:
LESS TOUCHES SAVES TIME, LABOR AND MONEY
3+ TOUCHES
Maximize the labor effectiveness through strategic improvements

• Order Fulfillment & Management Systems
  – Waveless Fulfillment & Planning
  – Labor Resource & Planning Modules

• Real time operational visibility
  – Dashboards
  – Real Time KPIs
Wave-Based Order Fulfillment

- Work in a wave is planned to complete simultaneously.
- Work is released to be picked and a large increase in operator utilization is seen very quickly.
- Utilization declines as the wave moves towards completion.
- The current wave must be fully processed before starting the next.
- Natural inefficiencies are caused when waiting for the wave to process and complete.
- This causes dwell time between waves that costs time and money in labor and unused equipment.
Waveless Order Fulfillment

- Orders are sent to the WMS from the ERP/Host and prioritized in real time.
- Orders are sent to the picking floor as soon as the resources are available. (Chute/Putwall/Picker)
- Orders are batched for maximum operator pick effectiveness.
- Improves overall material flow throughout building
- Keeps operators and equipment fully utilized throughout the shift.
Why Implement an Automated LMS within a Fully Automated Order Fulfillment Center at All?
Why Implement an LMS?

• A properly designed LMS can give a huge amount of information needed to make quick operational decisions and reduce overall cost
  – Real time operator performance
  – Suggest training’s
  – Benchmark work based on metrics
Predictive Analytics

• LRM systems can predict the workforce required to fulfill the days work.
Views of Overall Facility Performance

- Dashboard interface
- Historic and projected statistics
- Throughput and productivity
- Real-time alerts to multiple stakeholders
Engineered Productivity Standards

- Document productivity
- Improve performance
- Training
- Temporary or seasonal employees
Workforce Productivity Incentive Tracking

- Improve productivity
- Recruiting and retention
- Incentive programs
- Peak season execution
Suggestions

• Challenge your teams to create sustainable jobs.
• Challenge them to think with the end in mind:
  – Think future
  – New technologies
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