

# Is Your Company's WMS Doing More Harm than Good?



## Discover how to tell if your WMS is standing in the way of company growth and profitability.

If your warehouse management system is aging, it may be standing in the way of your organization's growth and profitability.

On a daily basis, your WMS may be presenting problems that compromise your warehouse operation's efficiency, productivity, and level of customer service—while limiting your company's ability to pursue new business opportunities.

How can you tell if your WMS is no longer capable of performing effectively, and may in fact be doing more harm than good? There are many signs, some obvious and others less so, that your WMS's best days are behind it—and that it is time to upgrade the system or implement a new one.

### 1. Performance

WMS performance problems are typically easy to spot. However, they may develop so slowly that it takes some time to recognize there is a problem.

An obvious sign is when operations that were once fast have become much slower, causing declines in efficiency and longer order processing times. Database problems such as locks or runaway processes may occur, resulting in severe system slowdowns. Report processing may take far longer than it should. There could be a deterioration in customer service because your WMS can no longer record inventory accurately—causing late, inaccurate, or missed shipments. The system may fail at peak times. And integration problems may be reducing the efficiency of your TMS and specialized warehouse applications.

On the human side, poor WMS performance inevitably means a reduction in employee productivity, and in severe cases, a decline in staff morale as well.

The temptation may be to continuously tweak the system to achieve an acceptable level of performance, but that can easily turn into a costly, and ultimately losing, battle.

## 2. Functionality

Functionality problems stand directly in the way of your company's growth potential.

If your WMS lacks the features and functions you need to compete effectively in a rapidly evolving marketplace, that means missed business opportunities—and lost customers. Customers, suppliers, and partners may find it difficult, or impossible, to interact with your system. In the worst case, they will take their business to a competitor that offers the integration, collaboration, and visibility they demand.

Your ability to bring in new business accounts may also be seriously hampered. Your WMS may not support multiple languages, a significant drawback in today's global economy. Reports and dashboards may be difficult to use, while failing to provide the information you need to take advantage of new strategies and opportunities.

To compensate for lack of WMS functionality, your employees may begin using manual processes that are impossible to effectively standardize and control. And a lack of security may expose your warehouse operations to theft and fraud.

In response to functionality problems, many companies fall back on workarounds and customizations. But workarounds are almost always inefficient and cumbersome, while customizations on older systems can be costly to develop and maintain.

## 3. Compliance

Compliance issues take many forms.

If you are in the pharmaceutical, life sciences, or food and beverage business, regulatory requirements are extensive, stringent, and enforced by stiff financial penalties. And government regulations are steadily increasing over time. If your current WMS lacks sufficient native compliance functionality, you may be forced to resort to workarounds and custom coding. These are less than ideal choices, but you may have no other alternatives with an aging WMS.

In other industries, compliance is a matter of business necessity. Customers, suppliers, and partners may mandate standards that you must conform to.

For example, doing business with large retailers means adhering to specific EDI and labeling standards.

Shipping goods across national borders requires more than getting the export paperwork right. It demands compliance with international standards that will vary by geographical region and country.

Your goal is to be both compliant and profitable at the same time—a difficult challenge to overcome with a WMS that was not designed for the task.

#### **4. System Maintenance Cost**

One of the major consequences of an older WMS is rising maintenance and support costs.

Keeping an older system running properly can be an expensive proposition, particularly if it contains a lot of customizations. You may reach the point where growing maintenance fees are eating up a substantial portion of your IT budget. Total cost of ownership could be spiraling upward for a system that ultimately will not be able to deliver all the performance and functionality you need.

As your WMS ages, it will become increasingly difficult to find people within your organization—or the vendor's—who know the system well enough to solve complex or challenging problems.

#### **5. Future Needs**

Finally, there's the question of your organization's future needs. If you are putting a considerable amount of resources into your WMS just to get it to cope with today's business requirements, how well will it perform down the road? And what will be the cost in terms of human and financial resources?

These are issues that will not improve over time—they will only get worse.

While there is no exact formula to tell you when it's time to replace or upgrade your current WMS, it is time to act if you are experiencing many or all of the problems discussed in this whitepaper.

It is worth remembering that a new or upgraded WMS offers you substantial benefits: more efficient warehouse operations, enhanced system performance and functionality, better regulatory compliance, lower maintenance costs, and a clear path to future growth.



### **About Longbow Advantage:**

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