WHEN SITTING BACK JUST WON'T DO

Why being hands-on and completely involved is the only way to ensure a totally successful Warehouse Management System implementation.

This article looks at selecting and installing a new system from the user's perspective, drawing on real experiences and bringing out the lessons learned from getting it right and getting it wrong.

ONE SIZE FITS ALL?

Warehouse management systems are sold as well tried, well tested configurable packages these days. One size doesn't quite fit all but they can all be stretched to fit. The Lycra WMS is with us and rather like the pair of jogging bottoms and tee shirt some of us prefer to wear in front of the TV or on the flight to Malaga, no matter your size or shape, just about everything is covered.

But is it as simple as pulling on the same outfit your size twenty neighbour has chosen or does your new WMS demand more of you than a signed cheque and a quick change?

The flexible WMS is truly available but that doesn't mean you can make your choice and put your feet up, the success of your implementation depends as much on you the client as it does on the supplier and this is especially true if you are introducing a new system in to a well established team. Why? Because every company, every warehouse and every team is different.

WINNING FRIENDS AND INFLUENCING PEOPLE

Let's start back at the very beginning and ask the question, why did you decide you needed a new Warehouse Management System in the first place.

- Remind yourself of your corporate strategy and the part played in that of the logistics function.
- Identify the corporate goals that the new WMS will be supporting and configure your system requirements to support those goals.
- Clearly set down the benefits of the new system for the company as a whole and make these your key success criteria.
- Finally, make a succinct statement of the business case for the new system.

This is the raw material of your internal marketing campaign.

Identify everyone outside the logistics function affected in any way by the decision and then tick off all of those who could have a positive or negative impact on the implementation. Now go out and market the project to them. Make sure they understand the corporate benefits, how they will benefit and how they can help. Get them on your side and then keep them updated at regular but not too frequent intervals.

Why?

Because you will need all the friends you can get. When the going gets tough the last thing you'll want is your colleagues working against you. Believe me, it happens and it can kill your project.

Now repeat the exercise with all logistics staff, once again concentrating first of all on those who can have greatest impact on the project's success. This time slant the benefits case towards logistics and the people who work there. And if you have unions representing your staff then make a particular fuss of them and bring the shop steward onside, you could even give him a role in the project.

Put a communication programme together to ensure a steady and appropriate flow of information to the various audiences.

CHOOSING A SYSTEM

This is where you really have to start getting into the detail. The all important selection process is time consuming and eliminating candidates is getting more and more difficult as the systems get better and more functionally rich. An embarrassment of riches is no excuse, however for grabbing the first or cheapest solution that seems to fit. You'll need to get behind the brochures and get a real understanding of the systems. Until you have done that you won't really know what fits and you won't be in any position to safely install your chosen system.

The list of candidates

Your first objective is to produce a full list of prospective suppliers and then reduce it to a short list. This is a process of elimination rather than selection.

- You will want to consider the scale of your operation, your budget and broad functionality required.
- You will look at the track record and client list of the suppliers.
- Your IT people will probably have strong preferences on operating system, database and platform.
- You will need to ask due diligence questions about their financial stability and ongoing ability to support their product.

A warning here, it is difficult to know what depth to go to in understanding the systems and the process can get drawn out. There is also the opposite danger that you will dismiss or overlook a good system if you rush it.

If time is tight, you may consider bringing in consultants at this stage who can use their knowledge of the market place to quickly eliminate the no hopers. The cost will be justified in the time you save and the quality of short list produced. Whichever way you do it, you need to arrive at ideally, two or three strong candidates with possibly a couple in reserve, to take to the next stage.

The short list

Now that you have a short list, it's time to get into the detail. You need to get behind the simple statements of *what* the systems do and find out *how* they do it. It's up to you to prepare a full functional specification and then compare the systems line by line until you know the true extent of the functionality. This is an iterative process as the suppliers check their understanding of your requirements and you check the true extent of their functionality. Get the suppliers on site, show them round the warehouse, and describe what you do and your ambitions for the new system. The more they know, the better they can respond.

Don't diminish the importance of the subjective questions, such as

- Can I get on with these people?
- Do they inspire confidence?
- Are they being candid with me?

You'll be working with them for a long time, and they will become important partners for your organisation, so a good corporate fit is vital.

And you will only start to get a real understanding of functional fit after you've made some reference site visits and held on site demonstrations. Only then can you make a truly informed decision. This whole process is time consuming, six months is typical, and very hard work for everyone but if you skimp at this stage you greatly increase the risk of a costly mistake.

It is a good idea to let your shop floor staff have a look at the systems during on site demonstrations. Select a small number of your more articulate system oriented staff and ask them about the look, feel and general usability of the systems. Take good account of their views, they will be the ones living with your decision.

When this is all complete, as well as making a good decision for your business you will also have made a good start with the equally hard work of testing, training and implementation.

(Insert more step by step detail of the selection process. Include diagrams).

MANAGING THE PROJECT

There are three elements to the project organisation:

The Steering Group

The Project Management Group

The Project Team

The steering group will include the project sponsor, who may also chair the group and senior managers/directors representing users, IT and finance. It is their job to appoint the project manager, who will also be a group member. They will approve expenditure, agree resources and make the key strategic decisions including approval of the final supplier selection.

The project manager will chair the project management group. All the group members will have specific project responsibilities. You would expect to see all user departments and IT represented. Their job is to set out the detailed requirements and recommend the final supplier selection. They are responsible for keeping the project on time and in budget and for ensuring that the solution fulfils the original business case.

The project team are the people who will do the data gathering and other groundwork.

The above structure can be scaled down for smaller projects but it is still recommended that the decision taking process is separated from the project management process.

THE PROJECT MANAGER

The project manager is absolutely pivotal to the success of the project so must be chosen with care. There is considerable scope for things to go wrong, sometimes disastrously so and experience counts. You will need a heavyweight who can command respect from the steering group through excellent project management skills, an equally excellent understanding of logistics operations and good knowledge of the WMS marketplace. If you can't find such a person in the organisation get someone in from outside.

MANAGING THE IMPLEMENTATION

Once the key strategic decisions are taken and you have both a supplier and a timetable, the project group and team will make up the core of the implementation team. Your supplier becomes your full partner from now on and their project team will be merged with yours. Your project manager will remain as chairman of the enlarged group which will include the supplier's project manager and team. The focus will change now from specification and selection to implementation and training. Everything will be geared from now on to achieving a trouble free go live.

Training

Set out to train all logistics staff in the new system some with a deeper knowledge than others but don't leave anyone out. Take care not to make anyone feel they are outside the process, they may gang up on you and spoil the party.

Timetable

Set a realistic timetable with as much contingency as you can afford. Be specific about the timing of key events, set success criteria for all key events, and tick them off before you move on.

Testing

Test everything before you install, all the interfaces, data management, hardware, peripherals, screen layouts etc.

Go live

Set a go live date then set all the criteria that must be met before go live can be signed off. The final sign off decision belongs to the steering group.

Risk Management

The warehouse management system sits right at the heart of the supply chain. Getting it wrong can have dire results for an organisation. The risks therefore are not confined to the financial aspect of the project but extend to the impact on other company systems, company stock file integrity, right up to a total failure to service customers. You will need to carry out a risk assessment when developing the business case to ensure that the consequences of risk reduction are built into the timetable and cost/benefit analysis.

Post implementation audit

When the dust has settled after go live, you will need to answer the questions:

Did we achieve our objective?
Did we deliver on time and in budget?
What lessons did we learn for future implementations?

Yes, choosing the right WMS is complex and time consuming. Do it carefully and you won't regret the time you spent.