Telltale Signs You Should Replace Your Current WMS

Sponsored by:

HighJump SOFTWARE™

Presented by:

Chuck Fuerst

Director, Product Strategy

ProMat 2013
AN MHIA INTERNATIONAL EXPO
McCORMICK PLACE   CHICAGO   JAN 21-24
www.ProMatShow.com

Introduction

- 16 years experience in technology and enterprise software markets
- Serve customers in multiple industries including high tech, manufacturing, retail and consumer products
- Closely monitor WMS industry trends

WMS Replacement – A Growing Trend

- ARC Advisory Group: The 2011 calendar year's worldwide revenue for warehouse management systems (WMS) market was more than US $1.2 billion

  - 14 percent growth rate over 2010

- Suggests a large portion of growth is a result of a pent-up demand from the global recession

- WMS provides the single best source for reducing costs associated with distribution ("The WMS Business Case" ARC, 2012)

Does this look like your WMS?

The question is…

*Does your current system **strengthen** or **hinder** your ability to execute business strategies that will help you build competitive advantage, respond to constant change and grow your business?*

Is Your WMS Dragging You Down?

- Do you create workarounds for new business requirements that your WMS cannot support?

- Does your WMS support several languages?

- Does your WMS provide the opportunity for robust interoperability of systems worldwide via a services-oriented architecture (SOA)?

- Can you rely on your WMS vendor to support your growth over the next ten years?

What You'll Learn Today

- Key indicators that it might be time to consider replacing your WMS

- How to know whether your system is constraining your company's reach and growth

- Factors to consider when selecting a new WMS vendor

MHI.

HighJump SOFTWARE

Telltale signs it might be time to replace your WMS

Short-sighted technology architecture

- Are you creating workarounds for business requirements that your WMS cannot support? (compliance, kitting, visibility, etc.)

  – The more processes the WMS cannot control, the more difficult to maintain data accuracy

- Do you notice a slowdown in response time/hanging system?

  – May indicate the system cannot handle your demands

  – Failure to meet peak demands.

- Unable to support multiple sites

Support is becoming increasingly expensive

- A homegrown WMS carries big risks

  - Mindshare of the application is limited to in-house staff

- Delaying a complex upgrade may require you to maintain older versions of related infrastructure (databases, operating systems)

- Upgrading an antiquated, custom code-based system may keep you tied to your vendor for costly modifications

HighJump SOFTWARE

Limited functional footprint

- Does your WMS allow continuous improvement initiatives?

  - Should provide built-in pathways for adjacent business process improvements

  - WMS provider should monitor market trends and customer base

- SCE Suites allow you to execute business processes across the entire supply chain

  - Supplier enablement/inbound supply chain

  - Yard management

  - Transportation management

  - Labor management

You Can't Adapt to Change

- A configurable and adaptable WMS supports and enables your unique business processes

  - Maintain or enhance competitive advantage

- Modular approach and architecture supports evolutionary process in step with business practices

- Enforce common industry best practices and allow for innovation

Risky and expensive to upgrade – If You can upgrade at all!

- Many require custom coding for changes – which don't carry through upgrades

    – More changes, more code = vicious cycle

- Often requires development time or expensive vendor engagements

- Upgrading a legacy or custom-code based system may cost as much as or more as a new WMS

External factors make your WMS obsolete

- Increased globalization of supplier network, customer base or facilities

- Regulations require technology and interoperability your WMS cannot support

HighJump™ SOFTWARE

Can't I Just Upgrade My Current WMS?

Should I upgrade my current WMS?

- May require significant effort if your WMS has been customized

  – May also keep you tied to vendor for costly modifications

- May cost hundreds of thousands of dollars every few years - even though you receive "free" software upgrades under your vendor's maintenance contract

# What to look for in a new WMS

The Ideal Solution

- Fits your functional business requirements today

- Addresses core business issues

- Easily integrates with existing systems

- Rapidly and cost-effectively responds to change

- Meets ever-increasing customer demands

- Builds competitive advantage

- Leverages technological advances

HighJump SOFTWARE™
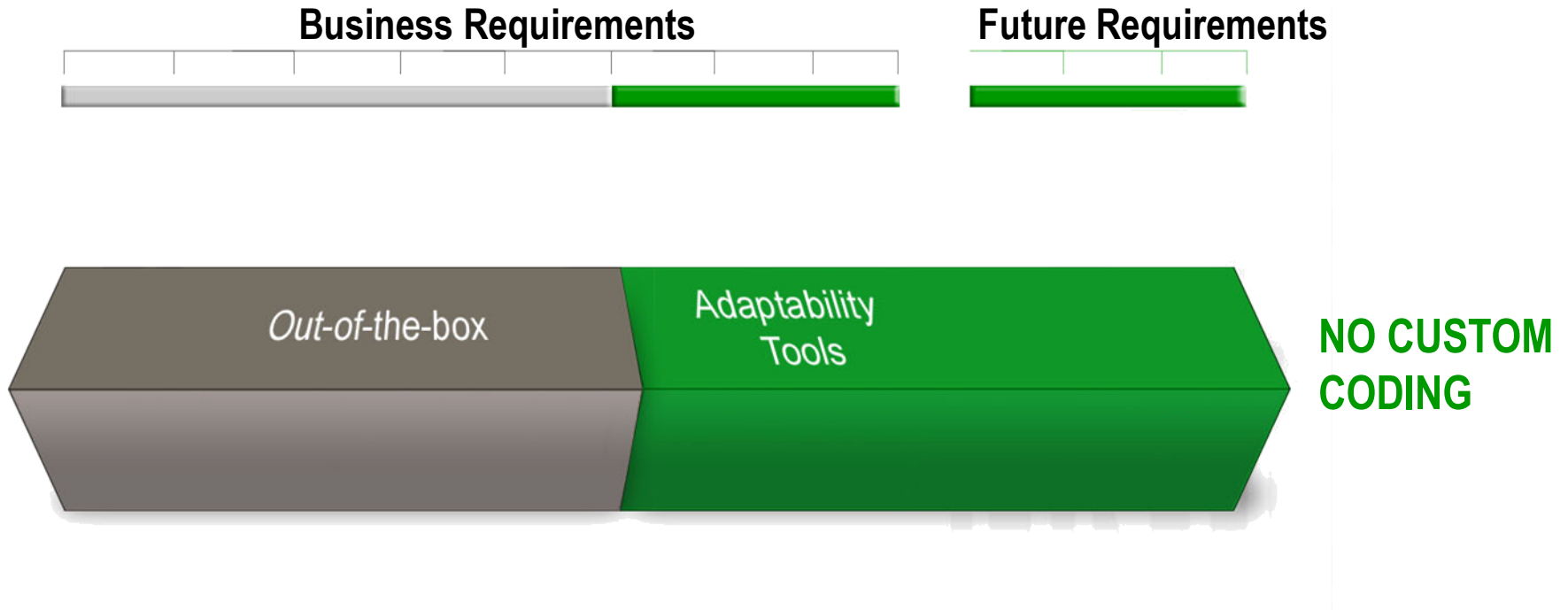
Initial cost is not the end of the story

- Additional factors and questions when evaluating TCO:

  – Average lifespan for a WMS is 8-12 years

  – Are you forced to go to the technology provider to make business process changes?

  – What is the typical cost of the upgrade – are vendor consultants required?

  – How are source code modification managed through the upgrade process?

Conventional Approach

Business Requirements

Future Requirements

Out-of-the-box | Custom Code
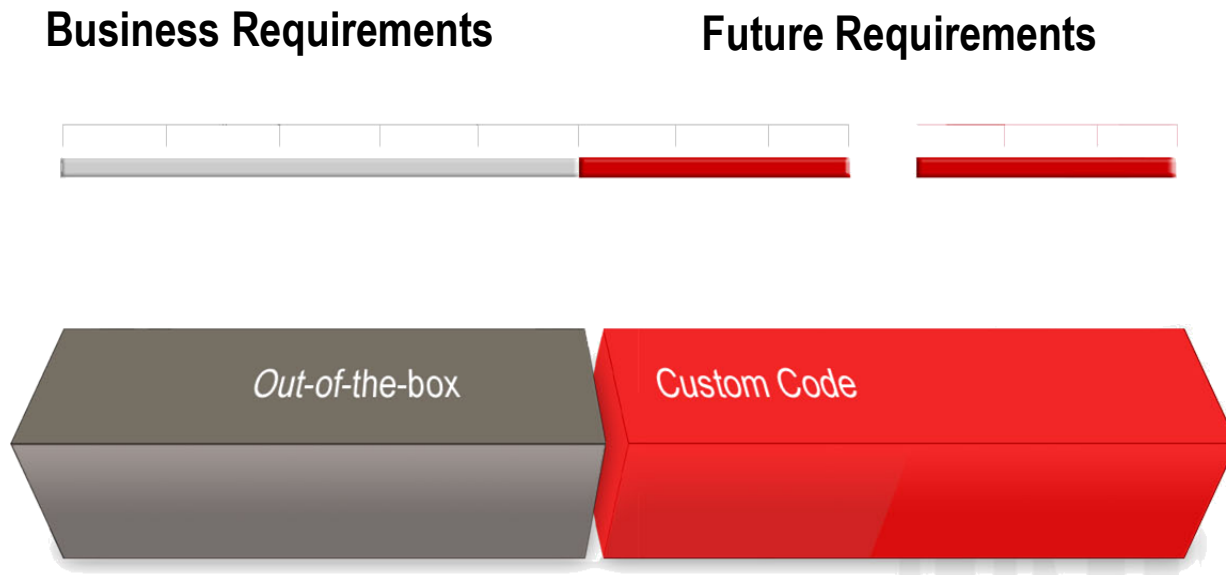
Custom coding is expensive, risky and time consuming.

The Adaptable Approach

Business Requirements

Future Requirements

Out-of-the-box

Adaptability Tools

NO CUSTOM CODING

Adaptability tools embrace change, set a foundation for growth and build a competitive advantage.

Points to Remember

- As great as the potential for benefit from a WMS, also great is the possibility that a weak WMS is hurting your business

- An ineffective WMS may constrain potential for adjoining business process improvements, global growth or adding new customers

- An adaptable, flexible WMS can help position your business to better leverage your supply chain and take advantage of new opportunities

Chuck Fuerst

HighJump Software

chuck.fuerst@highjump.com

www.highjump.com

Visit us at ProMat 2013 Booth #3576