The Changing Role of WMS in an Era of Supply Chain Convergence

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SC Convergence - Agenda

AGENDA

• Changing WMS Landscape
• Convergence Trends in Supply Chain Execution
• Extending Convergence Thinking and Solutions to Planning and Execution
• Softeon’s Integrated Planning and Execution Platform
• Case Study
• Q&A
Convergence in Supply Chain Execution Suite: What it Means for Buyers

Dan Gilmore
Supply Chain Digest
Integrated Logistics Suite are Really Here

• Early 2000s: Theory and Powerpoint Presentations

• Early 2010s: True Integrated Suites Start to Emerge but with Little Real “Workflow” Flexibility

• Today: Initial Vision Becoming Reality
  – Progress varies significantly by vendor
WMS Solution Landscape - 2006

EXTENDED WMS CAPABILITIES

CORE WMS CAPABILITIES

- Receiving
- QA/Inspection
- Putaway
- Inventory Management
- Wave Management
- Replenishment
- Order Picking
- Order Consolidation
- Physical Inventory/Cycle Counting
- Cross Docking
- Value-Added Services
- Truck Loading
- Parcel Manifesting

SLOTTING
LABOR MANAGEMENT
YARD MANAGEMENT
REVERSE LOGISTICS
TRANSPORTATION MANAGEMENT
VISIBILITY/COLLABORATION
ANALYTICS
EVENT MANAGEMENT
WMS Solution Landscape 2015: WMS as Platform Component

Related Logistics Applications
- Distributed Order Mng’t
- Supplier Integration

WMS and Related “Four Wall” Applications
- Core WMS
  - Labor Mng’t
  - Yard Mng’t
  - Slotting
  - 3PL Billing

Related Logistics Applications
- TMS
- Inventory Mng’t

Visibility and Event Management
Analytics
Gartner’s SCE Convergence Concept

“SCM organizations adopt an SCE application strategy and platform to model, orchestrate and synchronize end-to-end logistics processes. SCE convergence is where SCE functional silos are broken down, and business processes span, optimize and synchronize across traditional functional silos.”

Gartner
Simple Example of Potential of Convergence

Transportation Costs and Service (TMS) → Distributed Order Management → WMS → Tailored Order Fulfillment

Customer Order, Inventory, Fulfillment Policies

Client & DC Processing Rules for Each Customer
The Three Dimensions of Convergent Suites

- How Many of the Piece-Parts Does a Given Vendor Have?
  - Not everyone has all the components

- How Rich is the Functionality within each Module?
  - Solutions need to be broad and deep

- What is the Real Level of Integration and Workflow Capability
  - This is not easy to evaluate
  - One common data model is fundamental requirement to achieve real convergence
Huge Impact on WMS Selection Process

- Changes The Way You Think About A WMS Solution
- Often Buying A Platform, Not A Product
Huge Impact on WMS Selection Process (Con’t)

• Are You Buying an extended WMS or an Integrated Logistic/Supply Chain Execution Suite/Platform?

• Must Decide What Is in Scope and Out of Scope
  – Current and Future

• Consider Cost Implications

• How well are the “Extended” Modules Are Integrated?
  – Ask to see integration flows
  – Have that integration included in scripted demo
SCE Convergence

• Makes Inherent Sense, Right?

• Is Now the Time to Take Concept Further and also Embrace Planning?
  - Truly Integrated Planning and Execution
Taking Supply Chain Convergence to the Next Level

Dinesh Dongre
Softeon
Factors Driving Broader Supply Chain Convergence

• Shorter Cycle Times

• Blurring of Planning and Execution

• Reduction in Data Latency
  – Rapid, Real Time Feedback Loops

• Understanding of Value of Closing Planning to Execution Gaps

• Optimize Inventory Carrying Costs

• Agility to respond to Business dynamics
New Planning Tools Required

• Increasingly Real-Time Nature of the Supply Chain and Omni-Channel Commerce are Exposing Need for a New Set of Execution Focused Planning Tools not Included in Broader Planning Suites

• Examples: Dynamic Forecasting, Inventory Deployment and Re-Deployment
Advances in Business Process Thinking

• Leading Companies are Crafting Tighter Processes Linking Planning and Execution

• Examples:
  • Plan-to-Fulfill
  • Plan-to-Procure
  • Order-to-Cash
Plan to Fulfill Process
Optimizing Processes

• Goal is Orchestration and Synchronization

• Managing these Processes on a Common Platform has Many Advantages

• Flexibility in Crafting and Adapting Process Workflows Is Critical
Current Supply Chain Software Scenario

- Still Many Functional Silos
- Specific Solutions Addressing Specific Process Areas
- Solutions from Possibly Multiple Vendors
- Solutions with Different Levels of Maturity and Robustness
- Responses to Changing Demand Patterns or Market Conditions Varies Considerably
Convergent Supply Chain Software Platform

- Common Platform for Support End-to-end Process Functionality
- Solutions Addressing Specific Process Areas Link Seamlessly
- Solutions with the Same Levels of Maturity and Robustness
- Responses to Changing Demand Patterns or Market Conditions Can Be Triggered In Any Relevant Process Area
- Platform also Support Seamless Integration with External Partners – Suppliers, Vendors, etc.
Characteristics Of Product Solutions and Convergence

• A Robust SOA-Based Platform Which Underlies The Entire Product Set – Ranging from Planning through Execution

• Deep Functionality in Each Individual Solution

• Native Capability to Package and Link Components for an Optimal End-to-end Process Solution

• Real-Time Visibility Across the Supply Chain Network with Powerful Dashboards

• Business Intelligence Tools on the Single Platform Enabling Analysis and Optimization Across the Network

• TCO (Total/Technology Cost of Ownership) is Minimized from Common Platform Advantages.
Product Solutions and Convergence
Convergent Landscape – Case Study

A Global Entertainment Conglomerate achieves end-to-end process optimization, efficiency and increased customer satisfaction with A Convergent Product Suite.
Case Study – 3RD Party Fulfillment Services

Key Objectives:

• Ability to React with Dynamic Business Environments
• On-board New Clients in Shortest Time Possible (90 Days or Less Depending On Complexity)
• Ability to Differentiate and Gain Competitive Advantage In Entertainment (Physical & Digital) Supply Chain
• Optimized Use of Distribution & Manufacturing Network Nodes for Better Customer Service
• Support Current Composite/Hybrid Application Framework With No Major Capital Investments and Less Disruption To Business
• Offer Supply Chain Services As ala Carte Offerings to Fit Each Customer’s Needs
Case Study - 3rd Party Fulfillment Services

Solutions Implemented:

- Warehouse Management system
- Distributed Order Management system
- Supply Chain Workbench
  - Master Data Management
  - Demand Planning System
  - Inventory Planning System
  - Milestone Management
  - Procurement
- Billing Management System
- Reverse Logistics
- Digital Supply Chain
Case Study - 3RD Party Fulfillment Services

Key Benefits Realized:

• Implemented Best In Class Entertainment Distribution & Transportation Supply Chain Systems
• Achieved the Goal Of Reduction in Lead Time to On-boarding New Customers by greater than 60% for Major Implementations
• Improved Order Fulfillment and Customer Service Satisfaction
• Successfully Implemented Systems with Minimum and Non-invasive Disruptions to Current Business Processes
• Better Visibility And Transparency Throughout the Supply Chain Which Gained Customer Confidence
• Benefit Realization, ROI and TCO on target without any compromise in Quality of the Solution
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