

PRESS INFORMATION

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HAVE THE WMS SPECIALISTS HAD THEIR DAY?

Alex Mills of specialist WMS vendor Chess Logistics Technology argues in favour of the specialist approach and warns against placing your faith elsewhere.

ERP vendors do it. Accounts solutions vendors do it. In fact, when you look around you would think everyone is doing it. I am talking about providing warehouse management solutions (WMS), and the growing number of non-specialist suppliers who claim proficiency in providing software for this critical part of the supply chain. The key question has to be “are they doing it right?” From my personal experience the answer seems to be that, except in a few cases, “no they’re not”.

There is no surprise in people involved with one branch of software development looking at a closely related area and think “I can do that”. Given time, and a lot of experience, they probably could. After all, the possibility of breaking into a new product area interests most of us. Especially when stimulated by the thought of penetrating a new marketplace, one that is large, and well known for its expensive offerings.

Unfortunately this commercially adventurous spirit is not always serving the best interests of the marketplace. Many buyers are being forced to learn by bitter experience that when it comes to implementing WMS solutions successfully there is more to it than first appears. Meanwhile, software suppliers from the great to the small are luring customers into ill-fated WMS ventures that sometimes entail months (or even years) of pain. And ultimately disenchantment, when users realise they have chosen neither solution nor supplier wisely.

The reason specialists exist in any field is that, in most cases, they have been doing the job long enough to become so. They have well developed products (perhaps fourth or even fifth generation) and a large amount of experience and expertise. They have seen many different scenarios and ways of working. In short they have earned all the badges. That does not mean it is an easy ride, for although the WMS marketplace is large, it is also very competitive.

So what risk do the increased numbers of non-specialist providers represent to companies looking for WMS? Well, more companies making dubious claims to expertise in the area increases the risk that rather than getting a well developed product and the seasoned experience that goes with it, they may get a product that is only part-way developed and poorly implemented. In so doing they will waste their time and money. They will not get a solution that enables them to make their business more efficient and productive and they will lose valuable ground to their competitors.

To illustrate the point, I can describe some typical situations my prospective clients have experienced and some situations to avoid. First, and most dangerous of all is any suggestion that a WMS solution should be written from scratch using the services of 'a local IT company' or supplier who has provided non-related solutions previously. This suggestion should never be taken seriously in this day, when advanced products are readily available. To create such a product from scratch with no experience of its design complexity and no concept of the time and energy required is inviting trouble. It is the scenario for which "don't reinvent the wheel" was coined! But it still happens and the result is predictable. Down the line, sometimes many years later, there is often nothing in place that even resembles the kind of solution they could have had on day one from any competent specialist supplier.

More common perhaps is the 'incumbent supplier' factor. These, usually ERP, solutions vendors hate being left out of the picture. Especially where it is possible they will have to interface their own product with a stand alone solution (on which more later). They will want to know how they can help. Such 'help' can take various forms and a line I have heard often is "our current ERP solution provider can provide a bolt-on for the warehouse!"

While I stop short of the outright scorn deserved by the previous suggestion, this is still a dangerously flawed alternative. And I say that without inference, for what ERP solution providers do, they mostly do very well. But with respect, almost none of them are a WMS specialist and their 'bolt-on' often falls way short of a competent and well developed solution. This does not stop them trying, and often succeeding, to convince people that their solution is "very close to requirements" and "what it lacks can be easily provided". The warehouse manager usually remains unconvinced.

The reality is usually quite different. What follows is a painful period in which costs escalate, having started at around the same, while successive iterations of poor software, which lack the key functionality of most best-of-breed products are handed down to an ever hopeful logistics department. Meanwhile the warehouse struggles to maintain efficiency under an increasing workload. Eventually the light dawns and somebody asks "haven't we been trying to get this system right for two years without moving forward?"

Alternatively, an ERP vendor may genuinely have a WMS solution. Where this is so, I would still counsel extreme caution. A number of ERP vendors do provide them but few of them have, dare I say, a good reputation 'on the street'. It is advisable to ensure that the product is compared thoroughly against specialist products in reference to the requirements of the business. If possible, an independent consultant should be used to make this comparison for you. Buyers should remember that a product which does not fit their business needs from day one will not provide any benefit.

One of the chief reasons cited by companies for choosing products from their incumbent supplier is the difficulty of interfacing. This is somewhat irrational. To the experienced WMS specialist, this is a bread and butter issue, something done so frequently and with such a wide variety of solutions as to become almost routine. So much so that most good quality WMS solutions now have purpose designed interface modules, created to make the business of talking to other solutions simple.

The ERP vendor on the other hand often seems to have difficulty with this. One sometimes wonders whether interfacing with other systems was actually foreseen by their product designers. Surely it cannot be that difficult to extract simple data from a system? But no, I suspect this is a commercial issue. Something to do with maintaining customers' cost expectations at a high level. As a result, ERP vendors seem to make a meal of this, so that the work, complexity and cost involved are often exaggerated, leaving the client caught in the middle.

The poor IT manager is then prey to two different fears. If he goes for a 'best of breed' WMS but gets the interfaces wrong, all hell breaks loose internally with everyone from the CEO downwards kicking his rear. The other fear is (or should be) that of providing a sub-standard WMS solution to his internal users. Unfortunately, the first of these fears usually strikes deeper. The result, witnessed many times, is that logistics personnel are denied the proper WMS solution they desperately need.

While talking about IT managers, this piece would be incomplete without a purely personal observation on the role these individuals sometimes play in WMS selection decisions. Is it my jaundiced perspective or could it possibly be that – just occasionally – there is a degree of protectionism? I cannot help notice that the course that represents least risk, or least work, is often the one for which the IT manager is pushing. And, call me an embittered old cynic if you will, but I am sure I detect a marked preference for those options that leave most control of matters in their hands? Never mind the people running the warehouse and the logistics function. What do they know?

In summary, it must be said that my views on these matters are by no means impartial. But they are based on my own experiences, and the comments and experiences of logistics professionals. I believe my comments will resonate with many people whose experiences of poor WMS solutions has caused them headaches. My advice is to approach the selection of a WMS system with caution. Bear in mind that a true specialist product has probably taken in excess of 50,000 man hours to produce. Ensure there are specialist providers on your shortlist, and that products from elsewhere are compared objectively against them. Listen carefully to your warehouse and logistics personnel, and their reasons for preferring one product to another. Although IT issues are important, they are secondary to ensuring the selected product truly meets the user's needs.

Obviously not all those inexperienced companies who seek the mantle of WMS specialist are bad. Many are thorough and professional. But representing the established WMS specialist community, I naturally recommend that any company's first action should be talking to one or more of our number. We work hard to maintain high standards in product and service, and we understand that retaining a specialist reputation leaves no room for complacency. I am sure that all of our competitors will share the view that it is far too important not to get it right first time.

Chess Logistics Technology Limited has provided software for logistics and distribution applications for more than fifteen years and is recognised as a specialist in its field. The company has an extensive client list of national and international companies.

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