



# Fulfilment at the heart of changing retail

Examining the role of warehouse management and fulfilment as the beating heart of retail



# Executive summary

## KEY FINDINGS

- Nearly half of retailers rate warehouse management as 9 out of 10 in terms of its importance to their overall business success
- Almost three-quarters of retailers have warehouse management as a focus for their business this year
- Only a third of retailers say their order fulfilment capabilities are better than their competitors
- Less than half of retailers rate satisfaction with their warehouse management systems at 7 out of 10 or higher
- The two biggest challenges facing warehouse management progress this year are affordability and cost
- Half of retailers fear loss of sales through not having a fit for purpose WMS

## ABOUT THE EDITOR

Liz Morrell is an experienced retail and business news and features journalist who has more than 15 years' experience of writing about the retail sector. She is a former features editor of Retail Week where she spent more than 9 years as a full-timer. She loves all things retail but just wishes her "research" (insert shopaholic tendencies here) didn't cost her quite so much.

**I**n the forward-facing business of retail the warehouse is often the one part of the business that can be the most neglected. It doesn't directly touch the consumer so the need to invest time and money into it can be ignored by some.

But to do so is at their peril. Too often retailers' minds only turn to warehouse management at times of stress and step-change: when they are dealing with peak order levels, new lines, new territories, new service capabilities or where efficiencies are sought – or god forbid where catastrophe has struck.

And yet it's a subject that should be top of mind at all time, since the role of fulfilment is quite literally at the heart of a retail business.

Without great fulfilment all other promises made to the customer mean nothing – great product, great prices and even great service are wiped out if a retailer simply cannot get their product to the customer efficiently, correctly and on time.

In this whitepaper, produced in collaboration with our partner Snapfulfil, we wanted to examine further this central function to better understand the role of the warehouse management system in everyday business; how retailers are using their WMS to cope with planned and expected growth and how they are dealing with the unexpected, as well as looking at how they are dealing with bigger changes and the strain that can create.

Do retailers have as strong a heart at the centre of their business as they should? This is a question that we addressed in our retailer survey – gathering market sentiment and thoughts from our readers. A big thank you to those who took part and helped to share their views in this whitepaper. The key findings are explained in more detail in the following pages, while in our retailer focus section the examples of retailers at all stages of WMS deployment will help you understand the current state of the market further.

**Liz Morrell**  
**Research editor**

# Where supply and demand meet head-on

**A**s the place where supply and demand meet head-on, the warehouse is at the very heart of any e-commerce retail business.

Unfortunately, this is rarely reflected when it comes to retailers' investment plans, with improvements in warehouse operations often taking a back seat to customer facing areas of the business.

Of course, customers don't see what goes on within the four walls of the warehouse. However, they certainly do notice when it goes wrong and an order isn't fulfilled properly, with few prepared to offer retailers a second chance to make a first impression. With retail giants like Amazon continually raising the bar on order fulfilment even smaller organisations must be able to offer similar service levels in order to compete, despite their smaller scale.

Maintaining these service levels during periods of peak demand is also critical. We often see retailers who have operations that can just about cope for eight months of the year but struggle under the pressure of peak. To get orders out of the door, they often end up throwing people at the problem.

But, with affordable labour in short supply, especially in parts of the country where there is a high concentration of warehousing, they may end up paying over the odds to attract the extra staff they need or may not get the quality of staff they would like.

The shortage of suitable warehouse property has also been well publicised, making it all the more important to squeeze every last drop of capacity out of existing facilities.

Effective warehouse management is about doing more with the same or less resources - for example, one of our customers is now handling double the volume with around 30% less people, while others thought they needed a bigger warehouse but, by working smarter, have been able to stay put and get more out of the premises they had. Others yet are looking at opportunities to open up spare capacity to third parties to increase revenues.

Retailers can have the best marketing strategies, product selection and web front ends but without back end technologies and processes to accurately and cost effectively fulfil orders, they cannot achieve their growth potential – getting it wrong or spending too much on getting it right are both extremely damaging.

Delivering the required service levels while still making a profit requires a streamlined, scalable warehouse operation and with cloud technology and Software as a Service lowering the barriers to entry, implementing a best of breed warehouse management system is a great place to start.

**Tony Dobson**  
**Managing director**  
**Snapfulfil**



## Contents

04	State of the market
06	Survey results
07	Planning for growth
08	Dealing with step change
09	Preparing for business change
10	Future trends
11-13	Retailer focus
14	Conclusion

“ Effective warehouse management is about doing more with the same or less resources ”

# Understanding the need for a WMS

## THE PROS AND CONS OF DIFFERENT WMS TYPES

- **Paper-based:** Low/no cost but inefficient and error prone
- **Simple transactional systems that mainly manage inventory:** Low cost but only capture stock information and don't drive efficient processes
- **Bolt-ons to ERP:** An add-on to an enterprise resource planning system which is often provided as a specific module. It is a cheaper option but businesses will often quickly outgrow it and it doesn't provide the functionality of a full WMS
- **Best of breed:** Can be either on-premise or cloud. More expensive but deliver significant efficiency/productivity improvements through real-time, system-directed processes
- **On-premise:** Hosted on customer's own servers. Can be high cost, long implementation timeframe, requires high levels of internal IT support, upgrades problematic and expensive
- **Cloud:** Hosted in the cloud. Shared infrastructure – historically concerns over data security and speed/resiliency. Quicker implementation, low/no internal IT resource required, cost effective, flexible/scalable, upgrades included



The role of the warehouse within a retailer's business has changed hugely. Where once the focus was simply on shipping goods to store in bulk today the warehouse must fulfil a whole range of roles – from store deliveries to individual item picks that could be scheduled for anything from same to next day delivery.

The warehouse really has become the beating heart of the business – its health reflecting on the rest of the retailer's ability to perform.

Efficient management of warehouse operations has therefore never been more critical – especially with pressure on existing space and a need to control costs and drive efficiencies out of operations where possible.

But it isn't just about size. Retailers need smarter and faster warehouses not just bigger. They need to do more with the same – or in an ideal world less – resources if they are to remain competitive not only with their closest peers but with retail giants too. Efficiency and accuracy is key.

“To have a stable, up to date WMS has become an integral component of any successful retailer these days,” says Jason Thornton, head of operations at Vision Direct, Europe's leading online retailer of contact lenses and eye care products.

With his customers rapidly moving to an expectation of next day and same day delivery then knowing a WMS can deliver on the promise by efficiently managing the route of goods from the warehouse to the customer is vital. “To go through a check out basket, online or instore only to find the order cannot be fulfilled due to out of stock or back order, is dealt with a heavy sword these days, given the advances of social media and online customer feedback,” says Thornton.

“A key to this is the WMS, knowing how much you have, where it is, and any details that must be maintained through the supply chain journey. The WMS has to handle the demand end to end – including receipt, storage, pick, pack and despatch. Confidence in the system must never be underestimated,” he says.

Systems can vary hugely however, according to a retailer's size, scale and sophistication – comprising anything from paper-based systems or spreadsheets developed from an initial need to best of breed applications which offer greater functionality and deliver more benefits.

### The state of the market today

Warehouse management has to be at the heart of a retailer's operations and it therefore came as little surprise that nearly 8 out of 10 (79%) respondents to our survey rated it as 7 out of 10 or higher in terms of warehouse management's importance to overall business success.

Almost half (48%) of those surveyed rated its importance as 9 out of 10 or more, showing that a large proportion don't just see it as being an important part of their businesses' success but a vital one.

“The game has changed for many retailers who have moved from shipping small numbers of large orders to picking and shipping large numbers of small orders,” says Gavin Clark, commercial director of Snapfulfil. “For all but the smallest retailers, the complexity this brings cannot be managed effectively without a warehouse management system,” he says.

Our survey showed a mixed satisfaction from respondents when asked how happy they are with their existing systems. Less than half (46%) rated their happiness with the current capabilities of their WMS as 7 out of 10 or above.

Largely this could be down to the types of systems they are using. In our survey, more than half (59%) of those who responded said that they were using in-house systems. This was followed by 16% using best of breed systems, 14% using ERP modules and just over one in ten (11%) using a website based WMS.

#### **The need for business buy-in**

The success of a WMS also depends on business buy-in and in this respect it was encouraging to see that respondents to our survey consistently felt it was a topic that was taken seriously in their business. 71% said it was a focus for their business this year.

Similarly, 71% said it was something that was discussed at board level whilst 80% said that it was discussed across different teams within the business.

We also looked at how retailers felt they compared to competitors in terms of their success around order fulfilment, A third of respondents (34%) said that they outshone their competitors but a similar amount (35%) said they are on a level playing field. 12% felt they were worse than competitors.

Motivation to ensure a WMS is capable isn't just driven by vanity against competitors however. For half of retailers (50%) the biggest motivation was the potential for loss of sales if they didn't ensure a capable WMS whilst for more than a third (35%) the incentive was avoiding the danger of reputation loss.

So, if you haven't yet implemented a WMS what should you do? Paul Wilson, warehouse manager for The Cotswold Company, says he believes there are three considerations when implementing a WMS. "Firstly, give full consideration to the impact of interfacing WMS requirements with existing in-house systems. Secondly start with a blank canvas – what would you like the WMS to do for your business in an ideal world? Going into the process with a limited, short-sighted approach and simply replicating an existing process with a WMS alternative will cost you in the long run," he says.

Finally, he says staff and end user buy-in is key. "Engagement with staff from the outset should always be a fundamental part of the process. Change management can be notoriously difficult at the best of times so should be given full consideration. Demonstrate the benefits, make the processes user friendly and engage with your staff at every step in the implementation," he says.

“ Less than half of retailers rate their satisfaction with their WMS as 7 out of 10 or above ”

# Survey results



# Ensuring your WMS can handle expansion

## COMMON PAIN POINTS THAT SUGGEST IMPROVEMENTS IN WMS ARE NEEDED

- A lack of space
- Problems finding stock
- Processes taking too long
- Struggling to complete all tasks within the normal working day
- Inaccurate order fulfilment
- High staffing costs/overtime bills
- Problems meeting peak demand
- Difficulties meeting service level agreements

“ Nearly a quarter of retailers have volume increases of 50% or more at peak ”



Like any part of a retailer's business the warehouse management system needs to allow for growth as well as simply handling day to day activities and planning this into its implementation is vital.

“For a growing business, WMS-driven efficiency and process development is not just about managing the warehouse function,” says The Cotswold Company's Paul Wilson.

“It also provides assurance in committing resource/investment towards supply chain, marketing and other key areas of strategic growth,” he says.

And yet it's this part of the business that is often overlooked, according to Snapfulfil's Clark: “The warehouse is usually the least funded and advanced part of any business and is often overlooked in favour of investment and improvements in customer facing parts of the business. However, this is akin to putting a jet engine in a Mondeo – while it will move faster, if you need to stop or change direction, you're in trouble,” says Clark.

Our survey showed that the majority of retailers (82%) have plans in place to allow for changes in business growth such as new products or services and markets when it comes to their warehouse management systems.

Most (71%) also have plans in place to ensure that they can react to changing customer expectations. However only 41% are ready to react to changing competitor capabilities.

### Understanding when things are looking stretched

A good indicator of how well a WMS is managing is to look at how operations run at peak. The need to be able to cope with fluxes in demand can also be the biggest impetus for implementing or upgrading a WMS.

Our survey showed that the rates of increases in order volumes experienced by retailers during peak varied. The majority (88%) experienced order volume increases of 16% or more and almost a quarter (24%) said that they experienced order volume increases of more than 50%. Just under a quarter (24%) recruit between 5 to 15% extra staff to deal with peak period trading.

Beyond dealing with peak many retailers will simply muddle through – operating on the basis that if orders get out of the door then that's good enough. “It's often a compelling event – such as new warehouse or a breakdown in a 3PL relationship which prompts the move to a professional WMS,” says Clark.

Jason Thornton, head of operations at Vision Direct, says there are clear indicators that retailers must respond to. “Systems crash, or are no longer able to handle a process to the same degree/level it has done previously or it may be that customers' expectations or purchasing patterns have driven a business operation towards a service requirement that can no longer be handled by a current WMS (order splitting, dual despatch),” he says.

Alan Joseph, operations director at The Cotswold Company, says there is an easier way to understand when it's time to change and when the WMS can't handle planned growth. “My view is that when the WMS becomes the bottleneck for the fulfilment instead of the enabler you should be doing something about it,” he says.

# Ensuring your business can cope with radical change

“ You know you have reached capacity when something goes wrong, it all stops and you have to go old school ”

## CONSIDERATIONS FOR ACTION

- Look for possible step-change impacts
- Identify how your WMS could cope with step-change
- Ensure you have measures in place to cope with catastrophic events

Ensuring a WMS can handle the stresses and strain of peak trading and planned growth is all well and good but retailers also need to be prepared for more radical step-changes in operations.

It's a process we have already seen many retailers go through as they reinvent themselves for the modern omnichannel world with the likes of Marks and Spencer rebuilding its business around multichannel and John Lewis also integrating its ecommerce operations more closely into the day to day running of the stores.

Even at Harrods the company is currently in the midst of a major supply chain and logistics infrastructure reinvention that will help it to be able to deliver the capabilities its customers are demanding today - and what they might want tomorrow. For all these examples good warehouse management – the beating heart of the multichannel world of today – has to be a crucial factor in the redesign of the business.

Of course it's not just about reinvention. Sometimes step-changes come simply from a growth spurt that has far exceeded anything that was predicted. The scalability offered by cloud operations allows for step-change without the worry of how to cope with capacity.

Simplehuman's EMEA director of finance and operations James Dowdeswell says that good warehouse management is vital to enable staff to cope with such radical change. “It allows managers planning time instead of firefighting, and forces personnel to think logically through physical process changes,” he says.

James Ginzler, operations manager of Posh Totty Designs, says it's something that retailers must bear in mind. “You know you have reached capacity when something goes wrong. It all stops... and then you have to go old school,” he says.

The need for a WMS, and the advantages offered by a cloud-based solution, can come into play in times of the unexpected too. Many retailers in our survey admitted to not being very well prepared if something out of the ordinary – such as a potential catastrophe like a fire was to happen within their warehouses.

And yet it was only in 2014 that a fire at ASOS' main warehouse in Barnsley knocked out its operations for two days and damaged around a fifth of the retailer's stock. The company estimated a financial impact of around £30 million in terms of lost sales.

In our survey retailers mentioned a whole range of measures that they had for dealing with potential catastrophes in their business causing a step-change. For some a reliance on their insurance was the main measure in place but for others disaster recovery procedures and multisite operations helped to cover their backs should anything out of the ordinary happen.



# Coping with new models

“ The data derived from a WMS can also open up new opportunities ”

## CONSIDERATIONS FOR ACTION

- Consider the impact of major change such as moving to international markets or new distribution models
- Drive efficiencies to ensure you maximise available warehouse space
- Look at using extra capacity for third party use

**R**etailers also need to be prepared for business change and new models as they grow their businesses. This is especially true for smaller retailers who may have initially started with a marketplace model and later move instead to new methods of operation such as direct to consumer or where retailers who have previously outsourced their operations go to an in-house model instead.

This was a route that Simplehuman took when it moved its operations from an outsourced 3PL to manage its warehouse itself last year and required a WMS to help manage the new structure.

And it's true for retailers of whatever scale moving into international markets too. As distance increases effective warehouse management and an ability to accurately track and manage stock coming both into and out of the warehouse is even more critical.

Retailers need to be able to react fast and once again emulate the likes of Amazon even if they are serving an international customer on the other side of the world. Scalability and speed of deployment is vital.

At Ocado the company is able to upload code to its warehouse management systems on a daily basis, allowing the team at the business to be able to test and further optimise operations at speed – ensuring the retailer can grab and react to any opportunities it sees with a reactive WMS that can cope with such change and that its operations are always maximised for efficiency.

But the data derived from a WMS itself can also open up new opportunities since it can help retailers recognise possible trends and patterns that they can then look to exploit and that can also be shared across other functions within the business. As we saw earlier in this whitepaper, warehouse management is being discussed across teams at most retailers as well as in the warehouse team function itself meaning that the majority of retailers are likely to be sharing their learnings.

As machine learning and artificial intelligence becomes even more evident in retail and warehouse operations then this will further help retailers better prepare for business change.

One of the key reasons for introducing a WMS can be the efficiencies it will drive within a business – since poor warehouse management usually equals poor use of warehouse space. “We have customers who believed they needed to move to bigger premises but, having implemented Snapfulfil, are managing to push a lot of extra volume through their warehouses which has enabled them to stay put,” says Clark. This is a common consequence of a WMS implementation, he says.

### New opportunities

Realising the opportunities of greater efficiencies can open up new sources of revenue in themselves too. In our research, we found one in five retailers are already making more revenue from their space by freeing up spare warehouse capacity to generate additional third-party revenue when they aren't busy.

# What will the future bring for warehouse management?

## INITIAL QUICK WINS OF A WMS

- Productivity/efficiency improvements – typically 30%
- Near perfect stock and fulfilment accuracy
- Reduced need for shutting warehouse doors for stock take
- More satisfied customers
- Ability for faster reactions to business change

## NEXT STEPS FOR CONSIDERATION

- Look at opportunities for reducing or better managing headcounts since this is one of the biggest costs
- Examine the possibilities of maximising space with the consideration of third party use
- Look at the opportunities for robotics / automation
- Make use of the increased data available through your WMS to make continued business improvements



Appreciating and understanding the central role of the warehouse and efficient warehouse management is crucial for retailers of all sizes as we have seen. The quick wins are evident – productivity and efficiency are improved, stock and fulfilment become more accurate and customers are happier.

But what will the future bring? Sophistication of such systems and the demands placed upon them shows no signs of slowing – particularly as new models of delivery continue to evolve. The larger retailers are already driving consumer expectation of same day despatch and even same day delivery in some areas. By offering later cut off times, premium carrier services and geographically distributed warehouses to reduce delivery times, smaller business have to work hard to stay competitive.

“With many e-commerce warehouses using paper pick sheets, delivery notes directly out of their website platform or a simple WMS bolted on to their ERP, many retailers are struggling to cope with the changing urgency of certain orders and order types,” says Snapfulfil’s Clark.

“But consumers don’t make a distinction between the service they expect whether they’re buying from Amazon or an eBay Power Seller so, for smaller retailers, it’s all about finding ways to level the playing field – if they don’t, they won’t survive,” he says.

The quick wins are evident but there are other longer term advantages too that retailers must look to make the most of. “As well as its day job managing stock, space and people in the warehouse, the WMS captures huge amounts of data,” says Clark.

### Using data to learn more

Data leads to insights which can be turned into decisions and actions that improve the business and the role of the WMS in supporting strategic, data-driven decision making should not be overlooked. For example, the ability to see at a glance the typical time taken to fulfil a certain number of orders allows for accurate peak flow forecasting and associated agency staffing requirements during peak trading periods.

Vision Direct’s Thornton says that he expects continued developments in the use of data in the next five years as WMS develop further. “There will be better reporting and system analysis and a WMS that can understand and make decisions based on its own position – ie ‘think for itself’ - if it sees a build-up of work. There will also be even smarter algorithms reducing travel time even more or offering suggested routes,” he says.

Increased use of robotics and automation within the warehouse environment will also continue, making the role of a more sophisticated WMS even more crucial than ever.

“An increasing amount of process automation is necessary to support internet retail growth,” says The Cotswold Company’s operation director Alan Joseph. “Customers expect firm and convenient delivery commitments and transactional simplicity and a retailers’ WMS needs to support this,” he says.

# How retailers are managing their warehouse operations

## THE COTSWOLD COMPANY

### Improving efficiency and productivity

[www.cotswoldco.com](http://www.cotswoldco.com)

Alan Joseph, operations director of furniture retailer The Cotswold Company, says for his business the WMS is an essential element of the retailer's success. "It provides operational efficiencies and controls that contribute to our market-leading customer fulfilment proposition," he says.

But he says scalability and the ability to deploy a WMS quickly in a new environment is also vital. "We seem to open at least one new warehouse a year. A good WMS meets both these criteria as well as providing reporting and resource management to plan properly," he says.

The retailer has been operating on the Snapfulfil Cloud WMS since 2014 and recently renewed its contract for a further two years. Initial efficiency improvements included a 50% improvement in goods in dock to stock times, a 46% reduction in item pick times and a 7.5% increase in inventory accuracy. The company has also introduced regular

cycle counting, removing the need for an annual shut down for stock taking.

The company now runs goods in, replenishment and picks simultaneously. Thanks to its efficiency and productivity improvements, head count has remained proportionately stable despite a threefold increase in volumes over the last five years and the company has reduced its overtime bill by 30%.



## POSH TOTTI DESIGNS

### Tasked with finding a WMS to handle growth

[www.poshtottydesigns.com](http://www.poshtottydesigns.com)

At personalised gifts and jewellery retailer Posh Totty Designs operations manager James Ginzler says that setting up a WMS was vital and it became his role to introduce it into the business. "Our business is growing each year, from using a small cupboard to a three thousand sq ft warehouse in a few years," he says. "We could not rely on one or two people knowing where everything was.

I was watching a undercover documentary about life at an Amazon warehouse, with staff running around with handheld computers telling them where and what to pick. Now I have totally sympathy for warehouse staff being mismanaged but a

part of me did think our company needed a similar system to improve picking and despatching. So I pitched it to the MD and was tasked with finding a solution," he says.

The cloud-based solution he chose allows the company's operation teams to double or triple despatch capacity in only

a few hours if needed and has also allowed the company to better manage capacity. "We've been able to stay in the same warehouse for the last few years even with big year on year growth because of using a WMS," says Ginzler.

But if a business requires more space a WMS needs to handle that too, he says. "I've

seen example of companies taking over next door warehouses each year to handle stock so any WMS needs to be able to handle that sort of growth. Overall a WMS has to be flexible and, if needed, easily moved," he says.



## VISION DIRECT

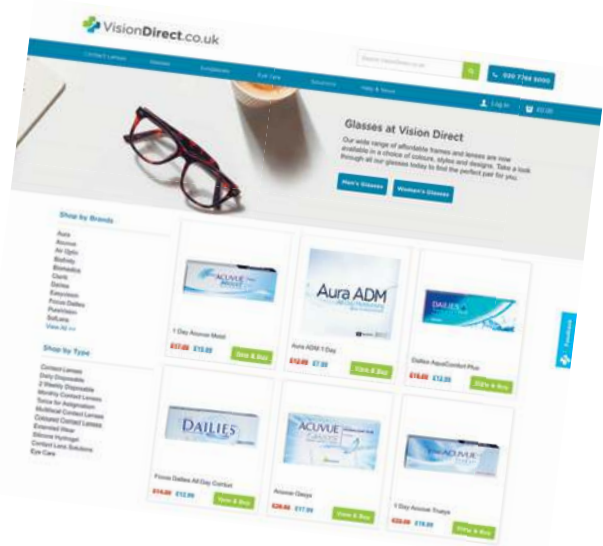
Allowing the business to see more clearly

[www.visiondirect.co.uk](http://www.visiondirect.co.uk)

Europe's leading online retailer of contact lenses and eyecare products Vision Direct has been running Snapfulfil in its distribution centres in York and Amsterdam since February 2016. It replaced a SaaS WMS which had reached capacity and was no longer fit to handle growth. The implementation saw a productivity improvement of around 25% in the pick and pack process and replenishment is now system driven rather than being done by eye as before.

Jason Thornton, head of operations at Vision Direct, says it has revolutionised the business. "Stock integrity and order accuracy has taken the operation to a first-class position," he says. "One of the main benefits is to be able to see the status of each order from summary to item without having to jump from screen to screen. Productivity has taken a huge jump in a positive direction, resulting in an increase in the first year of over 23%," he says.

Thornton says the WMS allows confidence in a forecast model – supporting data when analysing labour requirements and allowing



costs to be better managed. "By type, activity or task, the system offers great flexibility in its multifunctionality execution of a process allowing a team to work in stages or 'end to end'; giving flexibility that can be managed very effectively by moving a work force around the operation as the work load requires," he says.

And the company has the reassurance that the system will work. "It allows analysis of data, structured and planned maintenance and the confidence that the system will not fall over," he says.

## SCOTTS AND CO

Vital for business success – especially at peak

[www.scottsandco.com](http://www.scottsandco.com)

At Scotts and Co, whose brands include gift retailer The Original Gift Company, flower retailer Bloom and home goods retailer Scotts of Stow, chief operating officer Craig Wheeler says that good warehouse management is crucial to a business' success. "Ecommerce needs a flexible and adaptable WMS," he says.

This is especially so at peak time, but systems must be built to allow for easy process change, easy visibility of issues and contingency and alternative processes, he says. "Having great visibility and easy-to-flex processes is vital," he says.

Knowing when a system is reaching capacity and whether it can cope with peak is also important, he says. "This is critical and capacity planning and testing is done before every peak season.

Wheeler says there are five main considerations when considering implementing a warehouse management system. "They are ease, price, scalability and flexibility as well as the ability to manage multiple sites," he says.

Because of this need for flexibility he believes that cloud-based systems will continue to gain popularity over the next five years. "I think the best of breed will be integrated with retail outlets and supplier warehouses and be cloud-based," he says.

And is there anything else he would like to see? "More focus on visibility and ease to change process," he says.



## SIMPLEHUMAN

### Using WMS to take its warehousing in-house

[www.simplehuman.com/uk](http://www.simplehuman.com/uk)

Tools for efficient living home product designer and manufacturer Simplehuman first launched its business in 2000, establishing a UK base from which it fulfils all its European B2B and B2C orders in 2004.

The company originally used a 3PL but with problems around speed and flexibility made the decision instead to take its warehousing and fulfilment inhouse – investing in a new purpose-built 103,000 sq ft warehouse in Thrapston in Northants.

The warehouse employs around 25 people and receives up to 15 container loads of product and ships around 500 pallets and 2,000 ecommerce orders a week covering around 1,000 SKUs.

Running an existing ERP system the company needed a WMS that would allow for a quick implementation that didn't require huge capital investment but would



deliver the productivity improvements it needed and chose Snapfulfil's system to do so, going live with the system in September last year, four months after taking possession of the warehouse.

As well as greater efficiency using a WMS allows the business to do

more such as batch picking, wave picking and splitting B2B and ecommerce processing into bulk pick consolidation and packing, according to James Dowdeswell, Simplehuman's (EMEA) director of finance and operations.

And the opportunity to embrace SaaS and cloud based systems provides advantages too, according to Dowdeswell. "Small businesses can make use of a WMS at an earlier stage now it can be SaaS-based which means you can implement it earlier in the life cycle of a business. Companies used to outsource logistics and distribution, but could in-house more easily now," he says.

## LARGE ONLINE RETAILER

### Vital for customer experience

The director of one large online retailer interviewed for this white paper, who didn't want to be named, believes that warehouse management is crucial to enable customer satisfaction and that it's something all retailers must be focussed upon if they want to please their shoppers. "It's fundamentally important to deliver the best customer experience," he says.

His company uses internally designed and developed systems, tailored to meet the needs of its customers, that he says allows the business to continually develop to meet the changing needs of its customers. "The inbuilt flexibility of our systems ensures

we can plan for peak in a cohesive fashion, and also allows us to react to any unforeseen developments through prioritising customer demand to meet expectations and flow demand to other facilities in the network," he says.

He says retailers must consider customer experience, quality, efficiency and simplicity of use when developing or implementing warehouse management systems.

And whilst he thinks the future will move to a batch-of-one model, with the demands on WMS manifestly increasing to meet the personalisation of demand and across all channels, he says that retailers need to ensure they retain a simplicity of the operating model where possible. "Remove the tendency to build pretty – build simple," he says.

# Conclusion

“ Half of retailers fear they will lose sales by not having a fit for purpose WMS ”



Our survey and research for this whitepaper proves that good warehouse management is crucial to the health of a business.

We have seen that retailers realise its central role at the heart of their business with nearly half of all retailers rating it as an important part of their overall success. But we have also seen a mixed satisfaction from retailers as to how happy they are with their WMS.

Whilst many retailers have been getting by with a WMS that ‘does the job’ that’s no longer acceptable in a world where retail is evolving so fast and consumer demands are pushing the delivery and fulfilment capabilities of retailers at an ever-increasing speed.

We’ve seen that retailers are fairly well prepared for planned or expected changes such as business growth or changes in customer expectations but their readiness for other less predictable changes – such as shifts in competitors’ capabilities or catastrophic incidents in their warehouse – offer them bigger potential stumbling blocks and a lesser degree of readiness to cope.

And yet the penalty is severe with half of retailers fearing that they will lose sales by not having a fit for purpose WMS and others fearing reputation loss by having a system that could let their customers down.

There are many warehouse management systems on the market and many ways in which a retailer can choose to manage their warehouse but there’s also little doubt that the benefits of some outweigh others. The advantages of the cloud can’t be overlooked – it offers speed and ease of deployment and an ease to deal with change and the unexpected. With 71% of retailers having warehouse management as a focus for their business this year it’s a subject that simply can’t be ignored by retail bosses any longer. Without a strong WMS at the heart a retail business will die.

# ARE YOU HAPPY WITH YOUR WAREHOUSE?

Contact Snapfulfil for a free, no-obligation  
warehouse review.



**SNAPFULFIL**™

Warehouse Management Systems

Call: 0333 241 2082  
[www.snapfulfil.com](http://www.snapfulfil.com)





[www.internetretailing.net](http://www.internetretailing.net)

[www.edelivery.net](http://www.edelivery.net)

Download the whitepaper at: <http://etail.li/WMSSnapfulfil>

With thanks to

