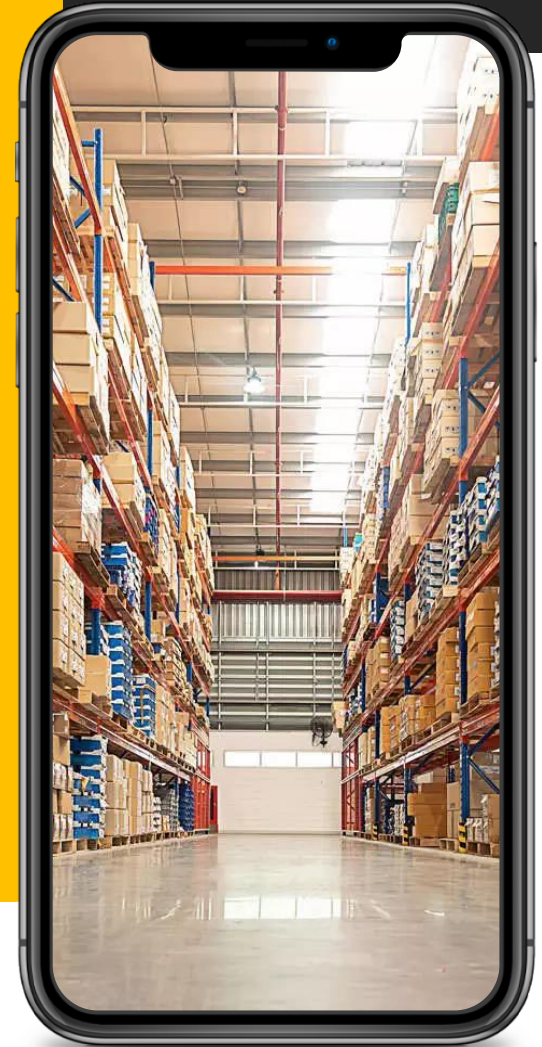


Executives

Guide to

Warehouse Optimization Tools



WHAT IS A WMS?

YOUR WAREHOUSE MANAGEMENT SYSTEM (WMS)

is the brain of your distribution operation. Choosing the right WMS for your business is critical for optimizing your warehouse operations and ensuring customer satisfaction.

Whether you are installing your first WMS or upgrading to a new solution, it is important to match the features and functions of the solution to your warehouse needs and the ever-changing needs of your customers and trading partners.



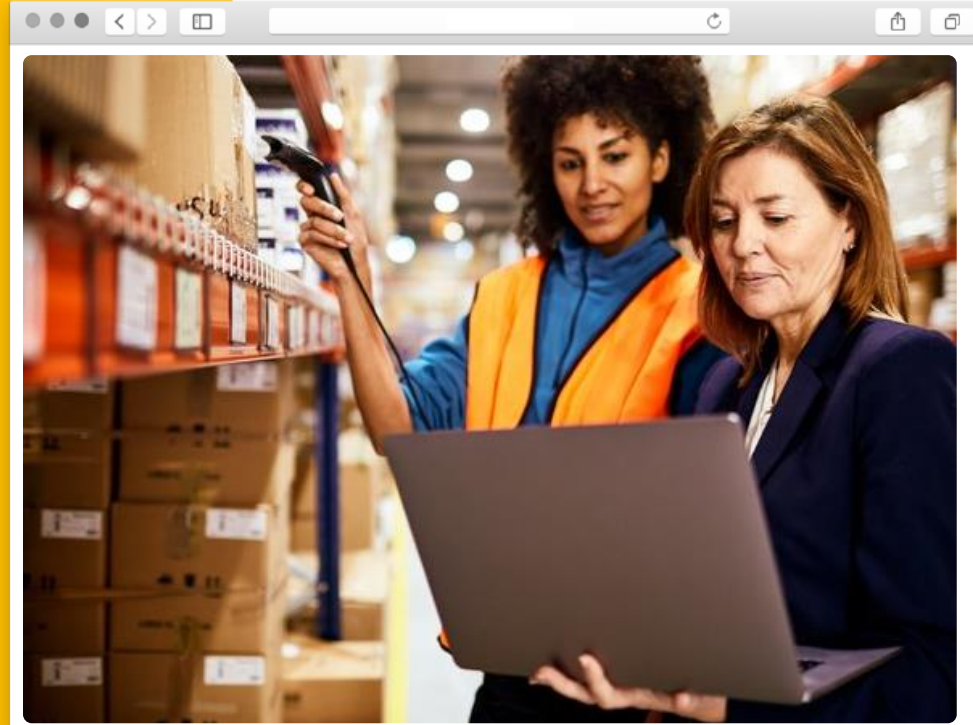
A FEW OF THE THINGS TO CONSIDER WHEN EVALUATING WAREHOUSE MANAGEMENT SYSTEMS:

Scalability & Upgrade Path

“Land and Expand” is a concept where you Purchase or “land” on the system or feature set that fits your needs and budget today, then can expand or grow into the system that you need for tomorrow.

Make sure the provider you’re considering provides an upgrade path from its basic warehouse automation solution to a feature-rich WMS.

Avoid, at all costs, a rip-and-replace scenario by choosing a partner who enables upgrades via license key.



A FEW OF THE THINGS TO CONSIDER WHEN EVALUATING WAREHOUSE MANAGEMENT SYSTEMS:

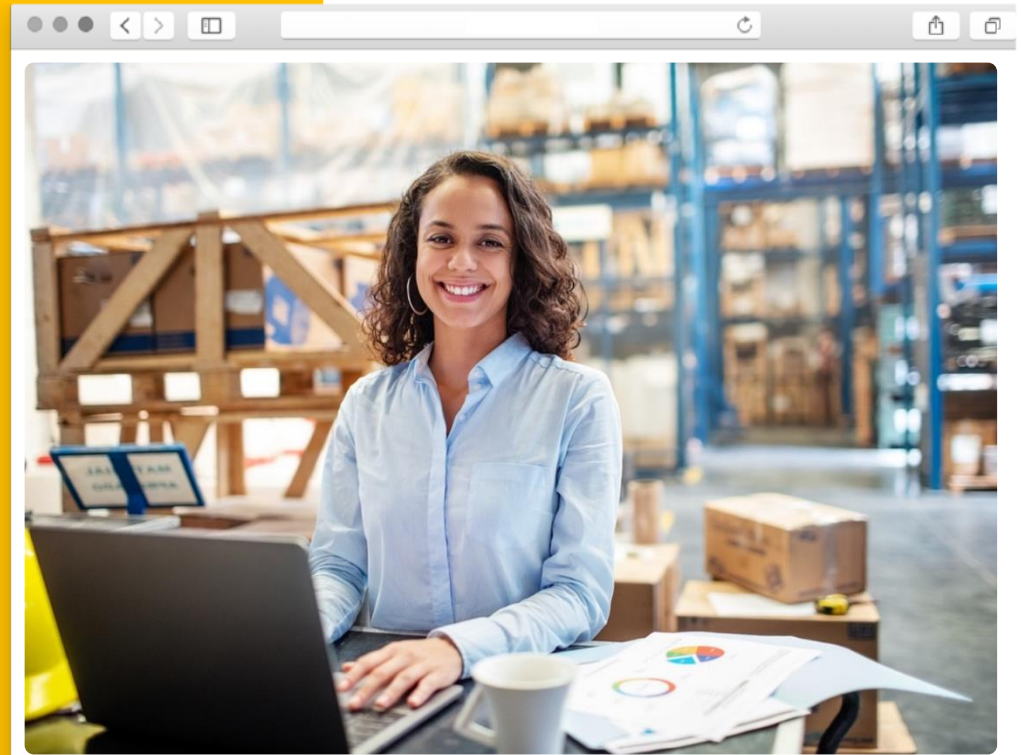
Devices & Operating Systems

When evaluating a WMS, it's important to consider compatibility with your enterprise hand-held devices such as mobile computers, barcode scanners or RFID readers.

Two other key elements to evaluate is the ease-of-use/User Experience and Security.

An easy-to-use user interface will decrease training time and increase productivity.

The operating system should be secure, and you should ensure it is will be supported into the future.



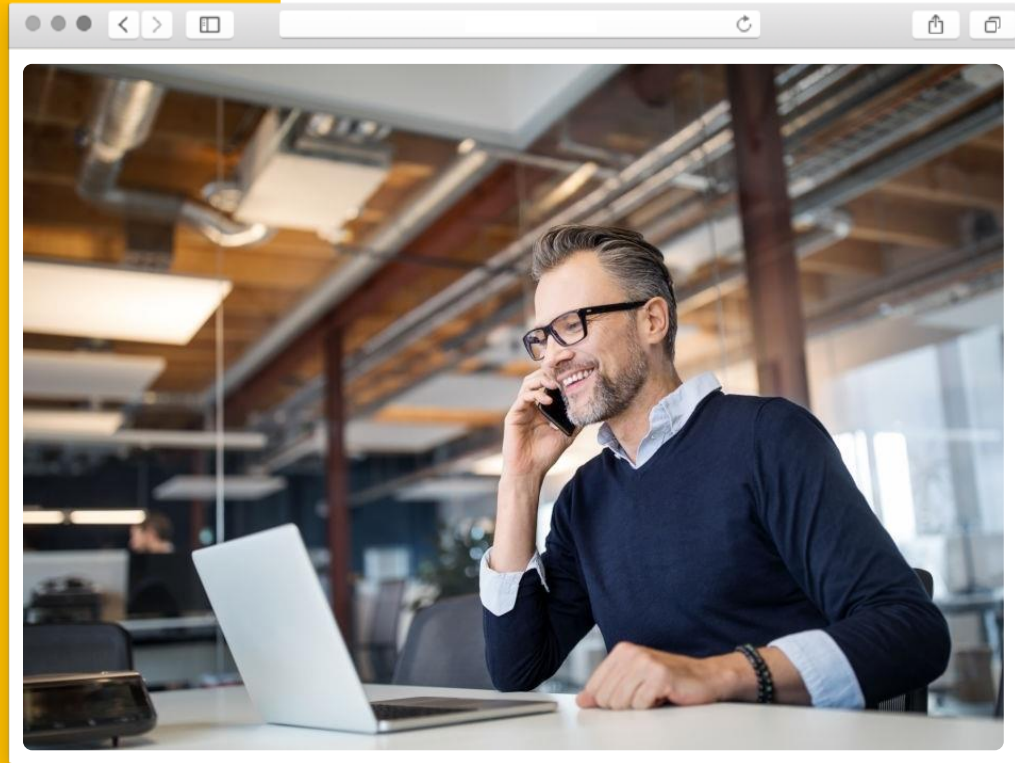
A FEW OF THE THINGS TO CONSIDER WHEN EVALUATING WAREHOUSE MANAGEMENT SYSTEMS:

Cost & Time to Deploy

One of the largest costs related to a WMS is the associated with the deployment. Key items to evaluation are:

- Are staff training services offered? - Is comprehensive system documentation provided?
- How long will the configuration and setup will take?
- Should you anticipate any operational downtime?

You should also ask about pricing models and the cost to add additional users or new functionality.





BENEFITS OF A WMS

Make more money | Pay less overtime | Decrease Inventory Costs

Reduce operating costs | Lower headcount | Increase efficiency | Attract, grow, and retain your existing clients | Improve your business processes | Develop insights into your business

You'll be able to increase your efficiency in:

- Receiving
- Put-Away
- Picking
- Shipping
- Inventory Management & Stocking Strategies

You'll be able to increase your on-time, and accurate shipping percentage, and lower labor costs.

You'll garner insight & understanding of the problems and inefficiencies in your warehouse operations.

RECEIVING

RECEIVING CAN BE BROKEN INTO 3 FACETS:

- RECEIPT
- VERIFICATION
- VENDOR INVOICING

A receiving manager is responsible for signing for shipments, verifying their contents, and ensuring the accuracy of the vendor shipment for eventual payment. They are the second leg of a “three-way match”.

Speed and accuracy are critical elements of warehouse management. Slow receiving means chaos on the warehouse floor and potential charges. Accuracy in receiving with auto-reconcile what was ordered versus what was received - directly impacting real-time availability which impacts profitability, Sixty percent of overall inventory accuracy is achieved during the receiving process.

If damaged materials are received, it’s often the responsibility of the receiving manager to interface with the vendor to get credit or to have missing stock re-shipped.



01

The value of a WMS starts even before materials arrive at your warehouse. Best-in-breed WMS are capable of receiving Advanced Shipping Notices. Requiring ASNs along with shipping pre-labeled materials. Having either ASN's or scheduled Purchase Order Receipts enables your warehouse management system to automate the receiving queue and ensure that required staff members are alerted and prepared.

Now that we've streamlined the unloading queue, our WMS can help optimize the verification of physical goods received. Utilizing integrated handheld computers with barcode scanning capabilities, warehouse workers can use the Purchased Orders/ASN's ERP and scan pre-labeled products and containers to receive the goods.

02**03**

Your WMS/ERP integration will allow the automatic creation of reception documents, which enables automatic putaway. This document will account for missing, damaged, and received materials, significantly decreasing man hours spent to manually create these documents for your vendors.

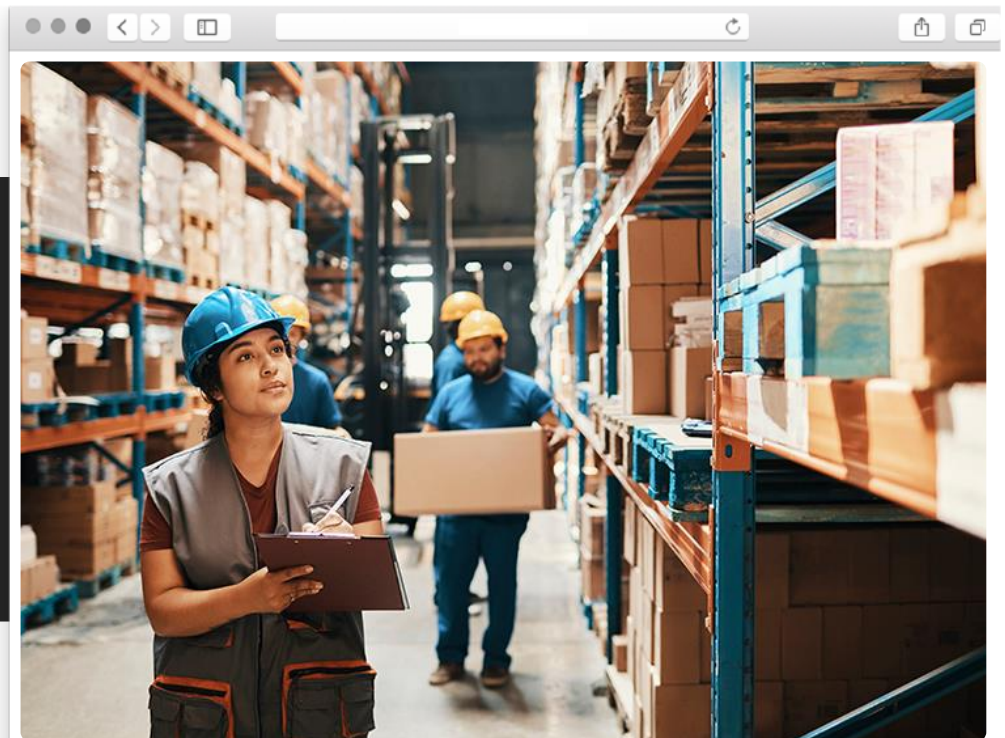


**HOW A WMS
CAN IMPROVE
YOUR RECEIVING**

ADVANCED SHIP NOTICE

AN ADVANCED SHIPPING NOTICE IS A DOCUMENT SENT FROM A VENDOR TO A RECEIVER PRIOR TO A SHIPMENT'S ARRIVAL. ASNS TYPICALLY INCLUDE:

- SHIPMENT DATE
- CONTENTS OF SHIPMENT
- QUANTITIES
- WEIGHT, SIZE, AND PACKAGING TYPE
- SHIPMENT TYPE (AIR, GROUND)
- CARRIER INFORMATION



PUTAWAY

PUTAWAY IS THE PROCESS OF TAKING RECEIVED MATERIALS FROM THE DOCK & TRANSFERRING THEM TO THEIR Rightful ZONE OR BIN IN THE WAREHOUSE.

The speed at which materials are putaway dictates how quickly they become available for use or to be shipped to a customer.

Putting received materials away quickly not only has the benefit of making inventory immediately available to pickers, but it also reduces staging area congestion, and the amount of time materials are handled, which lowers damage rates.

A best-in-breed WMS can alleviate much of the manual pain associated with this critical warehouse management step through directed putaway.





HOW A WMS CAN IMPROVE PUTAWAY

01

Directed putaway is a function of many best-in-breed warehouse management systems; it functions by locating the most optimal area for your received materials. Optimizing the warehouse layout and location of goods means faster travel times, less aisle congestion, and higher productivity.

Slotting Algorithms are WMS-produced recommendations that recommend product moves that will have significant impact on picking speed and productivity. Slotting recommendations take into account the fastest moving items and optimizes their location in your warehouse for travel time during the picking process.

02

03

Cross-Docking is the process of immediately making received goods available for order fulfillment or use with minimal handling. A modern WMS can flag a product for cross-docking by referencing an open order at the time of receipt.

PICKING

Picking is potentially the most labor- intensive activity in a warehouse. Companies employ the picking technique that best aligns to their business model:

PICKING IS THE PROCESS OF LOCATING AND SELECTING GOODS FROM WAREHOUSE INVENTORY TO FULFILL ORDERS.

Single or Multi:

Order Picking. Items for a single order are picked and immediately placed in shipping containers.

Multi-order Batch Picking:

Pickers are selecting goods for several orders at once.

Order Consolidation:

Picking is done by destination or customer and is typically multi-order.

Wave Picking:

Orders are grouped by specific criteria such as carrier or location.

Zone Picking:

Orders are picked by warehouse location, or zone.



01

WMS + Handheld Devices: Barcoding technology is a tried- and-true tool for warehouse accuracy. Integration with a WMS means pickers are sent their pick list digitally to their device, with audio and visual notifications confirming each step of the way to a virtual paperless process.

Voice Picking makes the task of picking hands- free. Picking staff is equipped with a headset that is integrated with the WMS. Instructions are sent through the headset guiding the employee from zone to zone through completion of their pick.

02**03**

Pick-to-Light is a picking method that visually guides picking staff from area to area with a series of WMS driven light notification. As the picker moves throughout the warehouse floor, they are prompted with quantities to pick at each location.



PACKING & SHIPPING

PACKING AND SHIPPING ARE THE STEPS ASSOCIATED WITH PREPARING PICKED GOODS OR MATERIALS FOR ARRIVAL AT THEIR FINAL DESTINATION: YOUR CUSTOMERS.

An accurate packing operation is critical to customer satisfaction and could be the difference maker between keeping or losing your customers.

Managing the specific requirements of your various customers can be a daunting, if not impossible mission if you're relying on a manual system. Below are a couple of the ways a WMS can help you meet the expectations of your customers.





HOW A WMS CAN IMPROVE YOUR SHIPPING PROCESS

01

MEETING CUSTOMER REQUIREMENTS.

Using the WMS to store customer data including pricing, packaging specifications, pallet types, carrier data, ASN requirements, and shipping and delivery windows will help ensure accuracy in outgoing shipments.

AUTOMATIC DOCUMENT CREATION.

The shipping module of your WMS should be able to access and interface with scales, label printers, and barcode scanners, giving you the ability to automatically create shipping labels, and carrier documentation.

02

03

ELIMINATE SHIPPING ERRORS

Through Packing Confirmation

INVENTORY STRATEGY

CYCLE COUNTS

CYCLE COUNTING IS AN INVENTORY AUDIT TECHNIQUE THAT TAKES PLACE ON REGULAR “CYCLES” AS OPPOSED TO ONCE ANNUALLY AND ENSURES ACCURATE PHYSICAL INVENTORY COUNT.

Best-in-class companies employ an ABC methodology to cycle counting. ABC analysis means segmenting SKUs into groups from highest dollar volume or units sold (A) to lowest dollar volume or units sold (C) which represents the lowest dollar amount or unit volume.

The strategy is then to count SKUs classified as (A), which typically account for 10-20% of total SKUs but 50-70% of total revenue, more often than B and C, which are counted regularly but less frequently.

INVENTORY ADJUSTMENTS

AN INVENTORY ADJUSTMENT IS MAKING CHANGES TO INVENTORY LEVELS AS A RESULT OF A CYCLE OR SPOT COUNT. THE MAJORITY OF COMPANIES DEAL WITH TWO TYPES OF INVENTORY ADJUSTMENTS.

Stock on Hand.

Sellable stock that is physically available in the warehouse.

Unavailable Inventory.

Defined as inventory that is unavailable for order fulfillment on account of: breakage, write-offs, and end-of-life.

SLOW-MOVING/ EXCESS/OBSOLETE INVENTORY

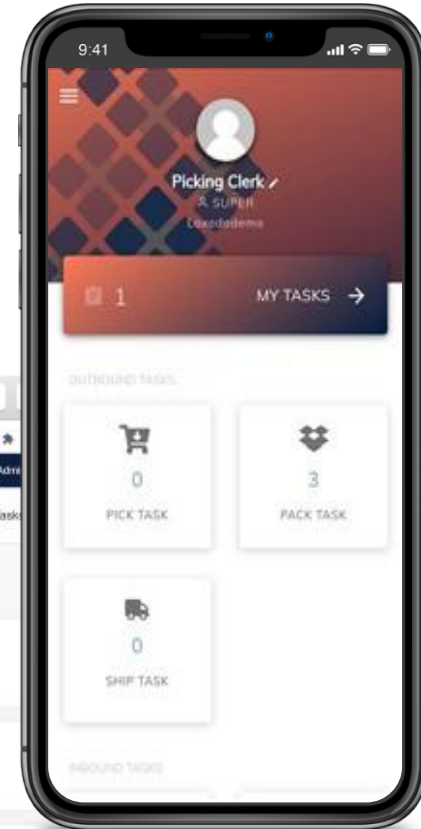
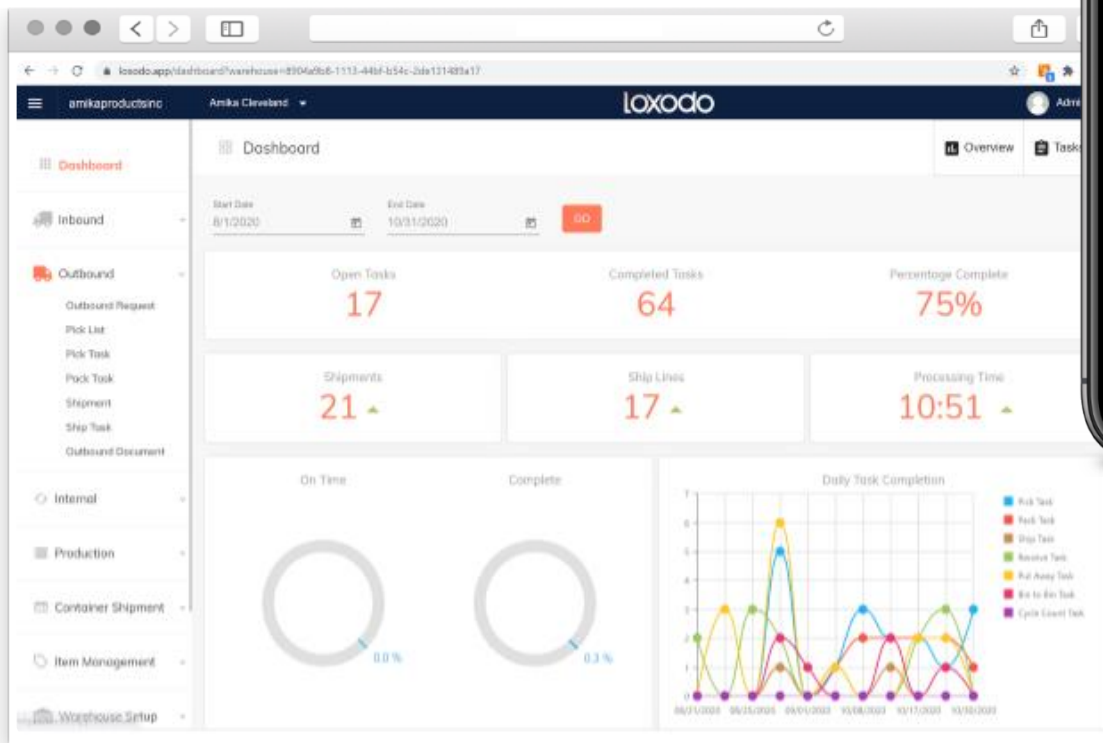
Having a strategy for dealing with excess and obsolete inventory is critical to optimizing available warehouse space. You should give special attention to products with short life cycles. Active strategies that can be taken include: selling to alternative markets, returning to vendors, or selling for scrap value.

**HOW MUCH MONEY IS YOUR COMPANY
WASTING, TIED UP IN EXCESS OR OBSOLETE
INVENTORY?**

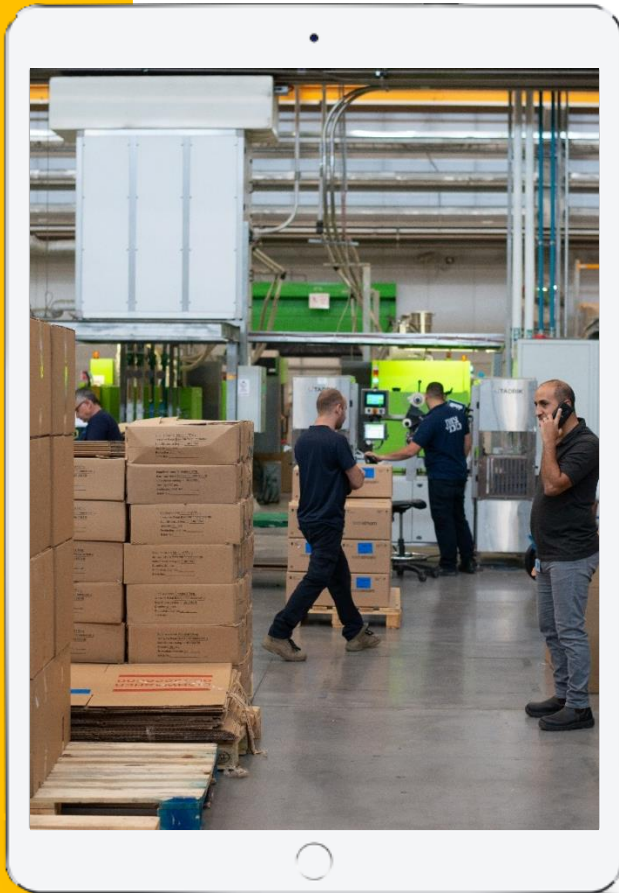
WHAT IS LOXODO WMS?

SAP® Business ByDesign SAP® Business One

**LOXODO IS A FULL CYCLE SOLUTION
DESIGNED TO MAKE WAREHOUSING
SIMPLE AGAIN.**



**A System Fully
Integrated with
the solution that
runs your business.**



LOXODO FAST FACTS

DESIGNED TO HELP GROW SMALL AND MID-SIZED DISTRIBUTION AND MANUFACTURING COMPANIES

- Public Cloud, Multi Tenant
- Browser Based, Android App
- Quick to Set Up, Easy To Learn
- Task Based, Directed Activities
- Balances Deep Functionality with East of Use
- Shipping Integration
- Embedded Label Printing
- Four level warehouse structure
- Logistics Handling Unit Support
- Serial and Batch/Lot Tracking
- Catch Weights
- Performance Analytics



Warehouse Management

BUILT FOR

SAP® Business
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 **NAVIGATOR**
BUSINESS SOLUTIONS