

Five Simple Rules to Follow When Automating Your Warehouse

Dan Labell, President, Westfalia Technologies, Inc.



One indisputable fact exists for most manufacturers and distributors: Warehouse automation stands as one of the last areas where long-term costs can be significantly reduced.

Given this fact, the decision to implement an Automated Storage/Retrieval System (AS/RS) should be an easy one to reach. Yet, many executives have reservations that center on two distinct, yet interrelated, issues. The first concern is captured in the question: “What happens if the AS/RS breaks down?” The second issue focuses on implementation cost: “How will I be able to afford an AS/RS?”

AS/RS technology has come a long way in recent years. Component materials have never been sturdier, and engineering designs are thoroughly vetted. Warehouse Management System (WMS) and Warehouse Control System (WCS) software has undergone numerous refinements and operates almost flawlessly. Most AS/RS vendors recognize the importance of customer service and employ well-trained staff, offer their customers complete on-site training, maintain parts in inventory and operate 24/7 support centers. Vendors have a vested interest in customer success. They want repeat business as well as referrals and references.

Cost presents far different considerations. As in all major capital purchases, basing

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acquisition decisions on the purchase price alone is shortsighted. First, it may totally eliminate quality from the equation. Further, it fails to consider the long-term value an AS/RS delivers. It is important to remember that over a 25+ year life cycle, the significance of the initial cost lessens when evaluating the annual benefits, which are usually related to labor cost reductions, smaller footprint, and higher customer service levels.

It is no understatement to say that purchasing low-cost, low-quality warehouse automation machinery is often more expensive than staying with a manual system.

So, commit to the decision to automate and do it properly. It is not the time to skimp on quality. You get what you pay for when it comes to technology and expertise.

There are five simple rules to follow when investing in warehouse automation:

- 1. Purchase high-quality equipment.** Lowest cost does not equate to the best business deal. Any perceived initial cost savings will soon be replaced by expensive equipment down-time and costly repairs.
- 2. Take a long view.** No business success is achieved overnight. Most involve progressive steps implemented over time. With a 25+ year life cycle, it is unrealistic to think an AS/RS can pay for itself in 12 months.
- 3. Bring in operating personnel early-on.** Do not wait until the system is about to go live to involve staff. Operating personnel should be part of the project team from the start.
- 4. Be proactive.** It is less expensive to follow recommended preventive maintenance schedules today than to skip them and pay for major repairs tomorrow. Delays that create dissatisfied customers are “hidden costs” that can be avoided totally by following expert recommendations.
- 5. Select the AS/RS vendor carefully.** If a company does not possess credentials in the industry vertical in which you operate, find a vendor that does. Understanding your business and your unique requirements is a prerequisite to a successful implementation. Identify a vendor that sticks to the fundamentals, stays within its core competencies and has the vision to identify with your problem domain.

While these rules may seem simplistic, they are guiding principles that all firms should follow. Adhering to these five fundamentals will assure the purchase of a high-quality AS/RS that will yield economic benefits for the next 25+ years.

Dan Labell is the president and owner of [Westfalia Technologies, Inc.](#) [1], a leading provider of logistics solutions for plants, warehouses and distribution centers since 1992. Westfalia is the expert to consult for unparalleled warehouse automation solutions featuring our advanced AS/RS/conveyor designs and Savanna.NET® WMS software. To contact Dan, please call 1.800.673.2522 or email

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DLabel@WestfaliaUSA.com.

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