



# Increasing Warehouse Efficiency and Profitability through Technology

iCepts Technology Group, Inc.  
*Supply Chain & Technology Experts*



Presented by  
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Managing a warehouse can be a logistical nightmare between inventory control, organizational layout, staff, accounting, incoming and outgoing shipments. There are numerous factors that cause money to flow down the drain in a warehouse, however with the age of technology, Warehouse Management Systems (WMS) have become smarter, more comprehensive, better integrated, and increasingly cost-effective solution that are designed to improve both efficiency and profitability. Listed below are key areas of improvements in warehouse operations through technology.

### **ACCURACY:**

Accuracy within the warehouse is a huge contributor to costs. Whether it is due to mistakes in keying in order inventory information, misplacement of products, incorrect picking/packing/shipping, or mismanagement of inventory, incorrect data can seriously affect operating costs that cut into profit margins. Having an Automated Data Collection system (ADCS) that digitizes inventory management and assists pickers and packers within the warehouse can increase accuracy up to 99.9%. Several picking options should be included with any robust WMS system to achieve high accuracy levels such as Discrete, Wave, Batch, and Zone picking, along other advanced functionality within the system to optimize the entire supply chain.

### **EFFICIENCY:**

Increasing warehouse efficiency can have a big impact on costs. With Automated Data Collection, there is no more data entry from paper, no re-keying of info into a system and all data is real-time. This allows staff to do more productive things with their time in addition to needing less staff overall. Access to data is more readily available as well so that inventory counts are automatic rather than having to shut down the warehouse for days at a time to count products.

A warehouse management system that integrates with your ERP makes business flow much smoother, and allows for easier and more accurate tracing of costs. The WMS System can be customized to your accounting methods so that inventory can be tracked and the re-ordering process can begin when necessary. Orders can be tracked as well, invoices can be sent to customers at the appropriate times. This eliminates the question whether inventory was accounted for, if orders were paid, and the possibility for revenue loss due to the misplacement of physical pieces of paper for orders.

## **LABOR MANAGEMENT:**

There are several factors that influence labor management within the warehouse including data entry, picking, and packing. Data entry is digitized, picking is made easier with more efficient routes that require less walk-time and warehouse crossing, and packing is more accurate with scanning. All of these factors contribute to more effective use of labor in addition to a happier workforce because of less movement and potential for mistakes. A clear Return On Investment (ROI), can be realized in a short amount of time with the implementation of warehouse technology in comparing the labor management requirements before and after efficiency is achieved through a new Warehouse Management System.

## **INVENTORY MANAGEMENT:**

With digital tracking of products inventory management is made much easier. Exact locations of products are known, as well as the number of products available for order fulfillment. If inventory is low for a product the system can automatically re-order the product up to quota. In addition, location of inventory can be managed so that fast-moving products are in more convenient warehouse slots and slow-moving ones can be placed in more strategic places. This also makes for faster dock-to-stock for incoming inventory. The combination of tracking to eliminate misplacement and loss, prevention of back-ordering, and more efficient order fulfillment all contribute to cutting inventory managements costs.

Avoiding stock-outs can contribute a lot to the bottom line also. The more often you have orders fulfilled quickly and the less back-ordering your customers experience, the more likely they will be to keep returning. If customers get frustrated waiting for their order to be filled they many go elsewhere for that product or simply move to another provider altogether. It also contributes to less wasted time and space holding orders, splitting orders, paying for shipping, and time wasted by an employee traveling to an empty bin.

## **CUSTOMER SERVICE:**

Although sometimes more difficult to quantify, such as a firm return on investment figure, an increase in better customer service levels is a positive intangible result from warehouse technology. Whether your business sells directly to consumers or to retailers or both, being able to provide quality customer service is the deciding factor for repeat business for many customers. As a result of warehouse management system functionality, orders are more accurate, they are filled faster, and there are less back orders. Furthermore, advance ship notices and EDI compliant labels can be

automatically created and sent. Specific customer needs can be noted and fulfilled by the system. All of these contribute to less shipping errors and service level improvement, which translates into happy customers and reducing charge back and penalties.

In working with a large retailer, being able to comply with their EDI requirements, including advance shipment notices, it is necessary in order to avoid orders being sent back, and being liable for all the charge-backs and penalties associated. A warehouse management system with EDI capabilities eliminates all of those costs by creating retailer-specific labels and ASNs for every order automatically.

*Contact us for additional information on Warehouse Management Systems or Supply Chain Management Technology.*

### **About iCepts Technology Group, Inc.**

For over 35 years, iCepts Technology Group, Inc. has been working with wholesale distributors, manufacturers and other Industries with various supply chain management technologies to help these organizations achieve greater efficiencies, streamline their unique business processes, and gain access to vital business reporting to stay competitive plus profitable.

iCepts Technology Group, Inc. a 100% Employee Owned Company

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