

Increasing Fulfilment Speed to Meet Customer Expectations

If your fulfilment house cannot perform quickly enough then expect your customers to look elsewhere – here is an outline of simple improvement areas



The world is moving at a fast pace. With drastic improvements in communications and technological advances over the last few decades, the business world has been able to reduce the length of time it takes to complete the majority of their logistical activities.

The most significant result of this increased speed and efficiency is the raised expectation of the consumer. Customers now demand that your business provide them with the goods or service that they require exactly *how* they want it and *when* they want it. If your business is incapable of meeting their requests the customer will simply find another business that can.



As the world continues to move at such a fast pace fulfilment houses must do whatever they can to keep up with competitors whilst continuing to meet the high expectations of their clients. Looking into automating processes, integrating systems, making technological improvements, and ensuring there is high employee morale can ultimately give your company the boost it needs to stay on top of the industry ladder and have your clients returning for business time and again.

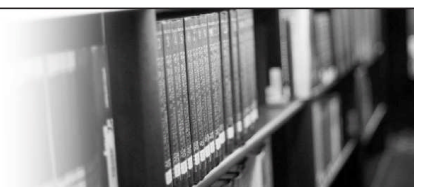
Automation

Technology has essentially made anything possible. Intricate operations that were once only capable of being completed by humans can now be accomplished through the use of efficient robotics and other technological systems. It may not be long before all assembly line work is replaced by technology. There are many processes within a fulfilment warehouse that can be automated including storage, picking and shipping.

- **Storage**

Depending on the nature of your business you may hold a significant quantity of stock and must therefore make the most of your warehouse space. This may mean packing in pallets high, low and deep within your warehouse, but this can make it somewhat difficult to retrieve goods when orders are placed for them.

Technology has provided fulfilment houses with the opportunity to automate the storage process within their warehouses. The professionally designed and installed systems used for storage (referred to as Automatic Storage and Retrieval Systems AS/RS) use automatic machines and controls to locate, transport, store and retrieve materials as directed by order requirements.¹ The system allows for the exit and entry of products within the warehouse eliminating previously manual operations.



There are many benefits to incorporating such a system into your fulfilment warehouse including the following:

- Elimination of wait, walk and search time
- Better inventory accuracy and responsiveness
- Provision of real-time inventory control and instantaneous reporting
- Improvement in productivityⁱⁱ

These systems generally allow for easy maintenance and reduced manpower in comparison to manual labour. Depending on the magnitude of your business you can incorporate an AS/RS system capable of handling both small and large load sizes. These systems can significantly increase productivity within your fulfilment house, as they have proved to be 3 to 5 times more productive than having warehouse staff retrieve the goods.ⁱⁱⁱ Such a system will significantly increase the speed through which goods are picked, packed and shipped, ultimately leaving your customers satisfied.

- Picking

There are various automated picking systems available that can significantly help reduce the amount of time it takes to retrieve ordered goods for your customers. Whether you're looking for simpler automated systems such as carousels and bar-code scanners, or more modern systems such as voice directed picking, there are tools to suit each fulfilment house.

One of the more recent popular systems has been the pick-to-light system. This type of order picking system is designed to electronically assist personnel in picking SKU's to meet order requirements. It removes the thinking and reading aspect at the pick or put level by using a scanner or other input to identify an order as well as lights and numbers to identify product and pick/put quantity.^{iv}

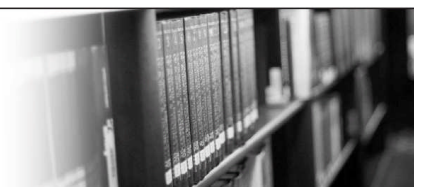
Voice recognition systems have also been gaining popularity. These systems allow employees within the fulfilment house to verbally communicate with the warehouse management system via radio frequency using a headset.^v Workers then instruct the system by voice on what items to pick and where to pick them. Potential benefits of this system include:

- Increased accuracy – 99.9%+
- Increased productivity – 15%+
- Removal of trips back and forth to assignment desk
- Real-time feedback for proactive management^{vi}

With the technological advancements that have occurred in recent years, many new automated picking systems are becoming available. Conducting some research will help you determine which system will best meet the needs of your fulfilment house.

- Shipping

There was a time where goods were only transported by ground and records of shipments were kept by paper. Shipping goods could have taken days, weeks, or even months to reach its final destination.



Today we have the choice of numerous forms of transportation and such advanced technologies available to us that customers expect goods to be shipped within the blink of an eye. Technology has provided the means for faster and more efficient shipment through the incorporation of features such as order tracking. There are now more methods available for businesses to move parcels from one location to the next utilising varied transport such as trucks, trains and airplanes.

Many of the more established and renowned couriers today provide automated shipment processing for B2B and B2C companies who look to ship goods on a regular basis. After initial account setup and once shipment rates have been negotiated your business can set up software that will allow it to create its own shipping labels. You will even be able to print labels for international shipments to prevent any delays that could occur through customs. Depending on the magnitude of your business you can then either arrange regular parcel pickup from your business or you can take your own parcels to your local post office.

Such automated shipping is extremely beneficial for fulfilment companies. Being able to post your own packages without having to worry about the weight or cost of each prior to delivery can be extremely beneficial and timesaving. It will significantly reduce the amount of time it takes for customers to receive their deliveries. With customers holding such high expectations when it comes to shipping it's imperative that their requests be met as promptly as possible..

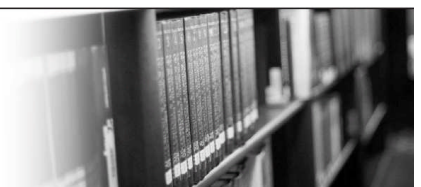
Integration

One of the most successful ways to increase speed within your fulfilment house is to ensure all areas of your business are integrated. A fully integrated system will allow your departments to communicate better with one another and share access to real time customer information.

- **WMS System**

Choosing a warehouse management system (WMS) that allows for integration amongst each of the departments within the warehouse can make a significant difference to the speed through which orders are fulfilled. When a WMS is integrated amongst all departments, information regarding clients and their inventory will be live. If one area of the business inputs a decrease in stock for instance, then all other areas of the business will be aware of the same information simultaneously. This will ultimately allow the business to run more smoothly with less delays occurring.

Incorporating a WMS system that allows for such integration is generally unfeasible when using bought-in software. The best type of WMS system to incorporate into a fulfilment house is one where the business has complete control over its capabilities, giving you the ability to make changes where necessary and update as frequently as need be. When using bought-in software you could potentially wait months if not years to see the necessary changes you require to be made. There are no limitations however when you develop your own software as you can make the changes you need to *when* you need to, giving your business the opportunity to continue operating to maximum capacity without delay.





Technology

As already discussed there are many areas of fulfilment that can now be automated. Such activities include storage, picking and shipping. Making improvements in these areas within the fulfilment house will ultimately result in greater accuracy and therefore a more productive work environment. It's important to research and identify ways through which you can make improvements to the technologies your fulfilment house may utilise. Doing so may make the difference between defining you as an industry leader to just another fulfilment house.

System Upgrades

Whether you are utilising a bought-in or in-house WMS you must be sure to update it as regularly as possible. Technology is constantly improving, determining the most efficient way to meet business goals. If you purchase your WMS from a supplier, upgrades will regularly be made available. Purchasing these upgrades will ensure that you keep on a level with your competitors.

If on the other hand you develop your own software (which is the most successful way to operate any fulfilment house), then conducting regular research amongst clients and competitors will provide you with the necessary knowledge to make updates that will best meet the needs of your clients.

Morale Boost / Motivation

Taking that extra step to improve relations and the work environment within your fulfilment house can ultimately improve overall productivity.

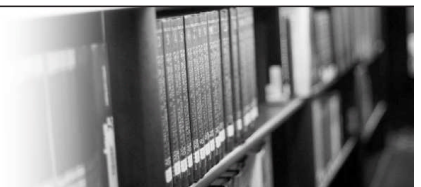
Employees who are not happy at work generally do not perform to their full potential. Approximately five million Brits admit to having a slight fear of work^{vii} demonstrating a significant number of employees in the workplace who are not performing to their full potential.

Put simply, boosting employee morale will significantly help increase the speed at which your fulfilment house operates. The happier employees are in the workplace the harder they'll work to help their company meet its organisational goals.

In Conclusion

Companies have a responsibility to deliver their customers a product or service as quickly and efficiently as possible. Everybody has needs and wants and customers are now used to having these needs fulfilled immediately.

Being in the fulfilment business you vow to your clients that you will help them meet their supply chain goals as effectively as possible. If this promise is not carried through it won't be long before your clients decide to take their warehousing needs elsewhere. Improving the speed your fulfilment house operates and maintaining or improving efficiency will ensure that the time it takes for goods to travel through the supply chain are reduced and that your clients as well as their customers receive utmost satisfaction.





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- ⁱ "Supply Chain Glossary." *Bridgefield Group*. 2008. 23 July 2008. <<http://www.bridgefieldgroup.com/bridgefieldgroup/glos1.htm>>
- ⁱⁱ "Automated Storage and Retrieval System." *Bastian Material Handling*. 2008. 23 July 2008. <<http://www.bastiansolutions.com/products/automated-storage-and-retrieval-systems/default.asp>>
- ⁱⁱⁱ *Ibid.*
- ^{iv} "Pick To Light – Order Picking Systems." *GBI – Data Sorting Systems*. 2006. 23 July 2008. <<http://www.gbisorters.com/pick-to-light.cfm>>
- ^v "Frequently Asked Questions." *Voice Picking*. 2008. 23 July 2008. <<http://www.voicepicking.com/>>
- ^{vi} "Voice Directed Picking: Expected ROI." *Voice Picking*. 2003. 23 July 2008. <http://www.voicepicking.com/voice_directed_picking.htm>
- ^{vii} "Off To Work We Go." *The Recruitment & Employment Confederation*. 2008. 22 July 2008. <<http://www.rec.uk.com/press/recruitmentmatters/articles/Features/07-summ-happiness>>

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