

4 ways retail industry trends are impacting on warehouse order picking

Order picking is traditionally a major cost centre for a warehouse and an area where the right technology has a huge impact on cost efficiency and accuracy. These 4 trends highlight the importance of investing in picking systems that offer flexibility and greater efficiency, supported by an integrated WMS.

1. Smaller and more frequent stock deliveries

The general move in retail to having smaller and more frequent stock deliveries into stores is taking its toll on many suppliers. Many of the larger retailers are pushing stock back up the supply chain for manufacturing and logistics suppliers to manage and insisting on smaller but more frequent deliveries. In these scenarios the likely outcome for the supplier is an increase in distribution and warehousing costs. It's therefore vital that manufacturers and logistics suppliers have good picking systems and procedures in place, to allow them to 1) offset the increased costs of making smaller more frequent deliveries by finding ways to claw back cost through greater efficiencies elsewhere and 2) meet their customers' expectations for accuracy and service levels whilst keeping a firm grip on their costs.

2. E-commerce forces pick faces to be re-organised

The explosion of multi-channel and omni-channel logistics has caught many companies on the back foot. They have traditional order based picking methods that are frankly no longer fit for purpose. In today's 'less more often' logistics world, what was once an ideal pick walk sequence is now a potential nightmare multi-trip around the warehouse to repeatedly gather stock for single item orders. The use of multi order pick processes or 'Batch Pick and Sort' is the way forward. Technology such as voice can support this process because it is very flexible



and allows orders to be bulk picked and then taken to a sortation area for quick dispatch. Thanks to tumbling device and implementation costs, voice picking has become viable for SMEs as well as larger organisations.

3. Balance conflicting needs for efficiency and flexibility

Picking operations must have the right mix of efficiency and flexibility because very efficient picking methods aren't usually very flexible. Conversely, very flexible picking methods are usually somewhat more inefficient so it's important for manufacturers to get the balance right in order to meet retailers' service level requirements.

From Indigo's experience of working with manufacturers, they get an order and then have to go to great lengths to ensure that the stock is picked and prepared in exactly the right way so the retailer has as little extra preparation as possible to do on the shop floor. This is especially relevant to those who supply a range of other retailers e.g. department stores and major multiples. Retailers also require stock to have its own barcodes already displayed. In these instances, the picking is the easy bit and thousands of hours a day are burned through the 'adding value'

process which, although essential in today's increasingly competitive market, adds costs.

4. Using technology to deliver ROI improvements

Picking is the area of the warehouse where the best ROI is achieved (just behind Perpetual Inventory or Stock Counting) but it's vital that the process is not overcomplicated. Where the technology allows i.e. returning to the earlier example of voice, the ability to consolidate one or more orders into a single picking wave will ensure the right mix of flexibility and efficiency. Mobile label printers have removed the need for a central pick ticket or pallet label printer, which also releases a great deal of time from the process.

About the author

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