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LIDD INSIDER

News & Insights for Supply
Chain Leaders

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Business Insights

Next Generation

Warehouses

As we turn the page and look forward to 2024, the landscape of warehouses is evolving rapidly. With changing labor dynamics and consumer preferences driving the adoption of new technologies and automation, the next-generation warehouse is poised to be a hub of innovation.

In this edition of our newsletter, we will delve into the world of warehouse technology systems (WTS) and explore how to effectively leverage these transformative solutions. From practical tips on preparing for successful warehouse management system (WMS) go-lives to inspiring success stories of companies that have embraced modern warehouse technologies, we will provide valuable insights to help you navigate your WTS journey.

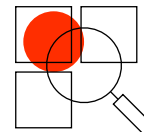
Additionally, we will shine a spotlight on the importance of interoperability in warehouses. Discover how seamless integration between various technologies and systems can optimize your operations and enhance overall efficiency.



About LIDD

LIDD Supply Chain Consulting

LIDD is a full service, global operations and supply-chain consulting firm. Our industry leading team of design, strategy, and technology experts optimize operations, enhance productivity, and build intelligent infrastructure for sustainable business growth.



Success Story Overview

Fast-Food Chain Achieves Seamless WMS Implementation in Record Time

Learn how LIDD helped a prominent breakfast fast-food restaurant chain revolutionize their distribution center operations.

How to Ensure a Flawless WMS Go-Live

Overview

The Warehouse Management System (WMS) go-live is a vital transition phase that empowers businesses to streamline their warehouse operations using a newly implemented system. However, a successful implementation demands diligent planning and addressing potential challenges.

Vital Tips for a Seamless WMS Go-Live:

- 1 Embrace Risk and Establish a Mitigation Plan:** Fully preparing for all possible risks is impractical, but you can identify potential challenges and formulate a plan to address them effectively beforehand.
- 2 Allocate Additional Resources:** Supply extra support to areas within your control to manage the increased workload during the go-live process.
- 3 Choose the Right Timing:** Refrain from initiating the WMS during peak periods or on high-demand weekdays to reduce disruptions to regular operations.
- 4 Proactively Handle Order Reception and Fulfillment:** To ensure a smooth go-live phase, focus on proactive measures such as training and change management to avoid surprises on the go-live day and maintain a seamless order flow.
- 5 Prepare and Test Equipment:** Confirm that all equipment, including scanners, printers, and handheld devices, are in working order well before the go-live date.
- 6 Ensure Accurate Inventory Counts:** Dedicate additional labor to strategically count warehouse sections in the weeks leading up to the go-live to ensure inventory accuracy.
- 7 Avoid Process Overload:** Minimize disruptions by avoiding other operational changes during the WMS go-live. Focus on successfully implementing the new system first.
- 8 Set Realistic Go-live KPIs:** Aim for gradual improvements, rather than expecting 100% order fulfillment on day one.



Trust the expertise of experienced consultants.

Bear in mind that go-live events are comparatively rare for your team. Consultants handle several go-lives every year. Rely on their knowledge and insights to navigate through the transition period.

Other Considerations

Replenish primary locations in advance to avoid backlog, consider extending shifts or adding a new shift for increased workload, and notify key stakeholders about the system launch for on-time deliveries and necessary process adjustments.

Success Story

Fast-Food Chain Achieves Seamless WMS Implementation in Record Time

In 2023, we partnered with a large breakfast fast-food restaurant chain based in the USA for a WMS implementation in their distribution center. They were previously operating on a WMS module built in their ERP, which had numerous limitations in terms of inventory and operations management.

With plans of expansion, complexification of operations, and a future change of ERP, they faced multiple challenges with expansion plans, seeking LIDD's assistance to deliver a solution within a 3 month timeline.

Challenge:

The company recognized the need for a standardized solution to improve its distribution network and address the limitations of their outdated warehouse management system. The existing system, integrated with their ERP, lacked scalability and integration capabilities, hindering efficient inventory management.

- Lack of 'live inventory', with updates once a day, resulting in operations running with a snapshot of the inventory.
- No transactional history data, leading to a lack of user operation traceability.
- Inability to maintain KPI's due to the absence of transactional data.
- Need for training for managers and administrators to familiarize themselves with WMS technology and its effective utilization.

100% Order Delivery Rate

Within day one of launching the system.

Response:

LIDD conducted a series of on-site and remote meetings to understand our client's operations, needs, and challenges. We provided a personalized demonstration of how the WMS would address their requirements and identified areas requiring custom development. A detailed roadmap was established, highlighting milestones to be completed for the desired deadline.

Solution:

LIDD successfully prepared and developed the WMS solution, documenting all requirements and processes in an Azure DevOps document. To enhance data integration, we established an FTP system to seamlessly extract data from the ERP and import it into the WMS. We created a plan and conducted training sessions both remotely and on-site to ensure that all parties were well-prepared for the implementation. As a result of our efforts, the go-live was an outstanding success, with the client achieving a remarkable 100% order fulfillment on the very first day.



A Strategic Guide to Pivoting Your Business Towards Automation

Companies are increasingly turning to automation to optimize their operations and stay competitive. The integration of automation in warehouses offers numerous benefits, ranging from improved efficiency to enhanced productivity. By strategically navigating this shift, businesses can streamline their processes and unlock substantial advantages.

Overcoming Resistance: The Case for Automation

Despite the undeniable benefits of automation, there is often reluctance at the C-suite level to fully embrace this shift. We have witnessed numerous cases where even with a defensible ROI, there is a hesitance to the implementation of new automation solutions. This hesitance may stem from various factors, such as fear of the impact on day-to-day operations, uncertainties surrounding new solutions, and the potential disruption to established corporate standards.

While hesitance and concerns around automation are understandable, it is crucial to address these apprehensions and be properly educated on the benefits that automation.

- **Operational Expenses:** With the escalating costs such as energy expenses, businesses are compelled to seek cost-effective solutions that also promote sustainability. Automation serves as a strategic tool to address this by streamlining processes, reducing the need for manual labor or new facilities, and optimizing resource utilization.
- **Real Estate Costs:** Urbanization has led to increased real estate costs, making efficient space utilization crucial. Automation enables businesses to optimize warehouse layouts, reducing the need for additional space and minimizing real estate expenses.
- **Labor Availability & Costs:** Finding and retaining skilled labor can be a challenge, especially for repetitive tasks. Through automation, businesses can alleviate the burden on employees by automating monotonous tasks, reducing labor turnover, and enabling employees to focus on more value-added activities.



- **Strict Regulations:** Automation helps firms meet strict regulations by reducing the amount of time required by full-time employees to perform compliance tasks and/or reducing the number of operators, thus helping to mitigate the risk of operating errors and non-compliance.
- **Meeting Market Demands:** To stay competitive, businesses must meet customer expectations for faster delivery, greater product variety, and improved quality. Automation enhances operational agility, enabling businesses to adapt quickly and meet evolving market demands.
- **Preventing Lost Revenue Due to Labor Shortages:** During peak seasons, businesses may struggle to meet customer demand due to labor shortages. Automation bridges this gap by ensuring smooth operations and preventing lost revenue opportunities.



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Addressing Fears and Improving Reliability

Concerns about automation reliability are natural, but they can be addressed effectively:

- **Choosing the Right Technology:** Collaborate with subject matter experts and carefully evaluate technology options to mitigate concerns about reliability. Selecting proven solutions and leveraging expert guidance can instill confidence in the chosen automation technology.
- **Internal Expertise:** The reliability of automation also depends on the knowledge and expertise of internal engineers and maintenance departments. Invest in training and continuous improvement to ensure smooth operations and minimize downtime. Seek assistance from external partners like LIDD to support your team during the implementation process, accelerating the learning curve and ensuring a successful automation implementation.

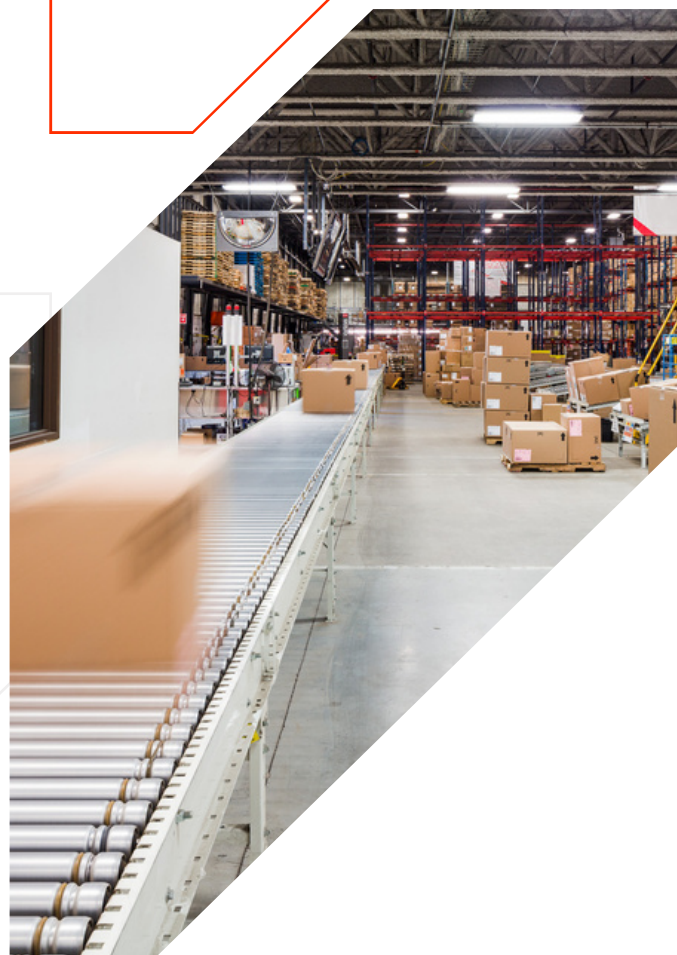
Automation Strategy: When Is It Time to Automate?

Understanding when it's time to automate can be instrumental in securing C-level buy-in for this transformative shift. Here are some key indicators that your business may be ready to embrace automation:

- Falling short of market service level expectations
- High cost of order fulfillment
- Labor challenges (finding and retaining warehouse personnel, high turnover)
- Increasing competition (potential labor shortages, rising labor costs)
- Need for more storage space without physical expansion options

Strategies for Pivoting Towards Automation

When it comes to implementing automation, having a well-defined automation strategy is crucial for success. An automation strategy should prioritize people and processes, enabling an incremental approach that leverages technology to drive efficiency and effectiveness.



Warehouse Technology at LIDD

Drive operational excellence, quickly.

LIDD is a leading provider of WMS implementation services for enterprise platforms including Generix and Koerber, both recognized on the Gartner Magic Quadrant.

generix GROUP



As your trusted partner, we offer end-to-end solutions, from full implementations or rescues, to training and development.

If you're uncertain about the right warehouse management system for your needs, rely on our experienced consultants for an objective assessment.

contact@lidd.com to learn more.

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Pivoting Towards Automation: 8 Tips to Keep in Mind

- 1** **Assessing the Current State:** Before taking any steps towards automation, it's crucial to have a clear understanding of your current processes and costs. Identify areas that could benefit from automation and those that require human intervention. Understanding the key indicators mentioned above is a good starting point.
- 2** **Setting Clear Goals:** Define what you aim to achieve with automation. Whether it's cost reduction, improved efficiency, or better customer service, having clear objectives will guide your automation journey.
- 3** **Choosing the Right Technology:** Not all automation technologies are created equal. It's important to choose solutions that align with your business needs and goals.
- 4** **Cost Benefit Calculation:** Let's dive into the numbers and determine the true value of automation for your business. By conducting a thorough cost benefit analysis, including a feasibility study with return on investment (ROI) calculations for each feasible solution, you'll have a clear picture of the potential benefits and costs involved. This analysis, along with the right selection criteria, will guide you towards choosing the perfect automation solution that aligns with your business goals.
- 5** **Business-Lead Vendor Selection Process:** It's essential to choose the right vendors who can provide the necessary technologies and support for automation. Conduct a thorough assessment of potential vendors, considering factors like their track record, expertise in automation solutions, compatibility with your business needs, and the ability to deliver on time and within budget.
- 6** **Project Management:** Evaluate your organization's project management capabilities, considering factors like project management plan, technical expertise, communication, stakeholder management, and the option to outsource.
- 7** **Employee Training and Support:** Automation doesn't always mean replacing humans; it means augmenting their capabilities. Ensure employees are trained and supported throughout the transition.
- 8** **Iterative Implementation:** Instead of a complete overhaul, consider implementing automation in phases. This allows for adjustments and improvements along the way.



Is Your Business Ready for Logistics Automation?

Don't risk making costly mistakes or investing without a clear plan – let LIDD's assessment tool guide you towards a successful implementation.



Assess. Identify. Act

Scan the QR code to evaluate your automation readiness and receive a customized action plan from LIDD.

Interoperability in Warehousing

When it comes to warehouse automation, making sure everything runs smoothly involves effective coordination between various technologies and devices. This means orchestrating many interconnected steps, each with its own set of tasks, equipment, and execution. Whether it's picking orders, organizing materials, or any other multi-step process, it's essential to understand how all these systems work together to define each step of the material flow with precision. Each stage in the process, from receiving to shipping, entails key components such as integration, orchestration, execution, and control.

Integration

This pillar focuses on the seamless merging of various components within the workflow. It involves communication with different technology types, and therefore processing languages. From PLC to JSON APIs and SQL Procedures, integration is about facilitating the deployment of existing workflows into new sites even when using legacy technologies.

In other words, it's where new technology or automation can integrate directly with your host ERP or WMS, ensuring effective reception and exchange of information across systems.

Orchestration

Involving continuous coordination and communication among autonomous agents, such as robots, conveyors, AS/RS, and IoT devices, this pillar facilitates efficient task execution. By leveraging integrations mentioned in the step prior, orchestration compares equipment capacity, speed, and availability across all workflows to create perfectly coordinated workloads. This orchestration of tasks happens continuously throughout the workflow.

Execution

This pillar encompasses the actual performance and implementation of tasks defined within the workflow. Execution is about facilitating seamless interaction between devices, command centers, and the workforce through a cohesive interface.

Control

The pillar involves overseeing and - directing the operation of individual technologies to maintain synchronization and alignment with the overarching workflow. As materials move through workflow steps, real-time commands are issued to the equipment to execute specific actions, such as activating a light controller, redirecting containers on a conveyor, or guiding a robot to a designated location.

Even when managed by a programmable logic controller (PLC), which utilizes a specialized language to transmit electronic signals that physically direct the machinery's actions, the need for real-time control of all equipment is essential for maintaining the continuous flow of operations.

Interoperability

Interoperability is about effectively harmonizing these four pillars at every step of your material flow.

It's about ensuring that integration, orchestration, execution, and control seamlessly come together to facilitate efficient and synchronized operations throughout the entire process.



ONOMATIC

Onomatic is a cloud first Intralogistics platform that runs multi-equipment workflows, bringing your material handling equipment (MHE), ERP, and WMS into one carefully calibrated automation solution.



Solve labor shortages while saving precious capital.

You need automation yet custom 'one-off' equipment integrations are expensive and quickly obsolete. Onomatic's cloud-first subscription model requires minimal up-front capital, and adapts to your changing equipment needs.



Bring digital-era efficiency to your legacy equipment.

Unlike any other automation control software, we work with what you have. Onomatic's end-to-end material workflows connect everything from robotics to warehouse equipment with the business solutions you already run.



Close every warehouse automation gap.

No matter the equipment manufacturer and across different WMS and ERP platforms, Onomatic's comprehensive control features turn your warehouse operations into a coherent ecosystem.

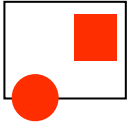
Strategic Partnership

Leveraging an integrated approach, LIDD and Onomatic work with clients to provide transformative supply chain solutions. We combine cutting-edge technology, intelligent material handling, streamlined processes, and innovative strategies to help companies maximize their investments and stay ahead of the competition.



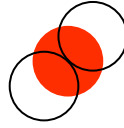
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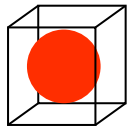
Supply Chain Strategy Consulting

We carefully consider your entire organizational structure. Our data-driven solutions are tailored to your specific business challenges, change management requirements, and future needs.



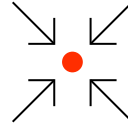
Supply Chain Technology

We select, implement, integrate, and support business management and supply chain execution software.



Distribution Center Design

Whether you're running out of space, operating inefficiently, or struggling with labour costs, we can help you reconfigure or automate your location to drive efficiencies.



Facility Implementation

Build ready-to-use facilities on time and on budget. We handle the entire transition process from RFP to equipment selection and implementation.



LIDD Toronto & Onomatic

LIDD's Toronto office serves as a hub of expertise for the GTA area, delivering innovative supply chain solutions to businesses in the region. The making of this quarter's newsletter involved the concerted efforts of the LIDD team, in collaboration with Onomatic.



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Learn how to build world class supply chain operations.

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