

5 quick wins to achieve your warehouse KPIs.

Finding balance between low costs and optimum service.

The eternal struggle between low costs and optimal service.

In 2018, an estimated 1.8 billion people worldwide purchase goods online. Nowadays, if you need a certain product, you don't even need to leave your house anymore. The internet is always within reach and therefore the millions of web shops worldwide. Why do we prefer shopping online more and more? First of all the endless offer online, followed by the increased convenience and finally, it costs nothing more than shopping at a physical store. These low costs arise from the logistics processes that have been created around e-commerce. For example, do you not like an item you bought? Then you just send it back for free, which leads to annoyance at web shops, postal companies and other logistics service providers. Because the increasing customer focus and convenience facilities limit your profit margins.

Modern logistics is no longer that simple

Simply put, logistics is "getting the right things at the right time at the right location at minimal cost". But you know that this definition is very simplified. If you elaborate on "the right things", you will have to deal with Value Added Logistics, quality checks and, for example, order picking strategies. Then "the right moment": this dimension too has taken on extreme forms. Term such as next and same day delivery, last mile solutions and scheduled delivery (within a period of a few hours) come forward here. And if we link these two to "at minimal costs", the problem becomes clear. The eternal struggle between cost minimization and optimum service.

VCK Logistics SCS supports e-fulfillment activities with Boltrics' WMS.

The mobile provider sector is known for its heavy competitive landscape. In order to be able to continuously improve customer satisfaction, an efficient supply chain within the internal and external processes supported with complete track & traceability is of great importance. To guarantee this process, T-Mobile sought cooperation with VCK Logistics SCS – an expert in the field of logistic services for telecom and high-tech. In turn, VCK Logistics SCS sought collaboration with Boltrics to steer the process in the right direction with a future-proof WMS.

"For T-Mobile, it is extremely important that orders are delivered complete and on time. With our new WMS solution – built on the Microsoft Dynamics platform – technology is no longer a limiting factor. For example, thanks to serial number/IMEI registration we can follow orders throughout the entire process. In the unlikely event that something has gone wrong, we are always able to track this."

Brennus van der Klaauw - Managing Director at VCK Group

Ask yourself two questions and determine your route

In fact, this struggle itself is very contradictory. A paradoxical struggle. Because with the commonly used value strategies of Treacy & Wiersema in mind, you need to focus on one strategy. And where low costs lies in the focus of Operational Excellence, service optimization matches Customer Intimacy.

So you have to distinguish yourself in a specific area, because being the best in everything is not possible. For this reason, Apple is not the cheapest. And Best Buy is not known for its service level.

So ask yourself two questions:

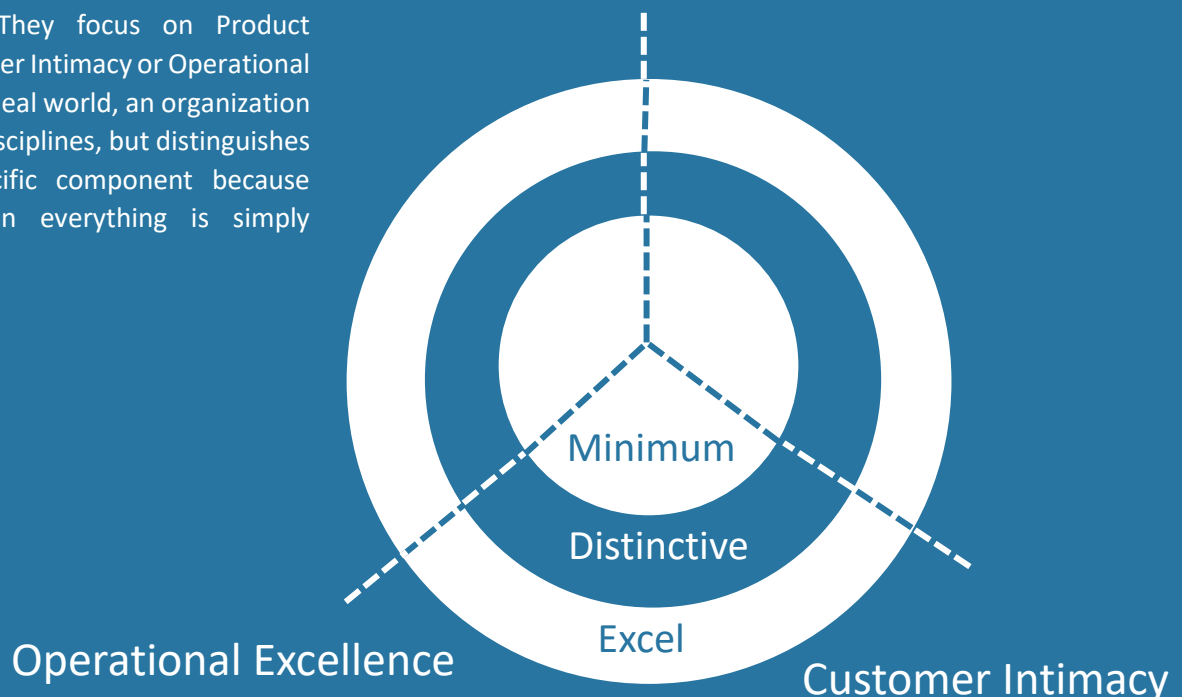
1. how do I keep low costs and how do I keep my customers satisfied?
2. And on which of these two areas can you distinguish yourself.

The answer is actually quite simple: put your WMS to work and save some time.

Treacy & Wiersema

The value strategies of Treacy & Wiersema are often applied to achieve the discernment of an organization. They focus on Product Leadership, Customer Intimacy or Operational Excellence. In the ideal world, an organization masters all three disciplines, but distinguishes itself in one specific component because being the best in everything is simply impossible.

Product Leadership



A practical step towards innovation

With the right tools you can process larger volumes with minimal (manual) operations, so you don't have to burden your colleagues with additional administrative tasks. That makes a difference; you no longer have to worry about it so you can focus on other things. For example, how you can meet the demands of your customers. Consider the communication desire and the traceability of products. Or what the optimum distribution of assignments is between people and machines. At what level are the quick wins? We have brought 5 together for you.



1. Track & trace your goods

One is the traceability of goods. Due to the increasing quality standards and regulations you are constantly confronted with the challenge to guarantee product integrity throughout the entire supply chain. That can put a lot of pressure on your business. Because it usually concerns a large number of (check)points that your colleague in the warehouse must record one by one in the system. Followed by effortlessly sharing these with your customer. If that has to be done manually, you can easily hire an extra employee for it.



2. Prevent traffic jams at your docks

On an average working day, the number of trucks arriving at your docks can increase considerably. In an ideal world, deliveries follow each other one at a time. However, practice turns out to be a little more unruly: suppliers all arrive at the same time and in no time there will be a big jam in front of your docks. The result? Your employees are working their pants off, while they have barely anything to do an hour later. Not exactly the ideal distribution of resources and time. Also not particularly conducive to productivity and the relationship with suppliers. Because in the end you and your logistics partner are stuck with an inefficient and therefore costly process.



3. Optimize the movements within your warehouse

We do not have to tell you that with a streamlined procedure you can process large volumes as efficient as possible. Your employees and machines carry out assignments throughout the day, so there is a good chance that improvement is possible in every area. But how do you know where you can get the most profit? Firstly, by measuring the performance of resources such as speed, accuracy and reliability. Secondly, the specific location where you store goods. And thirdly, the route that your warehouse employees follow to collect orders. By making smart use of data, a large logistics service provider in cold storage has traced 20,000 extra pallet locations.

By mapping one of the most important warehouse KPIs, the average lead time, Jonker & Schut was able to organize their warehouse more efficiently. Simply by placing goods in a strategic place in the warehouse: the fast moving foods in front and the slow-moving goods in the back. In addition, just like Nedcargo, it pays to calculate the most economic route within the warehouse on the basis of XYZ coordinates.



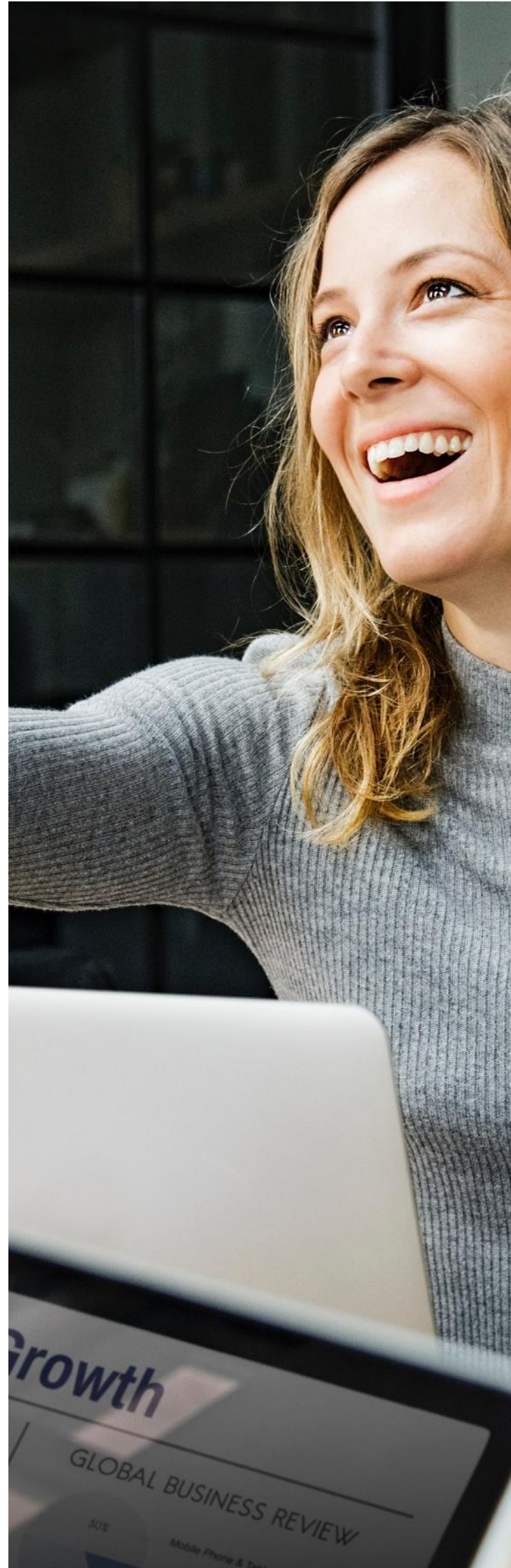
4. Go for automation and robotization

The combination of a tight labor market on the one hand and global competition on the other will give the use of (semi) automated warehouses and robotization a major boost in the coming years. This immediately gives you at least three advantages: you need less staff, you can use your current staff for other tasks and the process can continue to run 24/7. But it is not the only reason why automation and robotization will become mainstream. Market demand is also constantly changing. The need for being able to take orders in smaller quantities is growing. Preferably with a shorter lead time in a specific time window. By automating processes even more, you can increase the speed of the settlement process – without compromising on income.



5. Think along (pro)actively with customers

Of course you take good care of your customers and you do everything to meet your expectations. Or preferably surpass them. That does not have to be a brain teaser at all. Because with the data you have collected, it often turns out to be quite easy to gain valuable insights. You know exactly how many goods are in stock, what the average lead time is and what the trend is in terms of demand. Data that allows your customers to reduce inventory – without having to sell no to their customers.



Your partner for success

Boltrics is an expert in logistics with a proven track record. We help small and large logistics service providers to transform their processes with the right (software) tools. We are specialized in 3PL and cold store logistics and are ready to help you take the next step towards success. We unburden you during the implementation, upgrades, and maintenance of your solution – without any hassle. So that you can concentrate on what is most important to your company.

Get started today

- Learn more about the branch solution for logistics service providers at www.boltrics.nl.
- Discover the possibilities for your company and request a demo.
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Our solution

Knowing that logistics service providers independently try to reinvent the wheel, inspired Boltrics to develop a branch standard. One solution that the entire branch puts its weight behind. A proven standard, always state-of-the-art solution – thanks to the development power of Microsoft Dynamics 365 Business Central. Fast, lean and decisively implemented by Boltrics, exactly according to plan. Without time-consuming customization.

Boltrics

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