One stop shop
or
Best of Breed
Warehouse Management Solutions explored

- A white paper by Clydebuilt Business Solutions Ltd
Can one system really do it all?

You already know that to win in business along with good business acumen you need to have the right tools that help you succeed. We’re not only talking about hammers and chisels, in the logistics industry the term ‘tools’ can refer to anything that is necessary to carry out the task proficiently and professionally. Software comes under this banner as the right software package is instrumental in companies achieving total business success.

Delving into the world of software acquisition is often a difficult task, there are so many options that it becomes difficult to know where to start. In-house, bespoke, off the shelf, software as a service, best of breed, one stop shop ERP system are amongst the options you have to face from the offset.

In this white paper we will be exploring the differences between using an ERP system, or implementing a best of breed solution.

ERP System

What do we mean by the term ERP?

Enterprise Resource Planning software is an expression used for a system that is typically provided from one (or a group of) supplier(s), using one common database to support the various modules required to run the different departments within an organisation. This, often includes manufacturing, customer relationship management, sales, service, inventory and distribution, service, purchasing and buying, human resources, accounts and finance.

As the system is provided by the same supplier all of the various departmental applications might have a consistent look and feel whilst the actual implementation of the system may involve considerable assistance from the supplier’s consultants, trainers and project management. Such a system is typically written ‘Top Down’ often originally designed to run the financials of a business with further elements added as implementations demanded.

The main purpose of an all-encompassing ERP system is for a single supplier to be able to pitch a single approach to the highest level of a business (board level) making the concept easier to understand and simpler to accept at that level of decision making. Of course, the approach entreats to ‘allow all business functions within an organisation to access the same information’. Occasionally this can result in the law of unintended consequences; at least as far as the user is concerned.

It is not unusual for the end user not to be involved in the purchase of an ERP solution, indeed may not even have had input.

Depending on the ERP chosen, there will be a varying amount of configurable elements. This can vary from straightforward to an army of consultants defining your business processes for you. The general ruling is that the software vendor can configure the software in such a way that it helps to guide your organisation to work in a way that it deems to be best. This ‘best practice’ element could be good for small companies who are looking to organise their work flows, whereas for the larger company the focus would be on repeatable processes across the corporate activity.
All warehouse management system vendors make bold statements regarding ‘improved efficiencies’, ‘reduced costs’ and ‘an increase to your bottom line’. In this white paper we will look at such claims and assess just how much benefit might really be gained from software implementation.

**Best of Breed**

Best-of-breed refers to a system where the various applications are designed by different vendors. The theory behind this approach is the idea that while an ERP solution will provide you with software to tick boxes in all (or most) areas of your business, not all of the ‘modules’ will be the best within their field. Less than excellent modules can be complemented by interfacing / integrating an application written for that area of business giving a seamless business result. Best of breed, then, is the concept where a company creates a solution by combining system elements from vendors who specialise in that field.

By creating robust integrations between the differing elements, the end user is left with a system that works together seamlessly, just like an ERP, but provides more control and active added value to the business. Where best of breed modules are involved, it is more likely to deliver control at the ‘user’ and workflow operator level.

A best-of breed solution may require a little more careful and detail work at the beginning stages of implementation as the information flows and work flow processes within the business are recognised. This leads onto the messaging between the individual best of breed systems. A successful solution should be integrated seamlessly; meaning that data is entered once only and the links ensure this data propagates to the other system(s) involved.

A best of breed solution does not need to have every business area using a disparate but integrated component. For example, within the supply chain or manufacturing sector companies may choose to use an ERP for most business processes, and add a warehouse management system onto this to improve detail control of warehousing and the stock fragments (batch, lot, BBE, Serial number control so on) not to mention real time visibility of inventories.

**What benefits are achieved by choosing an ERP system?**

- Same user interface throughout all business areas
- No need for synchronisation - all data is available throughout all arms of the business
- Easy to buy

**What benefits are achieved by choosing a Best of Breed Solution?**

- Areas of specific interest to your business can be upgraded to use best in class applications
- Customisation can be facilitated with less hassle
- Changing specific applications need not affect other critical business activities
- The costs can be significantly reduced
- More straightforward to implement
How a best of breed solution works in the supply chain

There is no argument that an ERP system will add value to your business by streamlining your business and hopefully providing a wealth of business data and processes to all users. Within the supply chain and based on actual situations encountered by Clydebuilt Business Solutions, this section will focus on how a best of breed solution incorporating an ERP and a ‘bolt-on’ warehouse management system will genuinely add value to your bottom line.

You will find that an ERP system is typically written ‘Top Down’ with other business specialisms as the main focus, and therefore the superior element(s). The staff entering sales orders are perhaps able to gain visibility of available stock when the order is entered, and can advise the customer accordingly.

Is this enough? We need to think about the staff and the work carried out within the warehouse. A comprehensive warehouse management system will provide much to your company on top of basic stock control. There are many ways that a specialised WMS can help improve productivity, and the gains here can be shared across all aspects of your business.

Resulting efficiencies will show themselves in a number of potential ways but actual results will always depend upon an individual business’s situation. For example, full time staff can be deployed to other areas of the business, or where you use agency staff the number employed can be reduced, directly affecting your recurring expenditure and bottom line.

Some ERP systems are unable to provide a detailed level of stock control that often results in warehouse staff having to manually monitor and control some elements using paper and spreadsheets - tasks that take time. This could include the effective monitoring of returns, highlighting any stock discrepancies, conducting Quality Control tasks, managing batches effectively, serial numbers, even Shelf Life and Best Before Ends as well as monitoring Hazardous materials.

Where a company is dealing with other than pallet in / pallet out and requiring detail control of ‘fragments’ this situation can become a real problem with a one-stop shop solution. We have dealt with a number of companies where the easy control and handling of raw materials into a process and finished goods back to warehouse was fraught, to say the least, until a best of breed integration was put in place.

Consumers and regulators expect goods to have stringent track and traceability - a suitable WMS should provide a chronological record of all items stored and an abundance of all associated data including BBE date/lot/batch numbers. This is information that can be used in a variety of ways, each as important as the other.

The two systems can work hand in hand and as one, complimenting the information available and feeding valuable data to each other. A genuine best-of-breed solution is one that has been carefully planned, with all of the vendors working with you to map out fields, specify file formats and discover the information that you need to be able to available. The integration is done in such a way that is ‘seamless’ - there will not be any visible ‘links’.

Interfacing between the systems is the key to success here - not to be assumed or skated over.
The final product won’t be like an ERP - where the application used by a member of HR has the same branding as the application used within the warehouse. This is minor, in other areas, you wouldn’t expect a gardener to cut the grass with a pair of hairdressing scissors. A stand-alone one stop shop ERP system definitely does have its place in many industries, but it’s fair to say that a ‘one size fits all’ approach does not suit every environment.

This is certainly true considering the fact that it is becoming ‘more often than not’ that users of LocateIT WMS have the system tightly integrated into their existing ERP - a best-of-breed solution was chosen after discovering that the ERP solution alone did not provide the total control within the internal supply chain that was required, and real business benefits could be gained by adding the specialised element.

It is also common for our Third Party Logistics customers to have their LocateIT WMS interfacing with the ERP’s of their major clients again providing quality real time data into the end client’s business, allowing them to act as an extra arm of their business.