

Black River Services

Are these the only real choices for warehousing solutions?

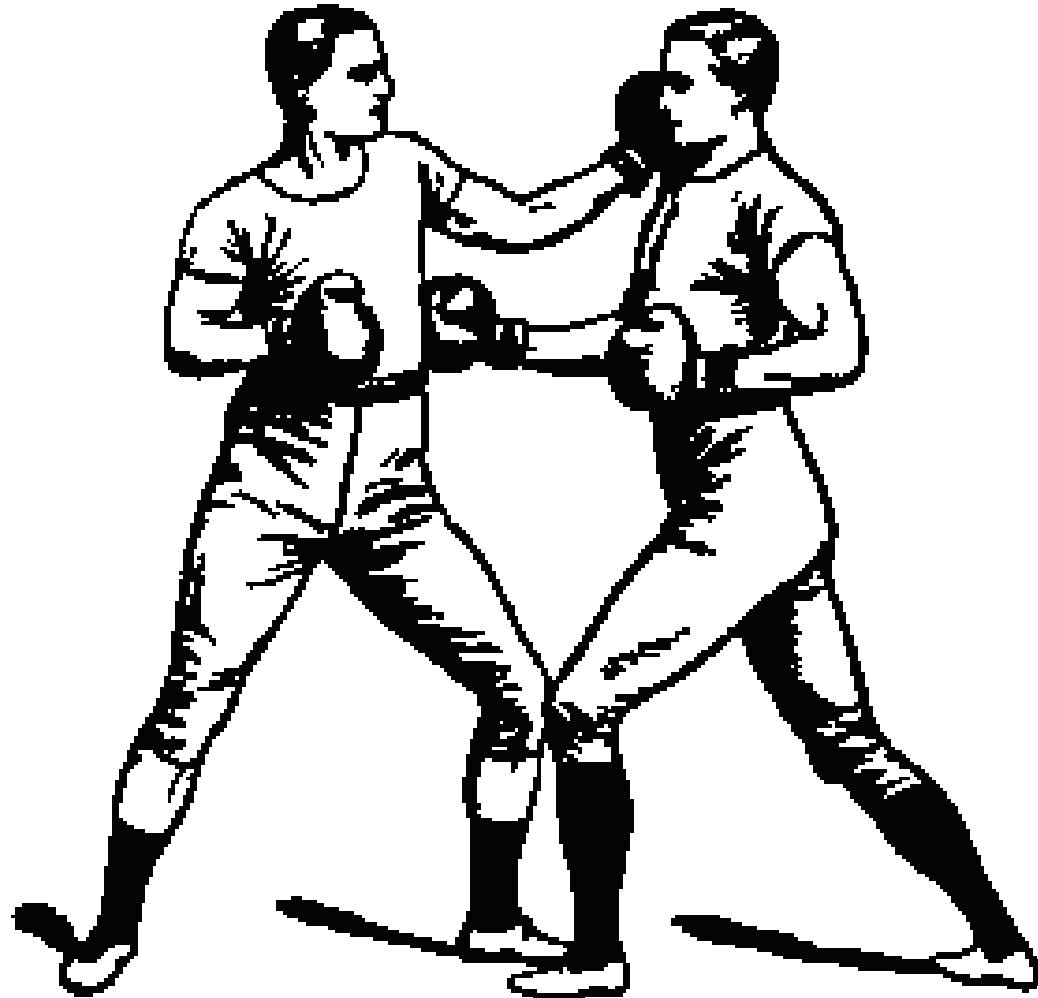
January 15, 2015

ERP or Best of Breed

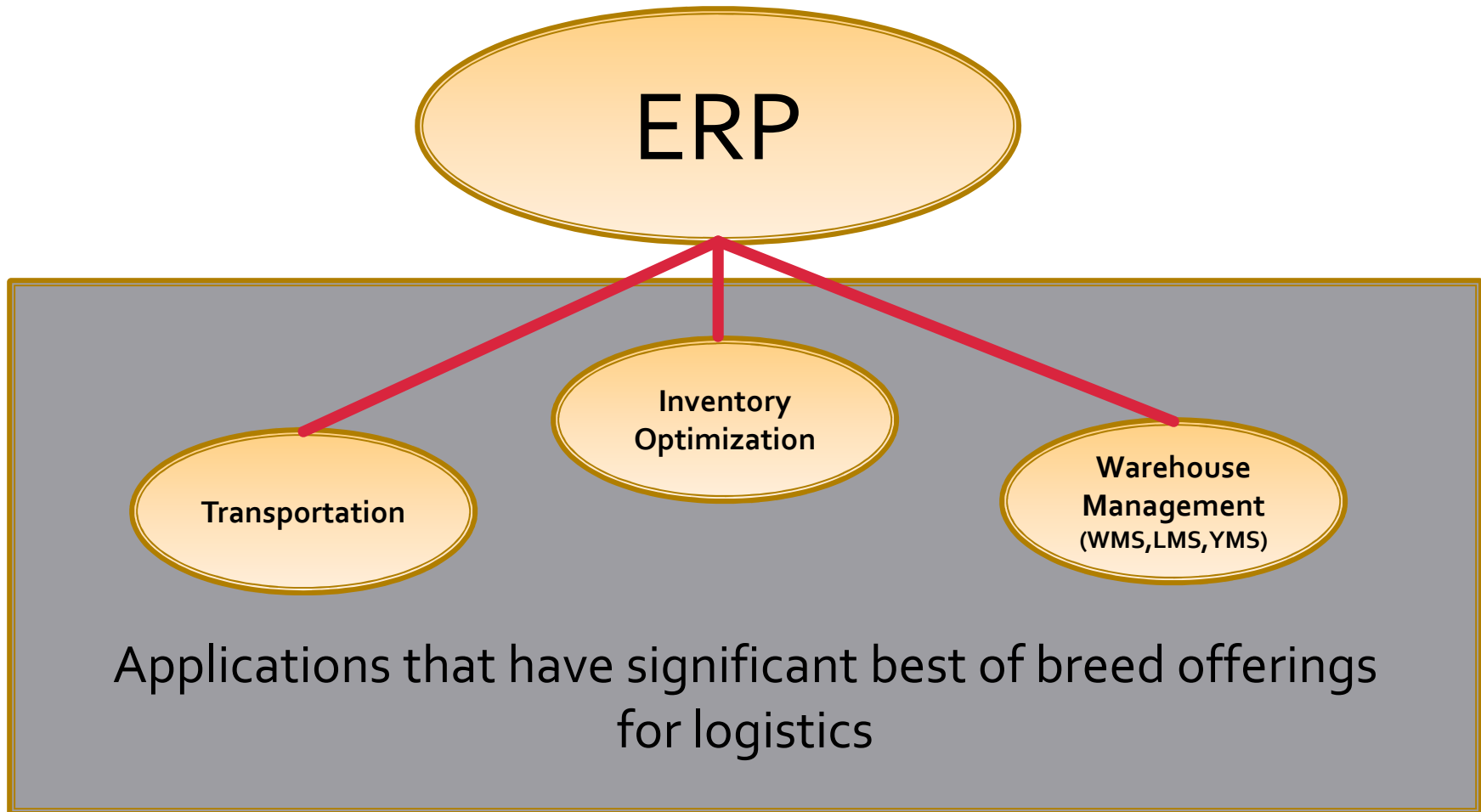
Is this a trick question?

Noah Dixon

ERP vs Best of Breed



ERP



ERP Options

SAP/WM

The historic standard. Standard ERP modules with an add on to process RF transactions and other WMS functions.

SAP EWM

WMS developed for Ford and Caterpillar. A traditional deployed software built from scratch . (Oracle also)

JDA

Aquired RedPrairie (and already had Retek from previous acquisition).

Many

Some have interfaces. Some have minimal (almost no) WMS functionality.

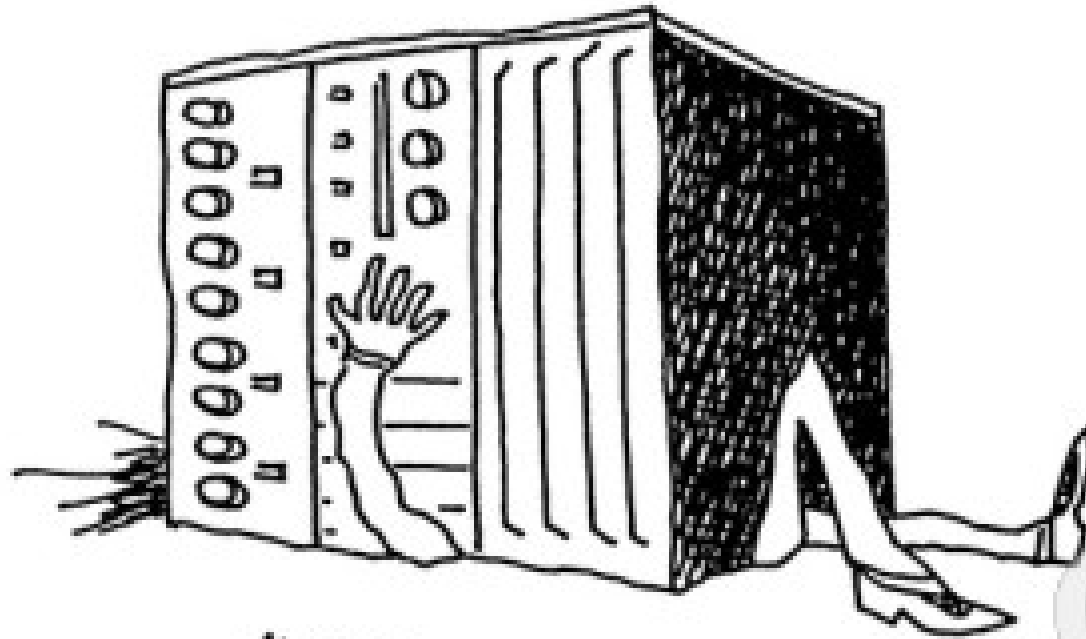
ERP Pros

- **Single Team for implementation**
- **Simplicity of licensing and smaller upfront capital purchase**
- **No Interface required**

ERP Cons

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ERP WMS Functionality



*using ERP to for logistics execution is
pouring cement over your supply chain –*

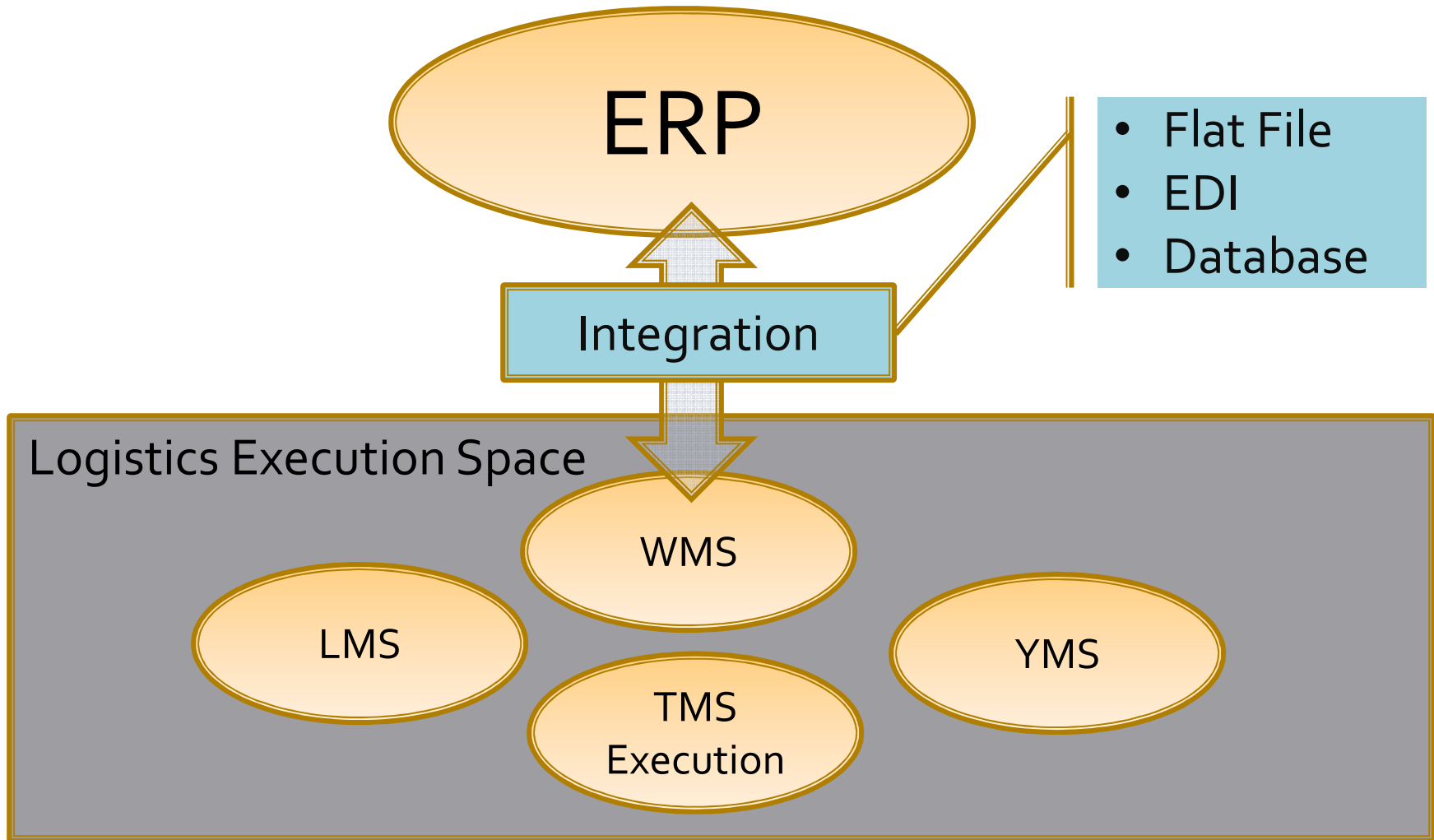
Jim Tompkins circa 2000

CN
COLLECTION

Things that ERP's don't do well

- Limited inventory statuses
- Poor selection of picking methods
- Work management and release
- Execution of a transportation plan
- Serial number tracking
- Catch weights
- LPN control
- Cycle counting (IM execution as a whole)
- Labor tracking
- Yard management
- On and on

BoB



BOB Pros

- **Superior functionality**
- **Separation from ERP**

BOB Cons

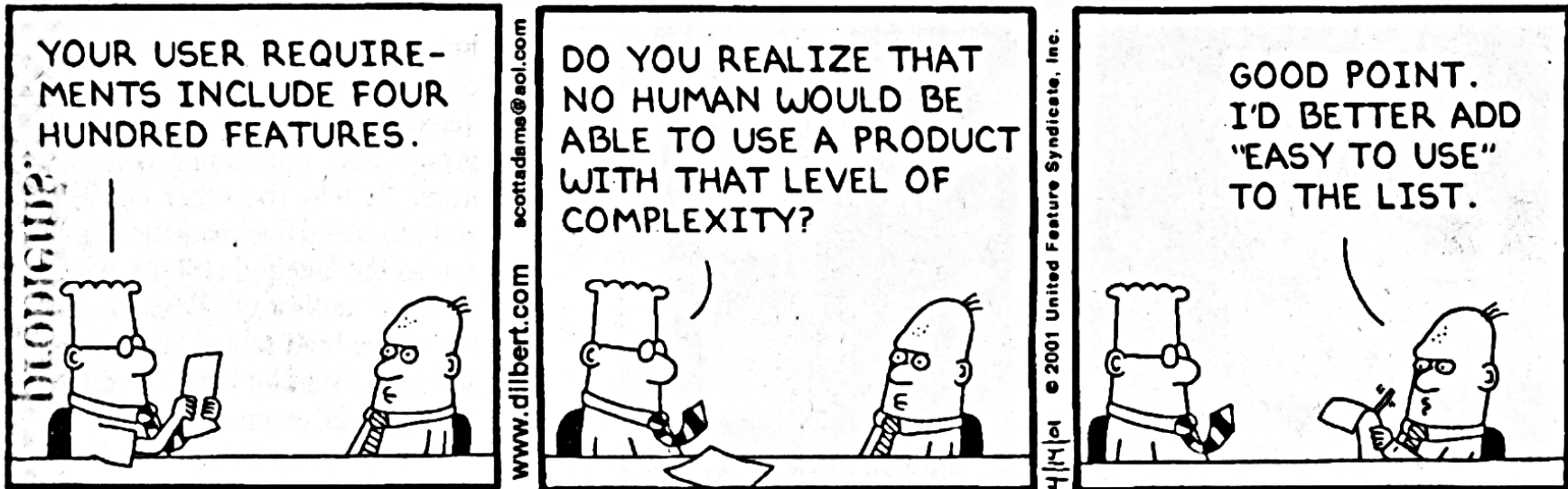
- **Superior functionality**
- **Separation from ERP**
- **Continuity of support**
- **Capital purchase**

Things that WMS solutions do well

- Location control and use
- Executing transaction and data update at location
- Multiple picking and release methods
- Real time replenishment
- Work management and reporting
- LPN management
- Serial number tracking
- Lot tracking and execution
- Yard management
- Catch weight processing
- 3PL billing transactions
- Receiving inspection and ASN processing
- Compliance label printing
- On and On

Superior Functionality

DILBERT By SCOTT ADAMS



- Difficulty of training, use and extensions
- Support for product

Separation from the ERP

- **Integration requirements**
- **Data distribution**
- **Inventory balancing**

Continuity of Support

- Long term support from vendor
- User training and operational support

Continuity of Support

- Long term support from vendor
- User training and operational support
- IT support and upgrades
- Viability of the vendor

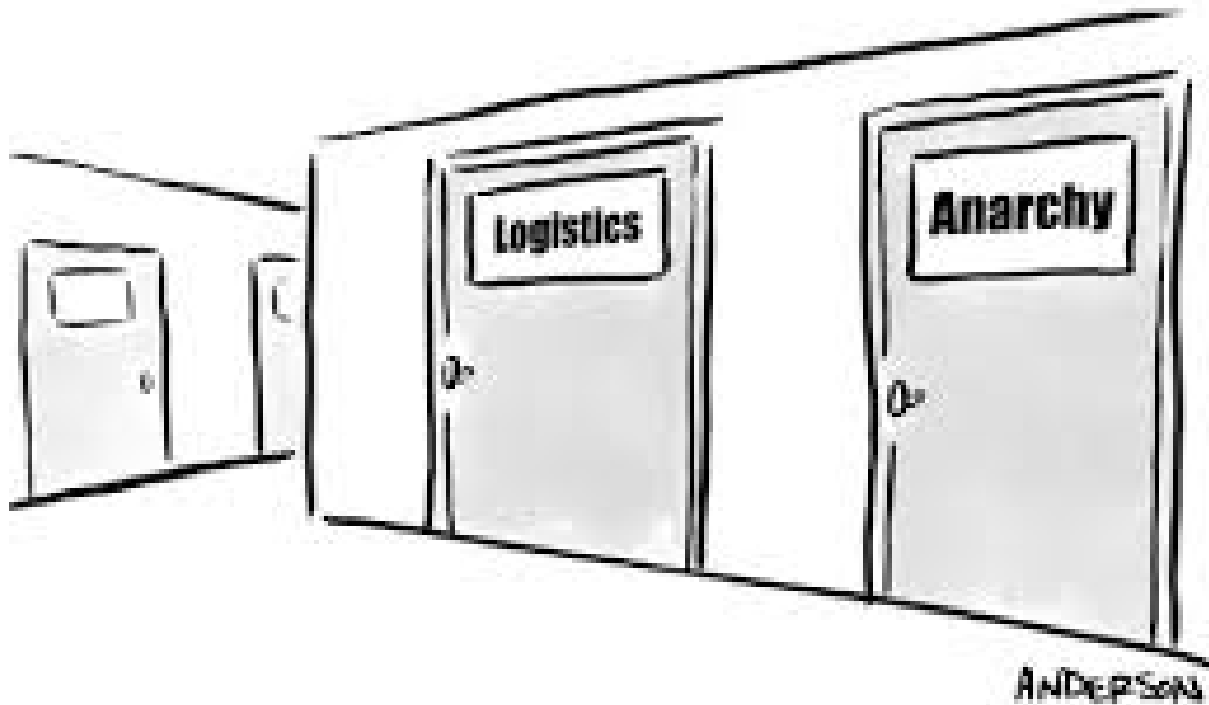
Capital Purchase

- **Licensing**
- **Equipment**
- **Customization**
- **Implementation**

Is it really ERP vs Best of Breed?

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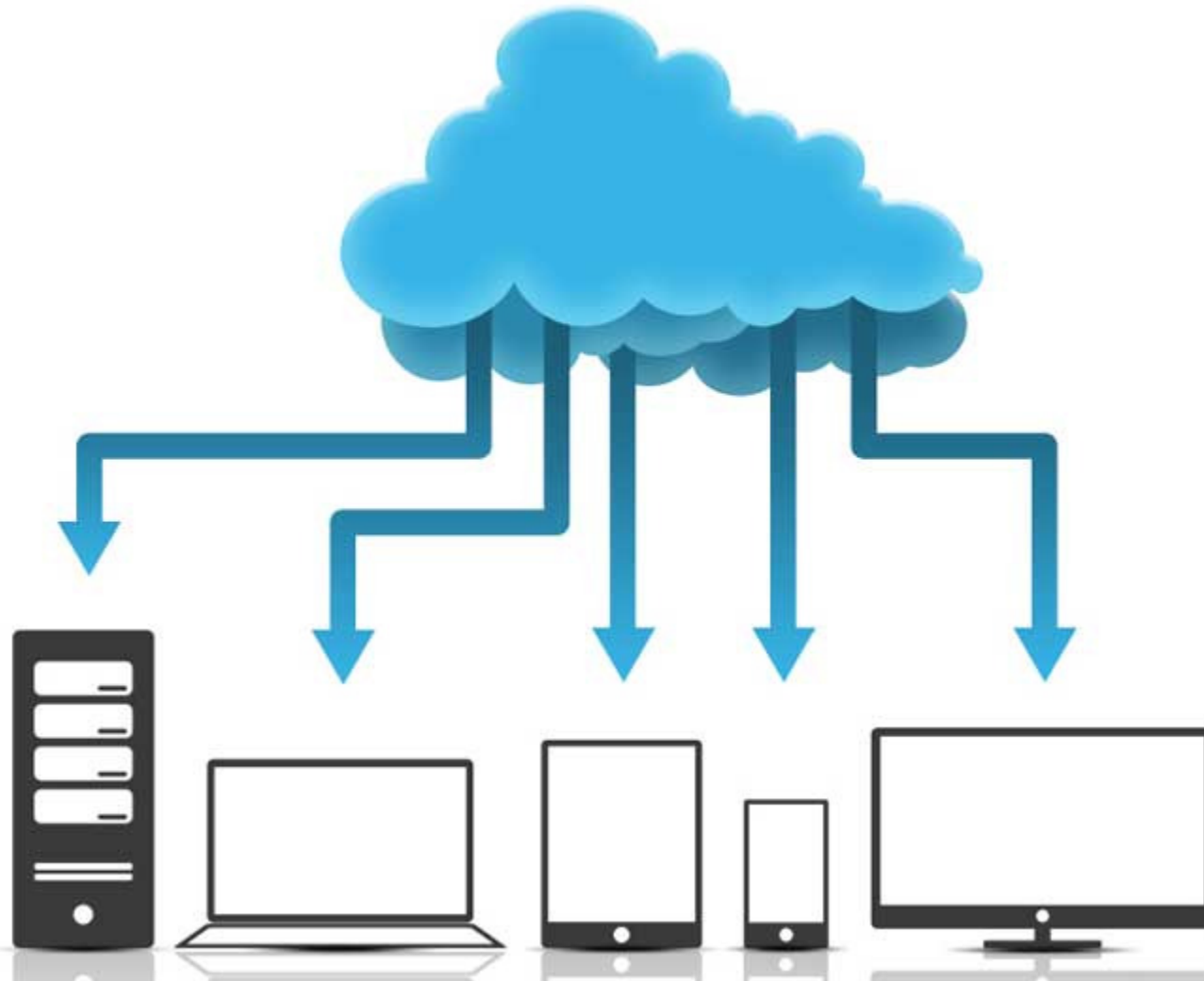
WWW.ANDERSON.COM



Other Options

- **Do Nothing**
- **Smaller point solution**
- **Out Source Distribution**
- **In House Development**
- **Shipping System**
- **SaaS BoB**

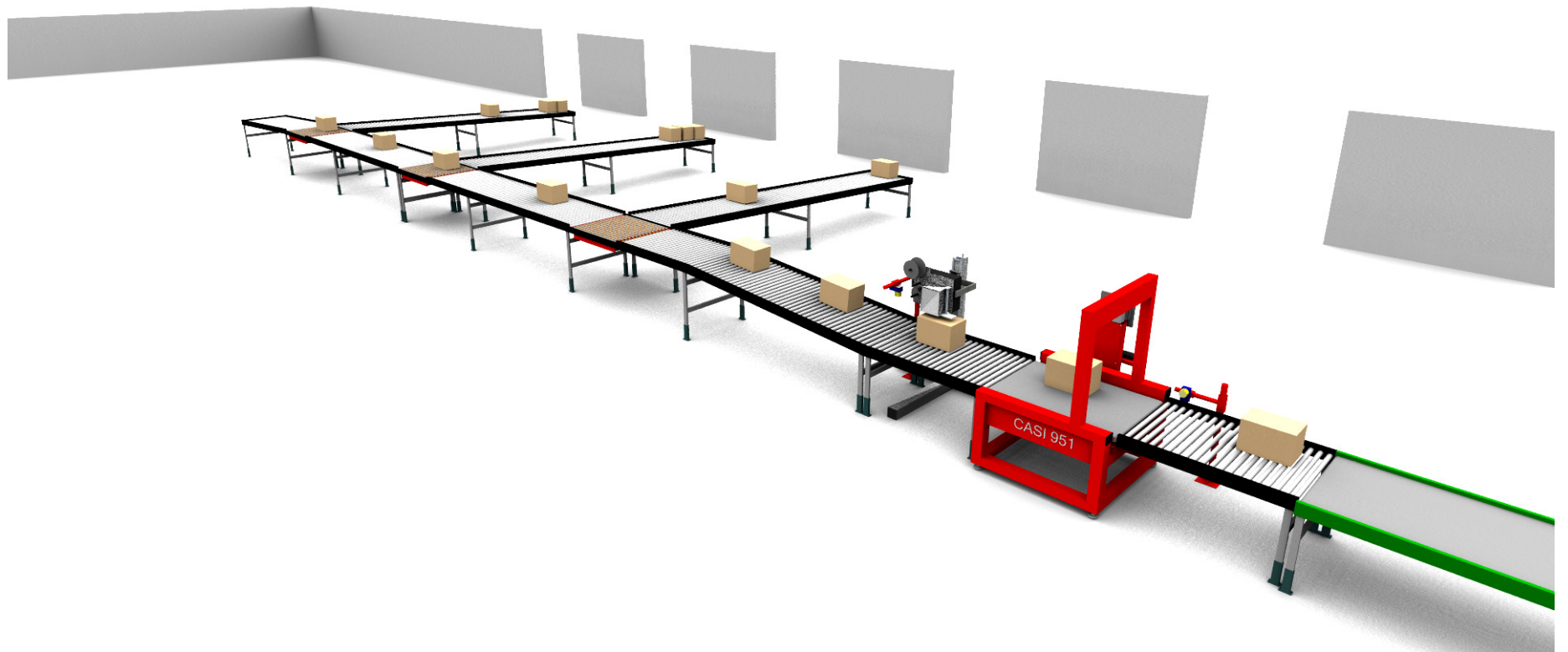
What is WMS SaaS



SaaS Solution Pros

- **System is already installed**
- **Support for smaller sites**
- **Small upfront costs**
- **Honesty in application**

Shipping System



Shipping System Pros

- Increase performance in the most critical and labor intensive part of the warehouse
- Smaller capital purchase (at least for software)

Shipping System Cons

- **Inventory and procedures for other parts of the warehouse are not covered**
- **Uses the leverage of outbound processes without full WMS**

What is the best choice?



- **Functional complexity**
- **Compliance requirements**
- **Workforce performance**
- **Inventory accuracy**

ERP vs BoB by Distribution

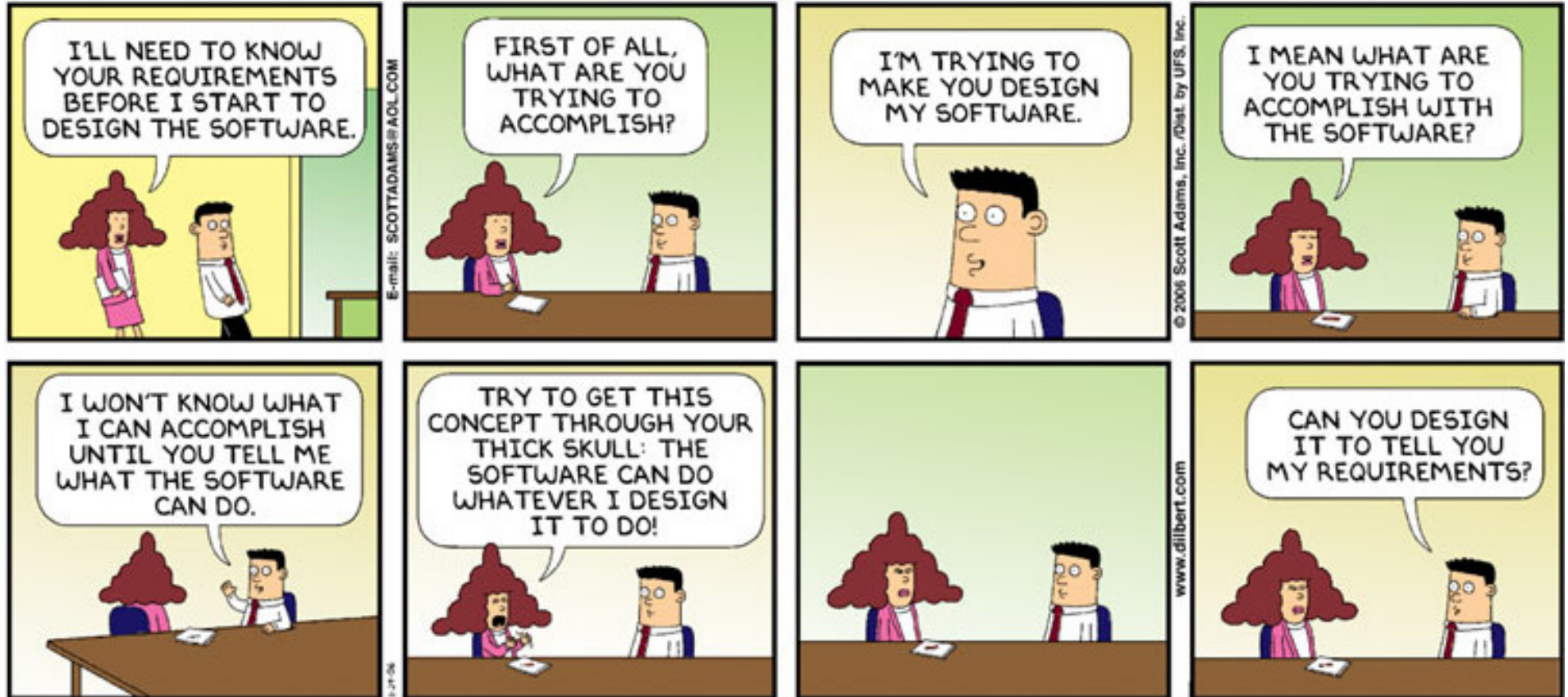


- Industrial Supply
- Commercial Supply
- Brand Manufacturing
- Wholesale Distribution
- Parts distribution
- Retailer
- Direct to Consumer
- 3PL

What to do

- Determine and document existing requirements
- Determine and document desired capabilities
- Identify the opportunity and costs

What is the best choice?



Questions



Thank You