

Save jobs by refreshing the warehouse management system in your e-commerce business

By [Tennille Bell](#)

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Change is never easy, but it is the only real way to achieve efficiency, particularly in warehousing. What happens when e-commerce businesses outgrow their warehouse management system? People and processes can no longer cope with the influx of orders, which leads to inefficiencies in space usage and product cataloguing which causes delays in deliveries and unhappy customers. This is an e-commerce nightmare.

So, what is the solution to this problem? Regularly assessing warehouse management systems and processes to ensure they can keep up with business demands, as well as handing over such an enormous operational burden over to a specialist Business Process Outsourcing (BPO) partner.



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Organised chaos: it works

What does an organised e-commerce warehouse look like? It's not rows and rows of meticulously managed shelves with similar items grouped together by price or in alphabetical order. This would actually be a highly inefficient means of utilising storage space. Rather, by using an automated inventory management system that runs on barcodes and barcode scanners, one of the world's largest retailers operates its warehouses with a system called "chaotic storage."

This is a dynamic form of warehousing in which products are stored wherever there is space. Not only does this mean that space is used as efficiently as possible, but it also leads to faster processing times. Quicker processing means orders are dispatched faster, which translates to satisfied customers.

Manual processes: the enemy of efficiency

As counterintuitive as chaotic storage might sound, there are many South African e-commerce companies that will not be

able to unlock their benefits if they continue to use manual processes (such as Excel spreadsheets) to record inventory movement. Even worse than manual processes is no warehouse management system at all, and the perils of an e-commerce company not moving to an automated system are numerous. There will be problems with order accuracy, increased storage, and processing costs, along with numerous costly customer service failures.

Automation is critical

Achieving warehousing efficiency demands a quality inventory management system powered by automated software and executed by the right specialist BPO partner. Such a provider will step in, conduct an in-depth needs analysis, identify gaps in performance and provide solutions that assist e-commerce sellers in streamlining their operations.

By implementing an efficient warehousing management system and streamlining processes for their clients, BPO providers help e-commerce sellers by revamping and automating their existing (or non-existent) warehouse management systems. In outsourcing the warehousing management function to the specialists, e-commerce companies see a return in five main areas: inventory management, storage space optimisation and labour maximisation, which results in satisfied customers, reduced returns, and costs.

End-to-end efficiency optimisation

Relying on exhaustive data analysis gathered from time and motion studies during the needs assessment phase, the chosen BPO provider will facilitate cost and performance efficiency throughout the entire warehousing process - right from supplier ordering, through to packing and shipping. Best of all? These exercises in streamlining warehouse operations and processes will ultimately pay for themselves.



E-commerce warehouse management - can you afford to keep it in-house?

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Furthermore, efficiency is treated as a constantly moving target and is assessed by the BPO in an on-going manner. Processes are constantly tweaked, improved, and optimised, to ensure that the company's warehousing function is always cutting-edge to maximise output and increase revenue while minimising input and costs.

Flexibility leads to productivity

With the right warehousing BPO partner in place, e-commerce companies will also unlock flexibility in terms of human resources. BPO providers handle the labour component of warehouse management and order fulfilment and can scale on resources to meet sale-specific or seasonal fluctuating demands. Relieving their clients of the employment burden, risk mitigation becomes a huge benefit for e-commerce companies who no longer must carry the worry of labour relations, occupational health, and safety compliance alone. Such benefits are often overlooked but can have a massive impact on productivity.

KPI-driven performance

Through outsourcing, the implementation of an efficient warehousing management system and streamlining processes for their e-commerce business, companies can rest assured that their BPO provider will make it as easy as possible for them to keep their promises to customers. BPO provider performance is regulated strictly by contractual Key Performance Indicators (KPIs), it's a given that clients will benefit from ongoing efficient service delivery that generates a higher revenue value as a direct result of process outsourcing and optimising functionality within their supply chain.

Outsourcing protects the bottom line

In neglecting to relook and refresh their warehouse management systems regularly, e-commerce businesses are doing themselves a serious injustice that will cut into their bottom line in a way that can impact their ability to survive in an increasingly competitive space. Few e-commerce companies are as efficient as they would like to believe but by having the right BPO partner for warehouse management, e-commerce businesses will be able to focus more on the things that matter such as acquiring and serving customers, knowing that complex operational matters are handled.

ABOUT THE AUTHOR

Tennille Bell, General Manager: Sales at Programmed Process Outsourcing (PPO).

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