



ACCELERATE VALUE REALIZATION FROM SAP EWM WITH 360 DEGREE WAREHOUSE PERFORMANCE MANAGEMENT



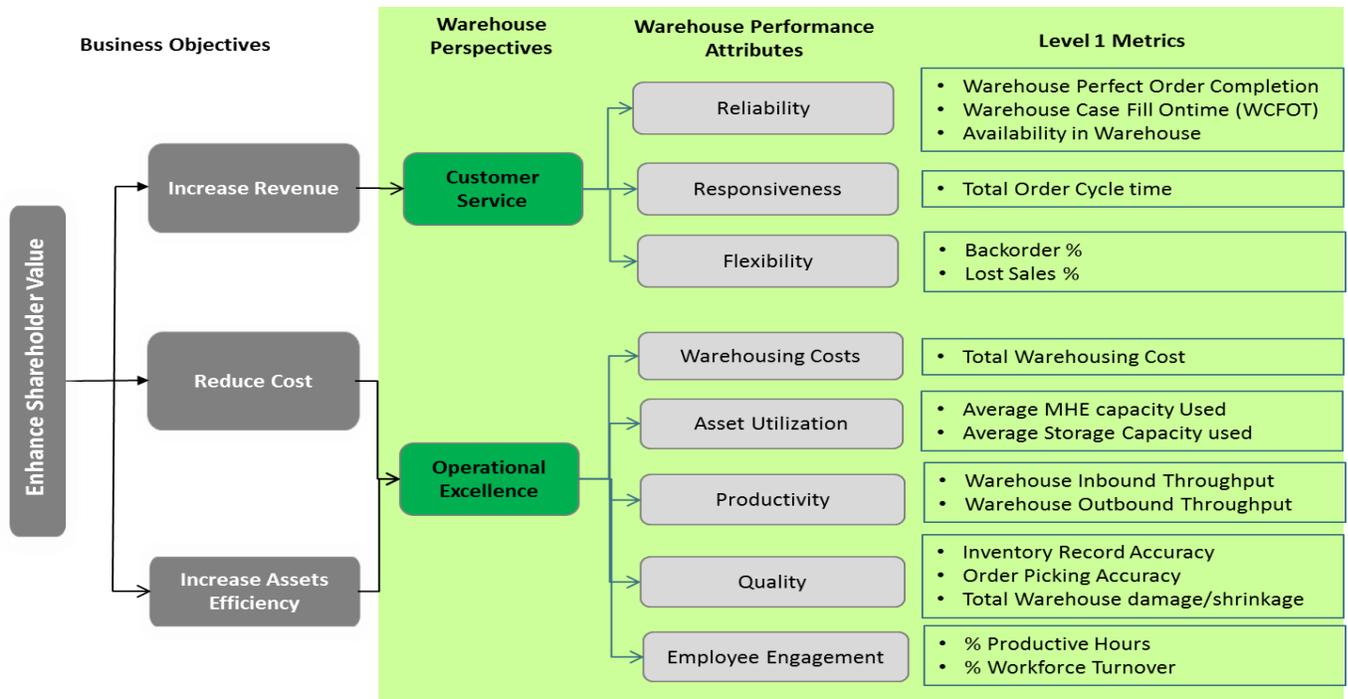
THE CHALLENGE

More often than not WMS implementations struggle to deliver timely business results as envisaged in the business case, not because of the WMS poor technical performance, but mostly because of lack of proper definition, measurement, management of Warehouse performance measures. Following are some common pitfalls.

1. Warehouse Performance outcomes simply not being measured post WMS implementation.
2. In some cases, few performance attributes are measured but not all – resulting in performance imbalance i.e. one or some performance attributes being achieved at the cost of others.
3. Post WMS implementation, very often, existing roles and performance measures become obsolete and companies need to realign warehouse activities, roles and corresponding performance measures.
4. The initial configuration of WMS systems happen based on theoretical analysis and extrapolation of past history. However, practical realities could be different due to change in business environment like order profile or volume shifts. WMS configurations and parameters needs to be continuously adjusted to deliver optimal results.

360 degree approach to Warehouse Performance Management:

A 360 degree Warehouse performance management can be classified into two perspectives –Customer Service, Operational Excellence. Both these perspectives have multiple performance attributes and each of those performance attributes can have multiple KPIs. These KPIs can be linked to warehouse process KPIs in a hierarchical fashion. Together they can deliver descriptive (measure), predictive (manage) and prescriptive (optimize) analytics. Some of the common examples of prescriptive analytics are optimizing picking and putaway strategy, warehouse labour productivity engineering, warehouse resource bottleneck analysis etc.



To accelerate value realization from SAP eWM companies must do following:

1. Define key performance measures and set targets in line with expected performance levels.
2. Realign activities, roles and performance measures for each of the processes
3. Link each of these outcome metrics with warehouse process metrics to build analysis trails
4. Use the outcome metrics and processes to enable root cause analysis and deliver prescriptive analytics to drive process and policy optimization.



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