



## A Quick Guide to Choosing the Right Logistics Management Solution

We are often asked about the criteria that should be used to select a warehouse management solution. In response to this, we have prepared the following guidelines. Although these are not the only items you should consider, these key considerations will get you on the right track to choosing the best solution for your organization.

- 1. Analyze your current operations.** Objectively identify the facets of your existing logistics operations that are strong (and need to be leveraged) and weak (and need to be improved) with your new software solution. This might include your existing hardware scalability/reliability, your business processes, warehouse layout, e-business capabilities, or even how you allocate staff and other resources. Perhaps use customer comments to augment your analysis.
- 2. Identify and prioritize your requirements.** Based upon your findings from the exercise above, list and prioritize your specific technology requirements. Many solutions you evaluate will have features and functions that are impressive, but may not be relevant for your organization. This list will help keep you focused on your needs. Don't forget post-implementation support as a requirement...over the life of your solution, it is the support that will make or break your satisfaction with the system.
- 3. Allocate a budget.** Upon hearing how wonderful each solution is from salespeople, you may be inclined to spend more than is healthy for your organization. Stick to a budget that your company can realistically afford. Your budget should cover all costs — hardware (server and RF), software (costs plus user licenses), services (implementation and modification), first-year maintenance/support, etc. You may also want to consider leasing options.
- 4. Specify an implementation timeline and project manager.** Timelines are essential for preparing a project plan, mentally preparing your team, and providing notice to your customers and vendors. Having one project manager, with clearly-defined requirements and the authority to act from senior management, will dramatically improve the efficiency of the planning process. This person can also serve as the primary liaison between your organization and the software vendors invited to respond to your RFP, helping to ensure communication consistency.
- 5. Choose a solution designed to address your requirements and industry.** If you are a third-party logistics provider, choose a solution designed for multi-customer logistics management. A modified WMS will not do the job as well.
- 6. Integration with existing systems.** Perform some discovery on how each vendor's solution will integrate to your accounting/financial, transportation, or other enterprise system. Talk to their current customers and ask how the integration/interface experience was for them.
- 7. Be prepared to call references and make site visits.** Every software vendor will tell you how great they are, but it's their customers who can validate their claims. Identify a list of questions to ask customers regarding the implementation methodology and timeframe, how issues are handled, if their staff is knowledgeable and helpful, if they took time to understand their business, if modifications were difficult, if the solution they received was what they expected, etc.
- 8. Look at the company that developed the solution.** Have they been in business for a long time? Is distribution and logistics software their primary specialty? Have they developed other successful solutions for logistics and distribution? Do they have strong, long-lasting partnerships with hardware providers? Are they economically strong? Note: These days, the largest company is not necessarily the safest, strongest, or best choice.
- 9. Compare each vendor's strengths and weaknesses.** Using the criteria identified in step 2, weight (multiply scores by an importance factor) and evaluate how each prospective software supplier meets, exceeds, or falls short of your requirements.
- 10. Evaluate vendors' software license agreements.** Are the contracts generally fair and reasonable for both parties?