

Zero Picking Errors – The Holy Grail For Warehouse Management

In a warehouse or distribution environment you will have heard the term “zero picking errors”. Put simply this means that all orders have been successfully and accurately picked, indicating that stock is correct and the warehouse management system is preventing warehouse personnel from making simple errors.

Picking errors are the beginning of a traumatic experience for the entire warehouse and many other parts of the company, as it starts off a chain of events that cost time, money, effort and most importantly the good will of the customer. Many people fail to recognise the true cost of picking errors and the chain of disastrous events unleashed by this simple error. Costs mount up from the administration of dealing with the returns, retrieving incorrect goods, re-shipping the correct goods, checking and restocking the incorrect goods, issuing credit notes. This also means often having to take heroic action and incur extraordinary costs to ensure that the now correctly despatched goods arrive in time to meet the customer’s expectations. And of course it’s always the “favourite” customers who are affected because they’re supplying the most orders and therefore, a 2% picking error rate overall means more incorrectly shipped deliveries to them, resulting in higher dissatisfaction and looking to other suppliers.

A well designed warehouse management system and a committed warehouse manager can almost eliminate picking errors. More importantly any picking errors that do occur can be dealt with in a fast and efficient way as the warehouse and accounting staff are not buried on a day to day basis dealing with customer complaints and investigating what went wrong.

Look at Supreme Brands’ story for example. Before Supreme Brands, the largest battery and recordable media distributors in the UK, implemented an automated warehouse management system into their warehouse, they experienced daily picking errors and inventory checks tended to be only 60-70% accurate. There was no set system in the warehouse to monitor stock going in and out of the warehouse and stock locations were stored solely in the memories of the various warehouse staff.

The issue came to a head when Supreme were realising up to 40 picking errors per day, 5 of which related to customer complaints about the wrong product or quantity being delivered. Due to the lack of a warehouse management system at Supreme they could also not stock the warehouse to full capacity, which limited the range of products they could supply in a highly competitive market. But in November 2005, after installing Dexterity WMS from Barcode-IT, Supreme Brands saw traceability climb to over 92%, stock taking accuracy at 99.5% and after just a few weeks zero picking errors.

“The system has completely revolutionised our warehouse. We are now able to stock many different product lines and the warehouse is always stocked to full capacity.” says **Tony Leach, Operations Director at Supreme Brands**, *“The WMS installed by Barcode-IT has enabled us to become more competitive in the marketplace and without it we may not be here today.”*

The main benefit of the Supreme system is the elimination of human input and therefore human error. The warehouse management system effectively runs the whole warehouse, from receiving goods, through picking, checking and finally shipping. The whole system is automated using mobile data capture terminals linked to the main system and wireless access points to allow operators complete freedom in the warehouse.

Another important element of the WMS is the ability to control stock levels and replenish stock when necessary. As stock can automatically be ordered when required, stock outs have almost been completely eliminated and if there is a delay in getting the stock, customers can be kept up to date with automatically generated e-mails sent by the system.

A common problem before the new system was brought in was the reservation of stock. If an important customer reserved a certain product, there was no way of communicating this to the picking staff in the warehouse. This often meant that customers who had reserved stock were sometimes disappointed when it came to shipping, as the products had already been sold to someone else. Now

the WMS system controls which stock is sent out, problems with reserved stock being re-sold are eliminated, resulting in increased customer satisfaction.

Supreme Brands are the largest battery and recordable media distributors in the UK, selling over 180 million cells each year. Supreme Brands were established in 1970 and their distribution depot is based in Trafford Park, Manchester. They offer a full range of branded batteries, photographic film and recording media from industry giants like Duracell, Panasonic, Sony and Samsung.

Dexterity WMS is a complete solution for the warehouse bringing together intelligent software, the latest hardware technology and integration with other customer systems to share vital information. Interfaces are available for all major ERP and accounting systems including Sage, SAP, Navision, Oracle, BPCS, JBA, Baan and Movex. Dexterity WMS is a product from Barcode-IT, a part of Dash Computer Products.

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