How to stop avoiding your WMS project and embrace change

Build a change management plan that will push your project forward and drive continuous improvement

infios
a Körber company

The most successful companies in today's hyper-competitive world embrace change in every aspect of their supply chain. They view the supply chain as a dynamic asset that must be tailored to accommodate shifting customer preferences, new sales channels and other promising opportunities. The ability to execute changes quickly is imperative to survival for modern businesses, but it's only possible with the right operational solutions in place.

However, switching to a new warehouse management system can be daunting. There is often fear that a WMS project will be too expensive or the software will lack the flexibility to support the business long-term. And even if you think an updated system is mandatory, you must align everyone in your organization—from top executives to associates on the warehouse floor—around this vision. While new software will require an initial investment, finding the right system will save you money and put your company in a position to succeed for years to come. An effective change management strategy will empower you to build the case for a WMS, and after that it will allow you to meet the ever-shifting customer and market demands that will allow your business to thrive. That has become a necessity in a marketplace where trends seem to appear and disappear in weeks or months—not years or decades.

This eBook will lay out the steps your organization should take to create a plan for change management, how to execute on that plan and finally how to sustain that approach so it becomes a core part of your business. It will also cover common pitfalls that could stand in the way of your success so you can avoid them. Hopefully that information will diminish any reservations you have about launching a project for new supply chain execution solutions.

Avoid these missteps

Establishing the framework for change management is no simple feat, and there are a number of common mistakes that you should be aware of before getting started. So before jumping into best practices, let's cover a few mistakes that could derail your supply chain optimization efforts.

Not dedicating sufficient resources. An effective change management strategy demands real investment. One or more employees in operations may need to step away from their day-to-day duties to focus on this project. The IT team must thoroughly test everything to make sure it works as expected before it becomes part of your everyday processes. Both groups will need to spend time collaborating to ensure the right solution is selected and implemented to support your business strategy long term.

Absence of ownership. It must be very clear what each person in your organization is responsible for from the beginning. A lack of clarity around whether a Director of Operations or IT Manager is responsible for a certain task could lead to frustration and a lack of direction that sends the whole project into a tailspin. Again, leadership must put the right people in the right place to improve your supply chain.

Inconsistent communication. When introducing a strategy that will likely meet initial resistance, it's important to communicate any victories, no matter how small. Everyone must also know what processes are changing and when. Failure to inform will only increase pushback from the warehouse associates and managers who play such a central role in the success of change management.

Poor cultural fit. There must be organizational buy-in around creating new, optimized workflows that will help the business prosper. Does your company have a culture of innovation that will work hand in hand with this mission? If not, can you transform that mindset?

Failure to recognize internal challenges. Everyone in operations and IT will not be on board right away, and some will likely oppose it because it interrupts or alters their daily routine. It's critical to provide the necessary training to anyone affected by these changes. When an issue does arise, show that you are eager to help and address it quickly.

Underestimating complexity of project. Warehouse management systems (WMS) have been around for decades. That leads some people to think they are relatively simple, plug-and-play pieces of software. In reality, these are sophisticated systems with layers of functionality that require thoughtfully designed integrations and configurations. It's important to realize what you're taking on and find software that fits our business before signing the checks.

Creating a successful change management plan

Designing a detailed plan now will save you countless headaches and roadblocks during the implementation and go-live. There is not just one methodology that will make change management a successful process, but you need a repeatable approach for how you implement system changes that will guide you today and beyond.

The planning starts with establishing scope. Identify the internal and external causes of changing the way your warehouse operates. Why does your business need to change the way it handles fulfillment for a certain channel? Is there something unique about the way you do business that requires you to find a new method for completing a task? Justify the need for this technological investment with real problems that impact the bottom line.

Next, define the changes to processes or overarching strategy that must be altered and how the new WMS supports that. Prioritize these changes based on what will have the greatest immediate impact. Make sure leaders of different departments are aligned on those top priorities. A cause and effect (C + E) matrix could help with tough decisions.

The services team of your supply chain technology vendor could be a valuable resource when figuring out what needs to happen to generate the desired results. A reputable vendor will have decades of experience on that services team, and they can put forward a realistic plan after studying your business. This group should understand your unique needs and long-term goals and build this entire project around those. These experts can provide recommendations that will support consistent improvement now and beyond, then walk you through the execution.

The last part of this process is key: you must make a convincing case for why you should implement a new WMS now. Most organizations would prefer to stick to the status quo—what has made them successful to that point—unless there is a clear, pressing reason for change. For example, dramatically reducing the total cost of ownership with a new system could be sufficient. The reasoning must be strong enough to convince top leadership that the company should dedicate time and resources to it.

Once the scope is established and approved, it's time to create a plan

This starts with establishing a post-implementation vision that all key players agree on. That vision should generate excitement and calm the fear and anxiety stakeholders feel. It should be communicated clearly and frequently.

After that, you must build a group of evangelists who will work to make this vision a reality. The people in this group are typically stakeholders. Internal and external allies are critical to convincing the entire organization that change will drive the continuous improvement in your supply chain that will ultimately help the company excel.

Project teams must then be established so everyone has clear responsibilities and accountability. An RACI matrix (Responsible, Accountable, Consulted, Informed)

may be a useful tool for breaking down everyone's role for execution, setting expectations and goals that are reasonable for all parties involved. It's also essential to recognize and address the limitations of your business. Identifying any potential issues around the three key components of any supply chain—people, inventory and processes—will increase the success of your plan and facilitate quick solutions when problems arise.

Additionally, the "transition plan" should be broken down into manageable pieces to facilitate quick wins. There should be established metrics for tracking progress toward milestones. That will encourage buy-in from the skeptics because there are results that justify the need for this project. Nothing changes opinions quite like real, tangible improvements.

RACI Matrix

Project initiation phases	Project Manager	Project Sponsor	Project Analyst	Technical Specialist
Define project purpose	R	A	C	I
Define the scope	R	A	C	I
Define deliverables	A	C	R	C
Risks and concerns	A	I	C	I

Responsible
Accountable
Consulted
Informed

Based on RACI Chart Example, https://www.slideshare.net/anandsubramaniam/raci-matrix

Executing and sustaining a culture of change

Now it's time to put that plan into action. As things move forward, ensure that sufficient resources are dedicated to the right areas of the WMS project, i.e., where they can make the greatest impact. It's also critical to consider the effort involved to complete each initiative. Do you have enough people and the tools they need to make sure everything is completed on time? This often requires pulling one or more people away from their usual roles to concentrate on change management duties.

You must keep key influencers motivated throughout. People who are trusted by others and both visible and credible can have a real impact on the overarching success of your efforts. Any members of your organization who remain skeptical of this supply chain optimization effort and are not committed to the cause may be convinced with the help of these influencers. Consistent communication with these influencers is therefore critical—this group builds the foundation for this new culture that believes in constant improvement.

Obstacles will inevitably surface and the manager must remove anything that stands in the way as quickly as possible. The established processes in place may not work well to accommodate a certain operational challenge you face. So be flexible and adjust systems and processes as necessary to clear any roadblocks.

Once the initial implementation project is complete, it's time to rinse and repeat. Once the new WMS that supports innovative change is up and running, you should move on to other areas within your supply chain that have room for improvement. You may need to tweak your initial change management plan based on what you learned the first time around, but after that it's a matter of establishing the next goal and hitting restart. Use your previous successes as a launching pad to reach new milestones. And always have a healthy supply of fresh ideas ready to maintain momentum.

The final step: Review the results and make adjustments

Talk to the end users to learn about any unintended consequences of implementing a new WMS and create surveys to find out what worked well and what did not. Ideally, your workforce will have suggestions on future opportunities to make your operations more efficient. The goal is for them to become embedded in this process. All of the information gleaned in this review should be documented for future reference.

Most of the people, processes and technology you need to execute these changes should be in place after Round 1, which will make future improvements faster and easier. This is also why it's critical to have a WMS that supports innovation and continuous process improvement. If changing processes is a long, difficult ordeal, it is much harder to standardize change management. Keep that in mind when you are choosing supply chain execution solutions.

This organizational philosophy around finding smarter, better ways to run your operations should gradually become part of your business' DNA. You can standardize this new approach because you have

systematic methods for managing change and few, if any, skeptical stakeholders remain. It's important to keep making every improvement visible to everyone to sustain this optimism.

Once your change management processes are proven and running smoothly, you may want to create a "Center of Excellence" (COE). This is a group comprised of employees from different departments who are tasked with identifying inefficiencies in the supply chain and creating a plan to eliminate them. The people in your COE should be the shining stars of your business, and they should be rotated through every couple months to ensure this is a consistent source of innovation. Though many companies are not yet at the stage where they can support a COE, it is something to keep in mind as your organization matures and grows.

4. Review
feedback from
your users

1. Identify
operational challenges
and opportunities for
improvement

**Continuous
process
improvement**

3. Execute
implementation by
balancing priorities
and resources

2. Plan
rollouts based on top
supply chain needs

Change management success story: City Furniture

CITY Furniture: After starting as a waterbed store more nearly five decades ago, City Furniture has grown into the largest furniture retailer in South Florida. It sells through 17 City Furniture stores and 12 Ashley HomeStores—through a licensing agreement—offering same-day delivery seven days a week. A one-million-square-foot distribution center serves as the nexus of operations, shipping and receiving more than 40,000 pieces per week with 70 trucks departing each day.

The retailer knew it needed to replace its unstable, homegrown WMS with a more functionally rich system, but it sought a solution that could support its culture of continuous improvement. City Furniture eventually selected Warehouse Advantage WMS because it had the adaptability to facilitate this culture of continuous improvement. Modifications can be made in-house by the IT team and those configurations are not touched by upgrades. This is especially critical in the ever-changing world of retail.

Managing Director of Operations Shaun Feraco worked with Infios to create detailed change management plans. He detailed the process flows for each operational process with a visual diagram showing all scan points and identified all integration points. Everything was tested as it was completed, and test scripts broke down the expected responses for every action in different scenarios to minimize issues later.

Ahead of the go-live date and throughout the go-live, Feraco held daily check-ins with the management team and the City Furniture implementation team to resolve any challenges. Part of the plan was to have the IT team on the floor during the go-live and several weeks after to observe problems as they surfaced. Though Feraco did most of the testing himself, as many as 15 people were temporarily pulled into the project so they could learn the system. That prepared them to train and help others once the WMS was up and running.

That meticulous implementation led to a smooth go-live and immediate results. Productivity increased with the help of real-time dashboards that showed work completed by individual employees. And the retailer is developing new workflows around returns and ideal inventory levels in pursuit of continuous improvement.

"The timeline, budget and feature expectations we set were all met by Infios during the implementation process. The adaptable nature of Infios's platform allowed us to tailor the WMS to match the processes that have historically worked for us. In addition, the Infios implementation team helped us evaluate and apply enhancements that have already improved our efficiency in the warehouse."

Steve Wilder,
Chief Financial Officer, City Furniture

Conclusion

Hopefully, this eBook has turned the concept of meaningful change across your supply chain, including replacing your warehouse management system, into a less intimidating idea. If you put time into building a case for your strategy and necessary related investments, including the long list of potential benefits of this approach, it should catch on. The key is understanding how the status quo is holding you back and clearly stating how the change can positively impact your business with tangible results. And once you've justified the need for change, you must follow through with the necessary support to push everything along.

Over-communicate even the smallest victories with all stakeholders to keep everyone optimistic and looking ahead. Keep them informed about changes that are in the works and those planned for the future. No project will succeed unless it has support from the managers and workers who it impacts every day.

Once you've created a culture that embraces change, don't let all that work go to waste. You have just completed the foundation for a strategy that will allow your business to build a competitive advantage for years to come. Change management is always ongoing, because successful companies are always seeking a better way to do things. Capitalize on the organizational mindset you have established and continue to find ways to help your business become more profitable.

Embrace change and transform your supply chain into something that differentiates your business from the competition.

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