



TEN QUESTIONS to ask a Warehouse Management System (WMS) Vendor...*Before You Buy*

Select a WMS provider with the attributes you need...now and for the future In order to protect and grow your business and reduce risk, you need to select a supply chain management software (SCM) vendor with all the key functionality your industry requires—as well as room for growth and evolution of your individual business. But how do you cut through all the typical software marketing-eze and endless feature/function lists to make sure you choose the right one? Is this the proverbial mission impossible?

Never fear. Some WMS software vendors may look similar on the surface, but this set of ten questions based on the latest WMS industry themes can help you view each vendor and their products through the same lens—ultimately helping you determine which is the best fit for your requirements.

TEN QUESTIONS TO ASK A WMS VENDOR

1. What level of expertise and experience do you have in my industry?

Does the vendor really know the ins and outs of your industry? Do they “speak your language”? Investigate each WMS vendor’s domain expertise and experience helping companies that are similarly sized and in the same industry as your business. Ask for customer references in your industry and investigate how happy and referenceable their customer base is in general. Have they developed features and functions to help you comply with your industry requirements?

2. Do you offer a zero-modification implementation WMS?

Anyone familiar with the WMS industry has heard scary stories of businesses struggling to operate several releases back and inhibited from upgrading by sky-high costs. Ask the vendor if they have source code modifications in its customer base. Be sure to speak with each vendor’s customers about the process of making changes to the WMS and what involvement—and cost—is required by the vendor.

3. Do you offer your WMS in an on-demand/cloud delivery model?

Cloud computing for WMS means that your WMS vendor will host the software application and hardware infrastructure for you as an on-demand, scalable and elastic service. There is no hardware to purchase or maintain, patches and upgrades are done automatically, implementation is dramatically simplified, no capital expenditure is required and there is less risk for you. You access the WMS via a Web browser and gain the functional benefits of a new WMS without the up-front costs and IT drain. A vendor with a cloud deployment alternative gives you more options with which to build the most effective, low-cost-of-ownership WMS for your needs.

4. What's the experience of the implementation team we would be working with?

Lack of industry experience or a shaky implementation methodology puts your installation at risk—not to mention the very real threat of project scope creep. Ask the vendor about tenure of the implementation team and project manager with their WMS and in your industry. Ask each vendor's customers about their implementation experience and whether the project was completed on-time and on-budget.

5. Does your WMS allow us to make changes to business workflows ourselves or would we need to go back to you [the vendor] to enact these changes?

Many WMS packages may seem like a great value until you estimate the cost of making changes to fit the software to your business processes, and to upgrade the systems regularly. Ask the vendor about how system modifications can be made and the real cost of upgrades.

“...Users are increasingly focused on the painful costs of modifications to their WMS systems. They can spend more than 50% of post-implementation total cost of ownership (TCO) to support these modifications, and many are looking for ways out of this situation.”

~The Dominant Themes of WMS Vendor Evaluation.
Gartner report: 8 July 2010.

6. Are you investing R&D in a single WMS or multiple WMS products?

Has the vendor been demonstrating a single WMS product as part of the solution? Ask how many WMS platforms are being supported and maintained, and how the vendor's R&D dollars are invested and divided among their products. You will want to make sure your selected WMS is a primary beneficiary of company investment and is a living, breathing product with consistent development.

7. Does your WMS go beyond standard reporting to offer business intelligence and enhanced decision making tools?

Ask the vendor if they have tools to turn the hordes of data your WMS is collecting into graphical, easy-to-interpret, actionable information. You may also check if these dashboards include industry-specific KPIs for performance benchmarking.

8. Will your WMS support our business as our volumes and requirements change, in order to maximize the lifespan of our technology investment?

It's unreasonable—and ridiculous—for a WMS vendor to claim their system includes all features and workflows your business will ever need. The reality is that your customer and industry requirements will change. Your operation may grow, or completely evolve to provide new services for your customers. Ask the vendor whether they provide a straightforward upgrade path to advanced WMS capabilities, or from a basic WMS to a more sophisticated Tier 1 WMS (if applicable) or if they will require an entirely new installation, product or platform.

9. What's the upgrade path for your WMS as our business grows or our needs change?

Many buyers do not consider the cost of upgrades in their initial purchasing decision. Often the substantial costs of upgrades come as a surprise. Additionally many WMS vendors have policies which require additional payments for support if you do not upgrade the software every 2-3 years. Ask each vendor to provide typical upgrade costs and validate these costs with users who have already performed upgrades. Will the vendor guarantee the cost of upgrades?

10. The average lifespan for a WMS is between 7-10 years. What is the total cost of ownership for your WMS over that time?

We left the best for last. This is the question that will have some WMS vendors shaking in their boots. Ask each vendor to map out a basic total cost of ownership over the projected lifetime of your WMS, including license fees, initial implementation, upgrades and “change orders”.

