



**DYNAMIC SYSTEMS
INCORPORATED**

Warehouse Management System Project

Introduction:

Your Warehouse Management System (WMS) costs will consist of three categories: software, hardware and services. As a general rule of thumb, each of these components equate to 1/3 of the total system cost.

Software:

General features of a WMS software package include:

- Automated receiving, picking and shipping
- Directed picking and put-away
- Cycle count

Many companies require special features, some of which include:

- Tracking inventory by expiration date, serial number, lot number
- Multiple units of measure: pallet, box, each, etc.
- Ability to store one item in more than one location
- Stock rotation by either FIFO, LIFO or expiry date

Hardware:

Hardware for a Warehouse Management System typically includes:

- Bar code Printers Handheld
- Bar code Terminals (wireless)
- Fork lift-mounted (wireless) Bar code Terminals
- Wireless Infrastructure (access points & antennae)

**14935 NE 95th St.
Redmond, WA 98052
800-342-3999 425-861-3976 (fax)
www.dsisaes.com**

Services:

These services include:

- Any wiring required for the installation of access points and printers.
- Site survey to determine placement of access points.
- Installation and configuration of software and hardware.
- Training.



**DYNAMIC SYSTEMS
INCORPORATED**

Return on Investment Calculation

I. Eliminate Physical Inventory Count (Cycle Count)

Real time data capture will help produce inventory and location accuracy levels of 99%+. Intelligent WMS software allows cycle counts to be performed during the standard picking and put-away process efficiently. Errors in writing, reading and keying will be dramatically reduced thus eliminating the need for physical inventories.

You indicated ____ hours/day spent counting inventory.
____ hours/year at \$____ burdened hourly rate = \$_____.

II. Reduce Key punch and Verification Process

Real time data collection will eliminate the need to keypunch any data and will dramatically reduce exception reports.

You indicated ____ hours per week entering inventory, shipping, and invoicing data.
____ hours per year at \$____ burdened hourly rate = \$_____.

III. Reduction of Paperwork

The transmission of data electronically eliminates forms and paperwork. The statistical range of savings is \$.15 to \$.25 per document.

You indicated ____ pick tickets printed per day.
____ pick tickets at \$.15 per ticket = \$_____.

14935 NE 95th St.
Redmond, WA 98052
800-342-3999 425-861-3976 (fax)
www.dsisales.com

IV. Reduction of Shipping Errors

Intelligent warehouse management system and real time data capture virtually eliminate shipping errors.

You indicated an average of ____ errors per month at a cost of \$____ per error. This equates to a savings of \$_____ per year.

IV. Inventory Reduction

With real time on-line data capture, inventory accuracy will be dramatically improved, thus reducing or completely eliminating "buffer" stock or stock ordered due to "fictional" stock outages; it will provide for better use of space and increased efficiencies. Statistical reductions realized range from 4% to 6% of total inventories. Note: This statistic does not include spoilage or shrinkage calculations.

You indicated an average inventory balance of \$_____. Using 4%, the inventory reduction will be \$_____.

Summary

Calculate your annual savings using the formulas above. Compare this to the cost of a Warehouse Management System to determine your Return on Investment payback time.