

## **What Is a Warehouse Management System (WMS)?**

A Warehouse Management System (WMS) is software that manages, organizes, and optimizes day-to-day warehouse and distribution center operations. It helps businesses control inventory, streamline the movement of goods, improve order fulfillment, and make better use of labor, equipment, and warehouse space.

A WMS can support warehouse processes from inbound receiving and putaway through inventory management, picking, packing, shipping, and outbound delivery. When integrated with ERP, transportation management, and other business systems, it can also provide broader visibility across the supply chain.

### **Improve Operational Efficiency**

Warehouse operations can become increasingly complex as order volumes, SKUs, locations, and customer expectations rise.

A WMS helps automate and standardize warehouse processes, reducing unnecessary manual work and improving consistency from receiving through shipping. It can optimize picking routes, direct employees to the appropriate tasks, and help reduce picking and shipping errors.

This enables warehouses to process higher volumes more efficiently without relying on disconnected spreadsheets, manual processes, or duplicate data entry.

### **Gain Real-Time Inventory Visibility**

Knowing how much inventory you have is only part of the challenge. Businesses also need to know where inventory is located and how it moves through the warehouse.

Using technologies such as barcodes, RFID, sensors, or other tracking methods, a WMS can provide real-time information about inventory levels, locations, and movements.

- Better inventory visibility can help businesses:
- Reduce stockouts and excess inventory
- Improve inventory accuracy
- Support demand planning and forecasting
- Improve traceability of lots, batches, or serial numbers
- Respond more effectively to product recalls
- Support just-in-time or lean inventory strategies where appropriate

## **Optimize Picking, Packing, and Fulfillment**

Picking is often one of the most labor-intensive warehouse activities.

A WMS can determine efficient picking routes, guide warehouse employees through order fulfillment, and help verify that the correct products and quantities are selected. More accurate and efficient picking and packing can lead to faster order processing, fewer fulfillment errors, and better customer service.

## **Making Better Use of Warehouse Space**

A WMS can help businesses determine where to store inventory based on factors such as product characteristics, demand, turnover, and available space.

Optimized inventory placement can reduce travel time and improve warehouse capacity utilization.

Some advanced warehouse management solutions can also support warehouse layout planning and simulation to help determine the optimal placement of pallets, shelving, equipment, and work areas.

## **Reduce Waste and Operating Costs**

Poor inventory visibility and inefficient warehouse processes can lead to unnecessary handling, wasted space, excess inventory, and product loss.

For businesses managing perishable or date-sensitive products, a WMS can help prioritize inventory by expiration dates or other rules, so products are used or shipped in the appropriate sequence.

Improved inventory control, warehouse utilization, and process efficiency can help reduce waste and operating costs.

## **Improve Labor and Resource Management**

Labor accounts for a significant share of warehouse operating costs.

A WMS can help managers understand workload requirements, assign tasks, optimize employee travel routes, and coordinate the use of warehouse equipment and storage resources.

More organized workflows can help employees spend less time searching for products, waiting for instructions, or doing unnecessary tasks.

## **Gain Better Analytics and Reporting**

A WMS also generates valuable operational data.

Warehouse managers can use reporting and analytics to track metrics such as inventory accuracy, picking performance, order cycle times, labor productivity, receiving activity, and fulfillment performance.

This information can help identify bottlenecks and areas for improving warehouse processes.

## **Strengthening Customer and Supplier Relationships**

Warehouse performance directly affects the customer experience.

More accurate inventory data, faster fulfillment, and fewer shipping errors can improve delivery performance and customer satisfaction.

Suppliers and carriers may also benefit from more organized receiving, loading, and dock operations, potentially reducing delays and wait times.

## **The Bigger Value of a WMS**

The value of a WMS extends beyond simply knowing what is stored in a warehouse.

A well-integrated warehouse management system connects inventory, people, processes, orders, and fulfillment, enabling businesses to better understand what is happening across warehouse operations.

When integrated with ERP, transportation, eCommerce, shipping, and other business systems, a WMS can become an important part of a more connected supply chain:

Receiving → Inventory → Storage → Picking → Packing → Shipping → Delivery → ERP and Financial Reporting.

The result is greater visibility and control over warehouse operations while reducing many manual processes and disconnected workflows that make scaling difficult.