BUSINESS GUIDE

How to Fill More Orders With Less Labor

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Ecommerce sales grew an incredible 44% in 2020 according to estimates from <u>Digital Commerce</u>. Yet, the percentage of overall sales coming from commerce channels has been on the rise for years even before the shutdowns brought on by COVID-19. And ultimately, it's up to warehouses and fulfillment centers to deliver on those orders and to do so with increased efficiency and accuracy in order to grow profits and ensure customer satisfaction.

You can imagine that, if you're running on pen and paper or spreadsheets, this growth could be crippling. And we know today's consumer is unforgiving—if you don't have a product in stock, you ship the wrong item or have shipping delays, they'll just go somewhere else.

Despite the fact that barcodes are easy to create, only about half of businesses are using mobile scanners in their warehouses and fulfillment centers today. For small businesses, it may seem like an aspirational goal—something to strive for when they are bigger. But the reality is mobile scanning is easy and inexpensive to adopt and you will likely benefit from it far earlier than you may expect.



Challenges of Manual Processes

Relying on manual processes, pen and paper or spreadsheets to manage warehousing, manufacturing and fulfillment processes is not only time consuming but leads to many issues that impact the ability to get products into the hands of customers quickly. Some challenges that arise from manual processes include:

Inaccurate data. Manual processes are more prone to error, so if you are making notes on a clipboard or in a spreadsheet as items are received and then transcribing them into the inventory system later, there is more room for error. Manually writing a "2" instead of an "8," or adding an extra zero can have a huge impact.

Your inventory system is only as good as the data you put into it—and that begins when you receive those items into your warehouse.

Lack of real-time data visibility. Once items are in the system, if you are not tracking them as they move throughout the warehouse, then you run the risk of spending unnecessary time looking for items instead of knowing exactly what aisle, what row and bin they are in. To make matters worse, if you aren't updating the inventory's status, you run the risk of committing the same inventory to multiple orders and not having enough product to fulfill open orders. On the other hand, without visibility into what items are already committed, you can easily duplicate orders, ending up with excess inventory taking up space in the warehouse and tying up additional cash on hand.

Inaccurate picking. In a paper-based setting, operators will pick and pack one order at a time. This means they are very likely to traverse the warehouse multiple times to the same bin location

Imagine a haircare manufacturer receiving a pallet of bottles to fill with shampoo. Instead of 1,000 bottles you accidentally add an extra zero, and now you show 10,000 bottles in stock. If this isn't caught quickly, it will impact the purchasing department's planning. Purchasing will assume there is more than enough in stock and won't order more bottles, leaving you unable to produce the products promised. Worst case, if you have already started the manufacturing process of your shampoo, you won't have the bottles required to put it in, and you may have to scrap it all.

throughout the day fulfilling orders. And they likely don't have exact directions as to where the items are located so they are spending undue time just trying to find the items they are supposed to pick. Now, since there are no checks and balances, if they pick the wrong item, you have to hope they catch the error as they are packing the order—in which case they can go back and pick the correct item—which of course also takes time. If they don't catch the error, the customer ends up with the wrong item.

Inaccurate order fulfillment. Should the customer end up with the wrong item, they then have to send it back, and the company has to pay for shipping the item back and sending the correct item back out, unless the customer decides to return it and go elsewhere. Increased shipping costs can have a huge impact on profitability. If you're relying on pen and paper to fulfill orders, you have no checks and balances that the right item is going into the box.

Quality control. Relying on pen and paper to conduct quality inspections is also error prone and will result in delays. If you're conducting the inspection upon receipt, you want to know immediately what to do with those items to keep

them moving out of your receiving dock. If you're conducting the inspection during production, you need to note those specific nuances so that they can be recorded accurately. And if you don't have a process in place that's enforceable, different inspectors will conduct their inspections in slightly different ways, resulting in product inconsistencies.

Mobile Scanning and Applications Increase Efficiency and Accuracy

Adopting scanning devices and mobile applications throughout the supply chain helps automate manual processes and increase efficiency. Scanning devices and mobile applications give businesses more control over how processes are performed and ensure accuracy throughout the product lifecycle and decrease warehouse costs through:

Data accuracy. Using a scanner to receive items into inventory not only makes the process easier and quicker, but it also ensures you're capturing the necessary information to include in the item record. The mobile app can be set up to "force scan," which is a leading practice for increasing data integrity. Force scanning ensures the right details are scanned and entered at the time of receipt before the item can be received into inventory. It also automatically assigns the items lot number, serial number, bin location and inventory status as they are received.

Additionally, using a mobile device to <u>conduct cycle counts</u> reduces the risk of manual errors and expedites the process.

Real-time inventory visibility. When inventory records are updated as items are scanned, it makes those records available for subsequent processes, such as quality assurance, outbound commitment or fulfillment. And it ensures you know exactly where every item is at any given time—whether it is on the shelf, in a staging area preparing for production, in quality control, or being picked and packed for fulfillment.

The mobile app guides users through each step of the count process and has them scan at each step to ensure they are at the correct location. It eases the count process as the scan automatically updates the count record, as opposed to having to write it down and manually enter it on a computer after the fact.

Mobile picking, packing and shipping. Using a mobile app for order fulfillment ensures order accuracy and avoids costly mis-picks. Using "force



scan" for picking and packing of orders ensures accurate data capture and validation against the initiating transaction—so you know the right item is going into the right order. And it ensures fulfillment efficiency because users are guided exactly where they are going to find an item. In this scenario, pickers can also pick items for multiple orders at once—which further increases efficiencies. This also allows warehouse managers and customer service representatives to keep an eye on the status of sales and orders and give real-time updates.

Quality control. With a mobile scanner, you can capture and process quality test results directly from the shop floor or receiving dock. Using a mobile device enables quality engineers to perform inspections, review standards, record data and submit data for analysis directly from the inspection area providing real-time feedback and instant access to test results.

How to Implement Mobile Scanning

Barcodes and barcode scanners are not new to warehouse operations, but thanks to developments in mobile technology they are no longer expensive and accessible only to large corporations. No matter the size, or complexity, of your business, adopting mobile scanning will save you time and money, help avoid costly errors and ensure you're able to deliver on customer expectations. Implementing a mobile scanning system into your warehouse is easy and affordable. Here are a few things to keep in mind:

Set up a warehouse barcode system. In order to use mobile scanning technology, all items will need to have a unique barcode. If you don't already, you will need to set up a barcode system and assign each item a unique barcode, this includes both components and finished goods. This may seem like a daunting task but barcodes are easy and free to assign and offer a clear return on investment. Barcodes can be automatically generated in your inventory system, or you can generate them using

a free online tool. When setting up a barcode system, you will need to consider what type of information you want to track, such as expiration dates or lot numbers, so that you ensure you pick the right barcode for your business.

Selecting a scanning device. There are many devices that capture barcodes, including the camera on your smartphone. Scanning devices range from a few hundred to thousands of dollars depending on what functionality you need. In order to determine what scanner is right for you, you should consider what type of barcodes you will be using. There are 13 different types of major barcodes based on things like the region or industry you're in. You'll also need to determine how far you need to be able to scan from as well as the environment you will be using them in. Accidents happen and if the warehouse is a fast-paced environment with concrete floors, a scanner with a fragile laser scanner is probably not the best option.

Integrating mobile scanning with a WMS. Once you've adopted mobile scanning, users can easily access information and perform daily tasks directly from the shop floor from their mobile device. The data captured using mobile scanners ensures inventory records are always up to date and accessible.

Using Mobile Scanning and Applications With NetSuite

NetSuite's WMS mobile application eliminates delays in inventory records because inventory is immediately and systemically updated as it is scanned and available for subsequent processes, such as quality assurance, outbound commitment or fulfillment. Real-time and accurate scans ensures accuracy and provides real-time visibility whether the scans are of work order components, a work order and its associated bill of materials, items and item quantities that need replenishment (from overflow to primary picking areas) or inventory being moved from warehouse to warehouse.

The NetSuite Pack Station allows warehouse workers to scan items as they are being packed, providing accountability for who packed what and giving customers full visibility into what items are being shipped in each package. Scanning during the packing process ensures that orders are fulfilled correctly, which leads to happy customers and increased profitability.

NetSuite's tablet interface enables quality engineers to perform inspections, review standards, record data and submit data for analysis directly from the inspection area providing real-time feedback and instant access to test results. It provides a convenient way to capture and process test results directly from the shop floor or receiving doc.

NetSuite warehouse and inventory management solutions allow you to perform all of your daily functions from a mobile application, allowing you to get out of the office and on to the shop floor without compromising access to real-time information.



