■ **From the Golden Zone**

Technological change is painful but inevitable, so turn the headache into an opportunity

By Susan Rider

Love technology or hate it, you must have it to compete. Keep that in mind when you discover that your software solutions, perfectly functional when you bought them years ago, were made by companies that have been acquired and will offer no new releases.

Technology has changed dramatically over the last few years, and it will continue to change. This sort of constant upheaval can be frustrating for DC managers, but the reality is that logistics is growing more complex, and technological upheaval is part of life.

Keep that in mind when your software provider sends you the dreaded letter that your favorite piece of software is now obsolete and no longer supported. This isn't uncommon for warehouse management systems and other software that you've had for more than six years — that's ancient in the tech world.

Upgrades can be a major hassle. Many software companies will offer a supposedly viable upgrade path that's not really an upgrade — it's a change to a totally new and different software platform.

If this applies to you, accept the reality that you're going to deal with a major headache. To continue using unsupported software poses a huge risk to your business, one that only worsens with each year that goes by. But to purchase a new system and go through another installation is unimaginable, especially with so many companies still in limbo amid the up-and-down economy.

If you have no choice but to opt for the upgrade, beware of what you are getting into. Ask for a fixed-fee installation. Find out about all those modifications you did originally. Ask how long the new system will be supported. Contractually protect yourself for future acquisitions.

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You could look at the bright side: Compared to creaky legacy systems, your new software could prove significantly better. The supply chain is evolving and changing at a rapid pace. In the pharmaceutical industry, for instance, ever-changing regulations and standards mean the technology used for the supply chain must give ultimate flexibility and agility.

Emerging software is built on highly flexible platforms with the ability to drag and drop to make changes, versus going through a rigorous upgrade.

WMS in the cloud comes of age

Cloud platforms promise to make implementing a new system a lot less complex. Gone are the projects that take years to implement and cost millions of dollars. Software companies are getting smarter and more streamlined, enabling complex solutions to be implemented in record time.

Is the cloud for you? Today the cloud is much more dependable — and certainly a viable option for many solutions in the supply chain.

There are things to watch out for, of course. For instance, if you are looking at a cloud offering and the software you are purchasing is going to be hosted on the same computer with six other clients, make sure that if an upgrade or additional functionality is needed for one, it doesn't affect all the others. In other words, you want upgrades offered singularly to all on that platform.

Look for ingrained solutions

What else is new? Ingrained functionality built within the WMS, giving it robust functionality to complete many tasks with one piece of software.

Know the difference between "interface" and "integrated." Many software companies say that slotting, for example, is integrated into their system — when, in fact, the product was purchased by the company and interfaced to it. It is not truly ingrained within the system.

Mobile functionality will give you some viable alternatives. Systems today can be adapted for the iPad or other low-end devices, offering options for features such as fixed terminals and check-in terminals.

In today's supply chains — with acquisitions, third-party logistics providers, and vendor management adding layers of complexity — there is a need for a piece of software to control inventory across the supply chain. Calling it "magicware."

This distributive inventory management involves many interfaces and a robust rules engine with detailed algorithms that can control, report, and send inventory updates across the network. This will be a valuable tool for ecommerce, retail, parts and service organizations, and many other verticals that need visibility across the entire supply chain. Add that functionality to demand planning, and you have a logistician's dream software package.

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My prediction is that the software company must evolve or become extinct. Buyers are more aware and better equipped to find better solutions, quicker solutions, less expensive solutions, and more value-added solutions.

I've been picking on software companies, but I'm not bitter about change — and you shouldn't be, either. Change is inevitable. It's even good — change gives you the opportunity to slash walk times and reduce the number of associates needed to operate your facility.

Finally, remember that resistance to change is part of the human character, so it will take a strong project manager to enforce, explain, and communicate the benefits of change to everyone in the distribution center.

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