



## Moving the warehouse into the cloud

Cloud computing can assist manufacturers to effectively respond to increased order volumes and complexity, as Mark Troselj writes. By switching to the cloud, manufacturers can reduce order-to-shipment cycle times by as much as 70%. Australian warehouse operations are undergoing significant changes that are forcing many manufacturers to re-evaluate how they manage them. With the rapid rise in omni-channel commerce, as well as many manufacturers now selling direct to consumers, orders are rapidly growing in volume, speed and complexity as consumer purchasing behaviours continue to change. Previously, warehouses were able to satisfy demand by managing orders by the pallet, but as digitalisation continues to shift the way manufacturers need to operate, they must now process a large volume of smaller orders, often as individual items

Adding to this complexity, order cycle times have reduced from days or weeks to a matter of hours as the pressure for same day fulfilment increases. Successful manufacturers are embracing change and understand the generational shifts in process and technology they need to make to remain relevant and competitive. Purely implementing an efficient manufacturing or warehousing solution isn't going to future proof a manufacturer, they need to integrate and automate all of the business processes and data needed to move forward as a successful manufacturing organisation and remain competitive. To achieve this, they need the ability to operate and have complete visibility of their entire manufacturing operations in real-time, gaining deep insight into every interaction, transaction and relationship occurring in their business, anywhere in the world. This is where cloud computing plays a crucial role in helping manufacturers respond to order volume, velocity growth and increasing demand for automation

### **Not just warehousing**

Cloud provides the ability to operate in global markets in real-time and establish a core platform for manufacturing, warehouse management, distribution, customers and supply chain, which they can access from anywhere and at anytime using the Internet. Businesses can have all of these components in a single, integrated cloud business management system, which can completely transform, automate and modernise warehouse operations. Cloud gives all manufacturers, regardless of size, the opportunity to access a complete solution for manufacturing resource planning, integrated inventory and dynamic replenishment, warehouse management, financial accounting and costing, customer and partner relationship management, and ecommerce. The real-time operations and financial visibility they gain enables manufacturers to better plan and manage inventory, as well as provide more accurate product delivery estimates to customers faster

No longer do manufacturers need to spend countless hours of work associated with data entry, organisation and fulfilment. Integrated cloud manufacturing solutions can convert forecasts to orders, orders to shipments, and shipments to revenue with unprecedented efficiency. They also enhance warehouse order fulfilment, packing and shipping processes, as well as being integrated with leading logistics and freight companies

Access to real-time reporting on all aspects of supply-to-distribution processes gives management added flexibility for logistics planning and maximises cost effectiveness of shipping. It also improves inventory management efficiency by eliminating redundant labour processes associated with inventory shortages

By switching to the cloud, manufacturers can reduce order-to-shipment cycle times by as much as 70 per cent; reduce delays and back orders by as much as 90 per cent; and reduce labour costs by as much as 40 per cent. By automating processes such as order processing, fulfilment, shipping and collections, manufacturers can often accelerate their quote-to-cash cycles as well. Many businesses are able to create orders on the fly instead of keying them in manually, and have reduced the need for adjustment or rework due to fewer errors

Leveraging an integrated cloud-based application, manufacturers can lower total cost of ownership by eliminating costs associated with on-premise solutions, particularly licence fees, onsite IT support and ongoing maintenance

Its open architecture enables easy system integration with a manufacturer's supply chain and enhances mobile productivity. It also delivers rapid implementation, lower costs and a quick ROI. By integrating all core manufacturing processes in a single, unified system—manufacturers are positioning themselves to replace complexity with fluidity, and educated guesswork with real-time transparency and execution

These are the ingredients that will define success in today's volatile markets and help manufacturers' to achieve optimum delivery performance, reduced costs and improved efficiency.[Mark Troselj is VP and general manager of NetSuite ANZ]

Article extracted from <http://www.manmonthly.com.au/news/moving-the-warehouse-into-the-cloud>

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