

## Press Coverage



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SaaS – Software as a Service – often known as On-Demand Software, has become a common delivery model for many business applications, including accounting, collaboration and CRM. International software specialist **@logistics Reply** looks at ways in which the deployment of Warehouse Management System (WMS) software can benefit from the SaaS approach.

# Soft option

**T**he knock-on-effect of consumer caution has increased uncertainty in manufacturing; this and the rise in small, temporary logistics contracts have boosted interest in flexible solutions which are financially sustainable, low risk and 'ready to go'.

In addition, the 'one-size-fits-all' model which typically characterises traditional WMS systems means that businesses often pay for functions they don't need. A WMS on-demand aligns the warehouses' needs so only those functions required are activated and paid for. And because it works on a 'pay-as-you-grow' payment model, users are always on the latest release; eliminating the necessity for costly and time-consuming product upgrades. This means that it has the ability to scale as the business grows in complexity and volume; providing companies with the customisable scalability to pay as little as they wish for the functions they need at any particular time- with no contractual constraints.

According to Jez Tongue, partner, @logistics Reply, SaaS isn't the answer to every warehouse problem. It is therefore important for warehouse and IT managers to consider the following features in order to establish whether a SaaS solution would suit their requirements. These can typically be grouped into six categories.

## Speed of deployment

A major benefit of SaaS is that it is quick and cost effective to set-up – it can be up and running in as little as two weeks (typically 4 – 6 weeks) with the system paying for itself in less than

three months. This speed-to-benefit is a major differentiator from traditional, on-premise manufacturing systems – which can typically take up to six months, or more, to go live.

## IT resources

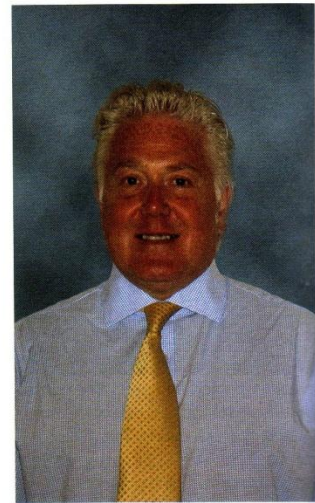
An on-demand solution is a cost-effective route for businesses with a limited budget for hardware and software investment, and limited IT personnel. It provides the option to choose either no/minimal support to a complete support service – all of which is 'baked in' to a customisable monthly fee. This can range from standard project management to delivery through to on-site support, such as facility management and product training workshops, and full outsourcing services for security, hosting and DBA monitoring and assistance.

## Business Process

A SaaS option is particularly apt for warehouse environments with very high density transaction requirements and rapid start-up needs. Also, for warehouse operations running in uncertain scenarios; some manufacturers use it to manage peak demand times or for one-off projects. For manufacturing activities based on small, temporary logistics contracts; warehouse and IT managers want applications which guarantee financial simplicity and control and are "ready to go". Conventional software is especially suitable for complex, comprehensive and fixed logistical scenarios.

## Budgeting requirements

Where a SaaS option is based purely on ongoing operating costs, with little/no



activation costs and no contractual constraints, a conventional system is premised on a considerable, 'one-off' up-front capital cost. These contrasting options will depend greatly on the business' circumstances and needs.

## Company policy on data and external connectivity

Many businesses are yet to come to round to the idea of cloud computing particularly within the world of manufacturing – particularly those businesses with a circumspect attitude toward security and company procedure – for which an on-premise solution is most appropriate. For those that have embraced the technology evolution, and require a pragmatic and scalable approach in line with the current business/economic climate - the somewhat out-dated stigma surrounding the cloud/SaaS has been shaken off.

## Integration

A solution on-demand is a composite approach which aligns the warehouses' needs to the number of functions activated on the warehouse system. Standardising on best practice, it provides the flexibility to support gradual and progressive adoption which grows alongside a business' performance and needs. This eliminates the painful necessity for costly and time-consuming product upgrades. For stable, long-term and comprehensive manufacturing activities, the centralised and heavily customised, 'all-purpose' approach provided by a conventional software solution, may be a more suitable option. ●

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