

The Top 10 Fallacies of Logistics Labor Management

Fallacy #1: I'm already getting labor management from my current WMS

Advanced LMS capabilities generate another whole level of benefits, often increasing labor productivity by 10-20 percent over that obtained from a WMS alone.

Fallacy #2: Labor management embodies an old, unenlightened way of thinking about employee relations

Increased labor productivity, improved quality and enhanced employee retention will always be in style. LMS is a positive, modern approach to employee relations.

Fallacy #3: Implementing an LMS will reduce morale and increase employee turnover.

McHugh's experience in implementing over 100 systems indicates that implementing a quality LMS almost invariably improves morale and reduces employee turnover.

Fallacy #4: Labor management benefits are primarily for the DC manager

While the DC manager's operation will benefit significantly, labor management can provide a broad set of benefits that support many organizational objectives.

Fallacy #5: Adding Labor Management to a WMS implementation will increase complexity, and therefore risk.

Labor management improves overall training dramatically, which removes a major hurdle to overall WMS implementation success, thus reducing risk.

Fallacy #6: LMS software doesn't add a lot of value – developing and implementing engineered standards actually drives most of the benefits

Many companies have embarked on engineered standards, only to find the momentum and results realized deteriorate over time. To maximize benefits, companies must employ LMS software to support dynamic goal calculation, labor planning, and robust reporting.

Fallacy #7: We have high quality DC supervision – a new "system" won't provide much incremental benefit

The foundation of labor management is precise, discrete goal time calculation and detailed feedback and reporting, capabilities that require robust technology support.

Fallacy #8: Labor management requires too much time for data collection and administration

Companies that have implemented warehouse management and/or radio frequency (RF) systems already have the data collection infrastructure required to support an LMS.

Fallacy #9: Labor management is unnecessary in an incentive environment

Development of discrete standards and preferred methods for each task and automated performance feedback are essential to provide fair and equitable pay incentive programs.

Fallacy #10: Labor management won't work in a union environment.

Experience shows unions have accepted the fundamental basis of preferred methods for warehouse tasks, and desire the fair and accurate reporting LMS provides.

We thank McHugh Software International for permission to permit IDII (www.idii.com) to put their white paper on our Websites.

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