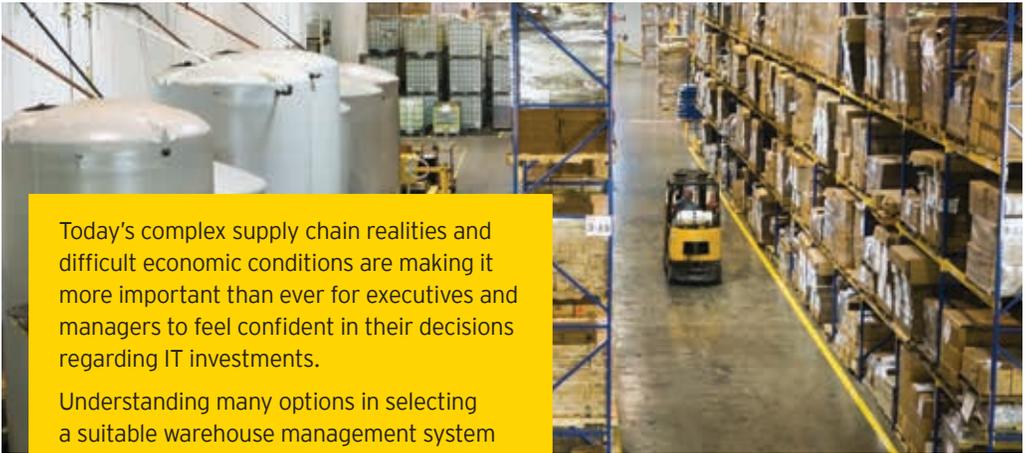


# Extended Warehouse Management

Leverage EY expertise to transform your value chain



# Warehouse management: challenges and realities



Today's complex supply chain realities and difficult economic conditions are making it more important than ever for executives and managers to feel confident in their decisions regarding IT investments.

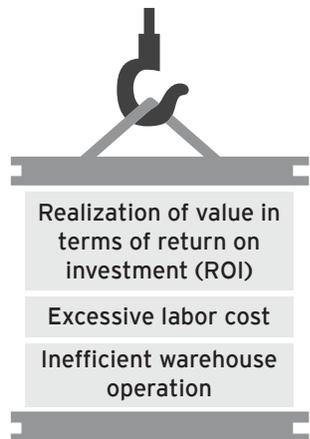
Understanding many options in selecting a suitable warehouse management system (WMS) is critical to meet both current and future business requirements.

Manufacturers and distributors in the industrial sector are under severe pressure to increase the productivity and performance of their warehouse operations in the face of growing cost, complexity and customer demands.

The warehouse management challenges are particularly acute while manufacturers struggle to seize new market opportunities globally, improving their customer focus, increasing operational efficiency and even engaging in new product and service life cycle management activities.

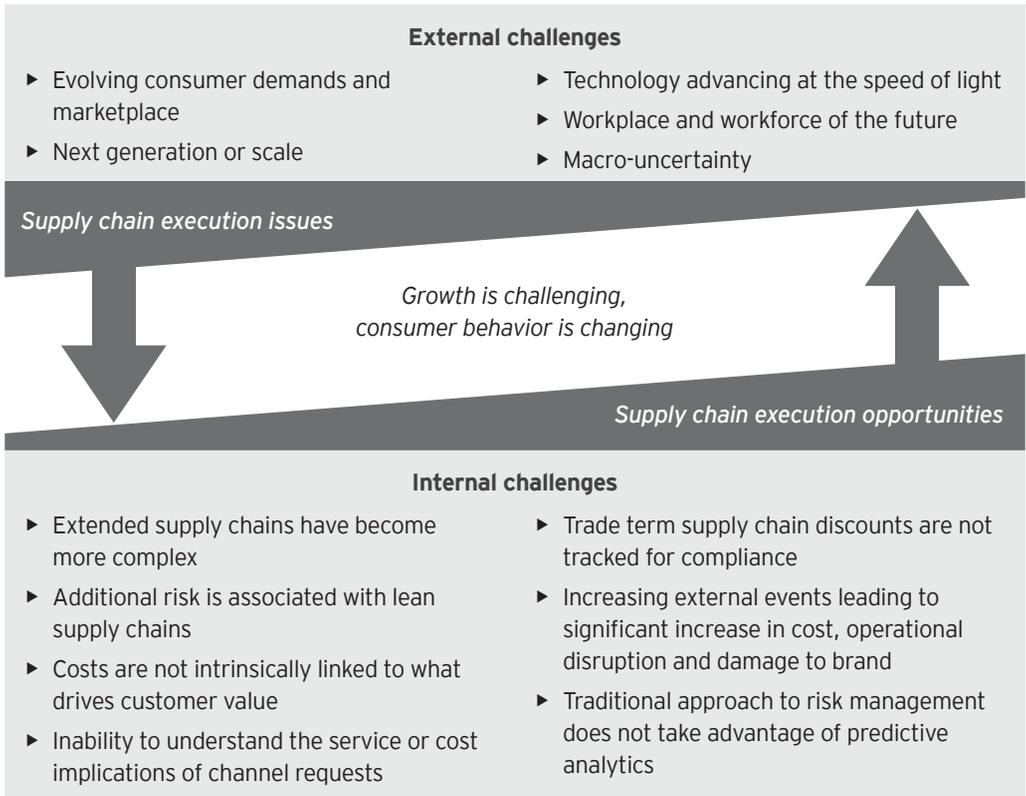
As customers become increasingly demanding and supply chains increasingly global, profitability of manufacturers and distributors is at risk. If the warehouse operations are inadequate, it will be increasingly difficult to address rising customer expectations and seize new market opportunities.

**Key problems undermining warehouse management performance are:**



Companies are not able to realize value fully because they can not keep pace with the evolution of the demand-driven network.

Supply chain execution must evolve to meet market challenges.

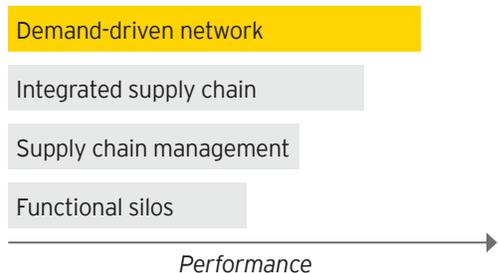


To meet the challenges while still executing an agile supply chain, a different approach is needed.

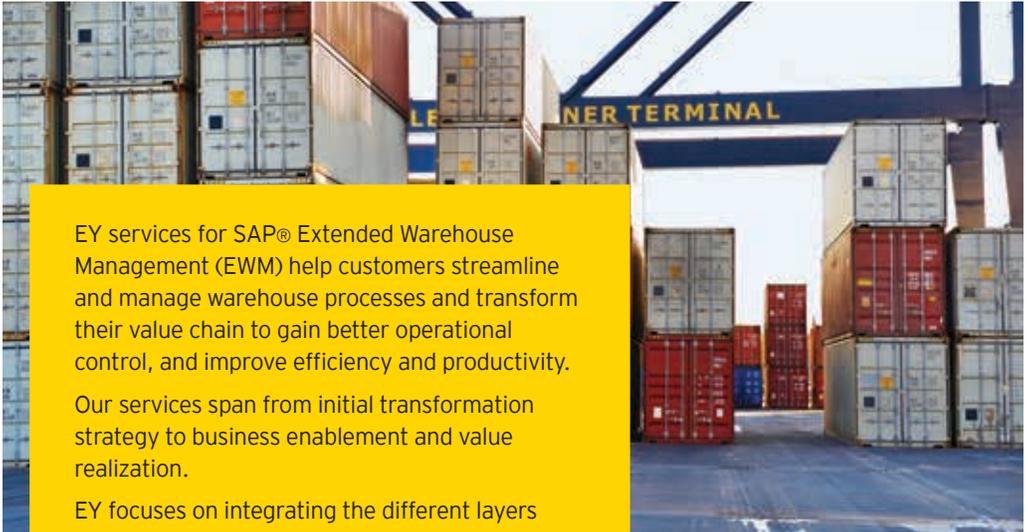
EY can help customers to meet challenges by:

- ▶ Aligning supply chain service based on real commercial value
- ▶ Underpinning channel segmentation with accurate cost-to-serve analytics
- ▶ Taking an end-to-end view of the supply chain when reinventing operating model execution

**Supply chain evolution**



# EY services for SAP® Extended Warehouse Management



EY services for SAP® Extended Warehouse Management (EWM) help customers streamline and manage warehouse processes and transform their value chain to gain better operational control, and improve efficiency and productivity.

Our services span from initial transformation strategy to business enablement and value realization.

EY focuses on integrating the different layers of supply chain execution covering logistics effectiveness, business process and analytics.

**From inventory control, shipping and receiving, to order fulfilment, a WMS is vital to improving the efficiency of a company's warehouse operations.**

EY offers end-to-end services covering business process diagnostics, warehouse design, optimization and implementation services to fit the needs of:

- ▶ Manufacturing and distribution industries that operate their own warehouse echelon systems
- ▶ Third-party logistics (3PL) service providers
- ▶ Retailers who want to streamline their warehouse operation to support growing omnichannel distribution movement

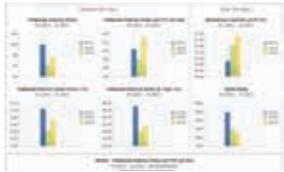
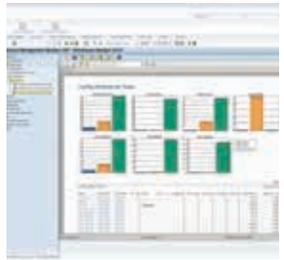
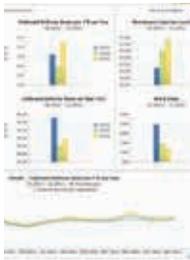
## **Solution highlights**

- ▶ Warehouse analytics and monitoring
- ▶ High performance warehouse execution
- ▶ Seamless integration with SAP Business Suite and other legacy applications
- ▶ Comprehensive mobile offering for warehousing

# EWM: core functionalities and features

<b>Inbound processing</b>	<b>Storage and operation</b>	<b>Outbound processing</b>	
<ul style="list-style-type: none"> <li>▶ Goods receipt management</li> <li>▶ Goods preparation</li> <li>▶ Putaway planning</li> <li>▶ Quality management, return handling, deconsolidation, internal routing and cross docking</li> </ul>	<ul style="list-style-type: none"> <li>▶ Task and resource management and labor planning</li> <li>▶ Slotting and rearrangement</li> <li>▶ Replenishment</li> <li>▶ Storage – putaway, physical inventory and value-added services</li> </ul>	<ul style="list-style-type: none"> <li>▶ Outbound planning</li> <li>▶ Wave planning</li> <li>▶ Material flow systems (MFS) – automated material handling integration</li> <li>▶ Picking, packing, staging and loading</li> <li>▶ Yard management</li> </ul>	
<b>Import and export compliance</b>	<b>Dangerous goods handling</b>	<b>Native technologies (RF, RFID, voice, MFS)</b>	<b>Batch, serial number, catch weight mgt.</b>

# EWM: warehouse analytics and reporting

<b>Supply chain manager</b> 	<b>Labor management dashboard</b>  <p>Key performance indicators:</p> <ul style="list-style-type: none"> <li>▶ Warehouse activity area (volume or weight)</li> <li>▶ Worker performance (average or per execution step)</li> </ul>
<b>Warehouse supervisor</b> 	<b>Cross-distribution center dashboard</b>  <p>Key performance indicators:</p> <ul style="list-style-type: none"> <li>▶ Outbound delivery items (value or number per worker)</li> <li>▶ Service level analysis (% delivery errors or % on time)</li> <li>▶ Warehouse capacity usage (% level or stock value)</li> </ul>

## How EY has helped companies improve their operational performance

- ▶ Streamlined of supply chain and logistics processes by adopting leading practices
- ▶ Improved customer service levels (reduced order-to-cash cycle (OTC))
- ▶ Increased efficiency and productivity of warehouse operation and resources
- ▶ Improved accuracy – with use of real-time integrated devices
- ▶ Reduced inventory and labor cost
- ▶ Introduced better inventory control with proper replenishment and pick strategy
- ▶ Ensured compliance with regulatory norm for services delivered to specific customers
- ▶ Increased visibility and control of warehouse operations with warehouse monitor and cockpit dashboard
- ▶ Introduced process automation – doing away with manual and paper work

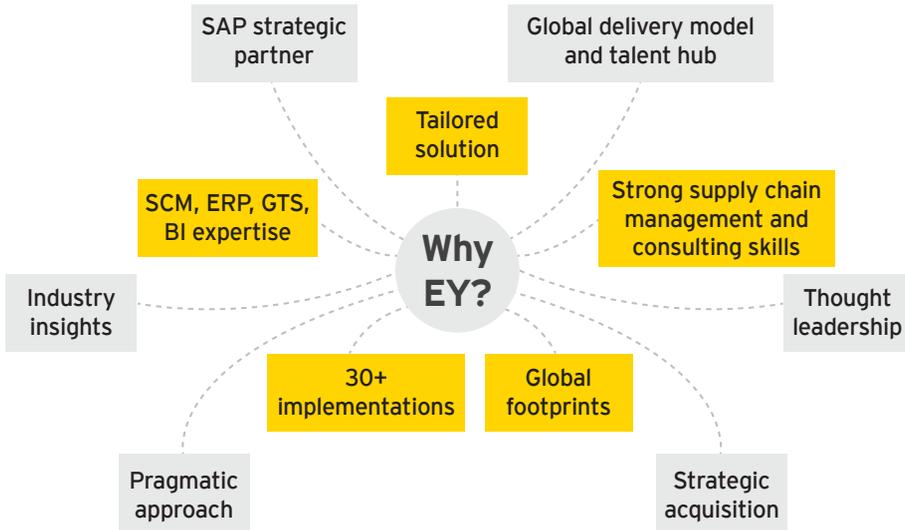
## Our approach

- ▶ Establish industry-leading practices for warehouse process prior to system blueprint design leveraging the EY business transformation practice
- ▶ Define KPIs and benchmarks to identify opportunities and the focus for the project charter
- ▶ Throughout the implementation, track business requirements to the design and process improvement objectives
- ▶ Perform pre- and post-implementation audits to measure project success and identify additional opportunities
- ▶ Integrate critical management tools including reporting, analytics and dashboards to manage operations

## How we can help you

- ▶ Automate and streamline your logistics processes potentially increasing throughput
- ▶ Overcome problems of stock visibility and traceability, improve picking accuracy, avoid losses made through non-deliveries, wrong deliveries, returns and service level fines
- ▶ Provide visibilities across your operation to identify areas of blockage and wastage, thereby providing information to all key managers so that they are fully up to date with detailed information as well as KPIs
- ▶ Devote more time to building the business, as EY will provide all systems support, continual help and systems improvement whenever needed
- ▶ Fully mobilize your enterprise application integrating warehouse management solution with wireless networks, mobile computers, radio frequency identification (RFID) technology and voice-picking applications thereby improving operational efficiencies and enhancing your customer service level

# Why EY?



## EY's global client credentials

- ▶ India's first unified supply chain and infrastructure 3PL Group
- ▶ Leading petrochemical organization in India
- ▶ Leading petrochemical organization in Middle East
- ▶ Large US manufacturer of frozen products
- ▶ Fortune 500 US spare parts distributor
- ▶ Leading global retailer in Mexico
- ▶ Leading food manufacturer in Germany
- ▶ Pharmaceutical manufacturer in Germany
- ▶ Spare part business – automotive aftermarket in Germany
- ▶ Global industrial products manufacturer in Germany

## EY advantage

EY is a SAP Global services partner that is fast becoming recognized as an industry leader in end-to-end supply chain services. With focus on the logistics execution systems (LES) and the supply chain execution (SCE) components of the SAP application suite, coupled with EY's already established SAP planning and procurement capabilities, EY offers our clients supply chain services that help organizations to gain operational efficiencies and manage costs related to their supply chain operations.

Our SAP and supply chain consultants share a wealth of experience and knowledge when it comes to designing and helping implement leading SAP logistics and supply chain services, with noted experience in SAP planning and optimization (APO and S&OP cloud solutions), LES, WM, EWM, transportation management (TM), procurement (including Ariba and SRM), and automatic data collection. Our SAP consultants were, and continue to be, key players in SAP's internal, pre-release testing stage for EWM in Walldorf, Germany. Our consultants also played an integral role with pre-release testing of SAP's native radio frequency data collection product, SAPConsole.

Our in-depth experience with SAP LES and EWM products and functionality along with our close relationship with SAP provides us with an intimate knowledge of the development vector SAP is applying to the LES and EWM product suite. This allows us to advise customers on strategic operational decisions, provide them with detailed information on key integration points, and quickly assist them in identifying fit or gaps with current and future release levels.

EY's strategic acquisition of Germany-based J&M Management Consulting AG in February 2013, and US-based Logistar in April 2014, have helped EY to strengthen its services in supply chain and logistic services to take prominent position as a leader in supply chain globally.

Logistar was a renowned name in leading supply chain execution services offering services in logistic and warehouse management and distribution network optimization to clients in the US, Canada and Mexico.

J&M Management Consulting AG was a supply chain leader in Europe with extensive EWM implementations. It was a multiple award winner in supply chain management engagements.

## Reach out to us

To know more about our EWM services, reach out to following subject matter experts. Our office addresses are mentioned on page 9 and 10.

### Americas



**Kevin College**  
Executive Director,  
Philadelphia, US  
Direct: +1 215 4484 123  
kevin.college@ey.com



**Kyle J. Sorensen**  
Executive Director,  
Minneapolis, US  
Direct: +1 612 371 6823  
Mobile: +1 612 325 9036  
kyle.sorensen@ey.com

### EMEIA



**Helge Konig**  
Partner, Düsseldorf, Germany  
Direct: +49 211 9352 18139  
Mobile: +49 160 939 18139  
helge.koenig@de.ey.com



**Gautam Bhattacharya**  
Partner, Bengaluru, India  
Direct: +91 80 6727 5144  
Mobile: +91 99019 933324  
gautam.bhattacharya@in.ey.com



**Kamal Bablani**  
Partner, Dubai, UAE  
Direct: +971 4 332 4000  
Mobile: +971 56 4127 318  
kamal.bablani@ae.ey.com



**Jayant Kulkarni**  
Director, Mumbai, India  
Direct: +91 22 6192 0199  
Mobile: +91 98196 20236  
jayant.kulkarni@in.ey.com

### Asia-Pacific



**Andrew YS Huang**  
Partner, Shanghai, China  
Direct: +86 21 2228 8888  
Mobile: +86 156187 52737  
andrew-ys.huang@cn.ey.com



**Steve Au Yeung**  
Senior Manager,  
Shanghai, China  
Direct: +86 21 2228 8888  
Mobile: +86 185210 70105  
steve.auyeung@cn.ey.com



# EY offices

## Americas

### **Minneapolis**

Suite 1400  
220 South Sixth Street  
Minneapolis 55402  
Tel: +1 612 343 1000  
Fax: +1 612 339 1726

### **Philadelphia**

One Commerce Square  
2005 Market Street, Suite 700  
Philadelphia, Pennsylvania 19103  
Tel: +1 215 448 5000  
Fax: +1 215 448 4069



## EMEIA

### **Bengaluru**

6<sup>th</sup>, 12<sup>th</sup> & 13<sup>th</sup> floor  
UB City, Canberra Block  
No.24 Vittal Mallya Road  
Bengaluru 560 001  
Tel: +91 80 4027 5000  
Fax: +91 80 2210 6000

### **Dubai**

Al Saqr Business Tower  
28<sup>th</sup> floor, Dubai 9267  
Tel: +971 4 3324000  
Fax: +971 4 3324004

### **Düsseldorf**

Graf-Adolf-Platz 15  
Düsseldorf 40213  
Tel: +49 211 9352 0  
Fax: +49 211 9352 550

### **Mumbai**

14<sup>th</sup> floor, The Ruby  
29 Senapati Bapat Marg  
Dadar (W), Mumbai 400 028  
Tel: +91 22 6192 0000  
Fax: +91 22 6192 1000

### **NCR**

Golf View Corporate Tower B  
Sector – 42, Sector Road  
Gurgaon 122 002  
Tel: +91 124 464 4000  
Fax: +91 124 464 4050

## Asia-Pacific

### **Shanghai**

50<sup>th</sup> floor, Shanghai World  
Financial Center  
100 Century Avenue  
Pudong New Area  
Shanghai 200 120  
Tel: +86 21 2228 8888  
Fax: +86 21 2228 0000

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In a world of unprecedented change, EY Advisory believes a better working world means solving big, complex industry issues and capitalizing on opportunities to help deliver outcomes that grow, optimize and protect clients' businesses.

Through a collaborative, industry-focused approach, EY Advisory combines a wealth of consulting capabilities – strategy, customer, finance, IT, supply chain, people and organizational change, program management and risk – with a complete understanding of a client's most complex issues and opportunities, such as digital disruption, innovation, analytics, cybersecurity, risk and transformation. EY Advisory's high-performance teams also draw on the breadth of EY's Assurance, Tax and Transaction Advisory service professionals, as well as the organization's industry centers of excellence, to help clients deliver sustainable results.

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EY Advisory's global connectivity, diversity and collaborative culture inspires its consultants to ask better questions. EY consultants develop trusted relationships with clients across the C-suite, functions and business unit leadership levels, from Fortune 100 multinationals to leading disruptive innovators. Together, EY works with clients to co-create more innovative answers that help their businesses work better.

The better the question. The better the answer. The better the world works.

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