

# New Study Shows 35% of Companies Still Using Pen and Paper for Warehouse Management

Written by **Babette DuPriest**

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With all the talk about marketing automation and smooth supply chain operation it came as a bit of surprise when a Warehouse Management survey from SCM software research website Software Advice found that a number of business are still operating with manual tracking and confirmation practices as opposed to being current.

## **Unexpected results**

The survey found that more than one-third of 385 survey participants said they were still employing pen and paper technology for their tracking operations. An equal percentage were looking for definitive warehouse management software with Electronic Data Interchange components, and 72 percent were looking for software with barcoding capabilities. Sixty-seven percent of the companies also reported to be looking for software that would track shipments and goods, and an additional 62 percent wanted the pick, pack and ship abilities that some software packages have.

### **Small Business Is Well Represented**

Companies with more the \$100 million annually in revenue were only a small percentage of those surveyed with small businesses making up 83 percent of the sampling rate for this survey. Forty-eight percent of those surveyed came from third party logistics (3PL), and 96 percent of those were registered as a small business. Employing software to maximize efficiency is vital, and it's a "no-brainer" for these types of companies to explore and ultimately deploy because it can put them on an almost even footing with larger companies. In fact, the top reason cited by respondents to purchase a new Warehouse Management System platform was a need for modernization.

### **Bigger business, different needs**

Larger companies, said the study, the ones that make more than \$100 million annually, reported they are looking for different types of protocols from their purchases. Barcoding and Radio Frequency Identification are what they'd like to see in a software package. Seventy-two percent said scanning and barcode data collection capabilities were crucial in making decisions whether to purchase a WMS system or not.

A Fast Market Research report indicated that 3PL orders in the United States are projected to grow by 4.98 percent over the next five years. The Software Advice report showed that 75 percent of potential buyers would love to have a single software application instead of an integrated suite of solutions for their companies so they won't have to battle multiple solutions that could be troublesome for staff.

One of the more interesting aspects of the survey was the news that three-quarters of the buyers want to purchase sooner rather than later and have their new WMS in operation within six months.

A Gartner report in 2013 indicated that a projected increase would be in the cards for organizations interest in integrating a warehouse management solution as the forecasted market could exceed \$10 billion by the end of 2014. That marks an increase in the software market of 12 percent over the last year's numbers.