Deployment of mInventory for SAP Extended Warehouse Management (EWM)

Innovapptive supported a multinational corporation to transform warehouse processes as part of an S/4HANA rollout

About the Client

Industry: Consumer Goods

Location: Global Operations

Employees: 45,000

Revenues: $33 billion

Overview

This consumer goods company manufactures and distributes health, hygiene, and home care products. They have a global operational footprint with manufacturing and warehouse operations in the US, Europe, and Asia. The company operates several channels to market, including, retail, wholesale, and a growing direct-to-consumer model. The company had grown through acquisition and countries were operating on different instances of SAP with non-standard business processes. The company had decided to deploy S/4HANA globally across all operations and this was seen as an opportunity to improve and standardize warehouse processes.

Challenge

The company had a mix of plant-based warehouses and separate distribution centers, some operated by third-party logistics companies. Plant-based warehouses were used to store raw materials for production and finished goods. Finished goods from the plants were shipped either direct to large customers or to the distribution centers. Strategically located distribution centers shipped product to retailers and wholesalers. Most of the warehouses were using SAP Warehouse Management (WM) and the S/4HANA migration included deploying Extended Warehouse Management (EWM). Warehouse operations confronted a number of challenges:

- **Non-standard warehouse processes –** Warehouses were on different versions of SAP and there was very little standardization of processes across countries. For example, some countries were doing daily cycle counts, whereas others were doing a full wall-to-wall count every month. There was no standard set of Key Performance Indicators (KPIs), which made it difficult to compare warehouse performance.
- **Windows-based scanners -** Many of the warehouses were using old Windows-based scanners which were at end of life and therefore needed to be replaced.
- **Mobile software –** Software had been developed inhouse and had proved very expensive to support. The solution was hardcoded, which meant that even minor changes involved bringing in expensive resources. For example, even adding a new field onto the old RF scanner required a Change Request to IT and could take six months before being actioned!
- **User experience –** The user experience with the existing solution was very poor, menu navigation was cumbersome, and the users were required to key in a lot of information which was prone to error.
- **Wi-Fi blind spots -** Some of the warehouses had blind spots where Wi-Fi coverage would drop which was very frustrating for users. For example, a user could be in the middle of a cycle count and if they went into a blind spot information would be lost, involving time consuming rework.

The company was facing demands from their retail customers to deliver more frequently with shorter lead times, which was placing additional strains on warehouse operations. The VP of Supply Chain was very concerned that the current mobile solution was having a negative impact on warehouse productivity and costs. Another key objective was to standardize warehouse processes and get better insights into performance. The decision was made to search the market for a robust and flexible mobile solution which could be deployed as part of the EWM rollout.

Solution

The company evaluated a number of mobile options for the warehouses, including SAP Fiori apps, and eventually decided to deploy Innovapptive's mInventory. Both Supply Chain and IT were involved in the evaluation, and gave the following reasons selecting mInventory:

Supply Chain:

- **User interface –** Users liked the simple, clean interface and the focus on usability. Trials had demonstrated that it was much faster than the old mobile solution and they estimated a productivity benefit of around 10%, which represented a multi-million-dollar cost saving on a global basis. The warehouse operation required seasonal labor and they saw the advantage of being able to train people quickly.
- **Device flexibility –** The company required a variety of hardware devices for picking, forklift truck operators and mobile printing, and liked the flexibility to support these devices.
- **Paperless operations –** The VP of Supply Chain had a vision to create a paperless warehouse operation with people not having to make constant journeys to the office. He recognized the importance of being able to scan inbound documentation, take photos and enhanced collaboration using voice and push notifications.
- **Return on investment (ROI) –** The business had developed a detailed ROI model that considered implementation costs, license costs but most importantly the business value derived from each option. mInventory scored higher than the other options with a calculated payback time of less than 12 months.

Information Technology:

- **No-Code platform –** Supporting the old mobile solution was time intensive and expensive for the IT team. They quickly saw the potential of Innovapptive's Rapid App Configurator (RACE™) to reduce IT support costs. They were amazed how quickly changes could be done to the device screens. They saw it as a great tool for responding quickly to demands from the business to set up new warehouses and business models.
- **Offline capability –** mInventory could operate offline and on the public network overcoming the problem of patchy Wi-Fi coverage, which was a problem in some warehouses.
- **Deployment costs –** The S/4HANA rollout was a two-year project which was absorbing a high proportion of inhouse IT, as well as a Systems Integrator. Using RACE™, mInventory could be quickly localized for language and other requirements without needing expensive coding. Innovapptive supported rollout in the first two warehouses including training the inhouse team on RACE™, further rollout is being managed by the inhouse team. The overall deployment costs were significantly lower than other options.

Results

The customer is currently deploying mInventory with EWM and has highlighted the following benefits from the project:

- **5 –10%** improvement in warehouse productivity
- **2 – 3 %** improvement in inventory accuracy
- **$10 – 17 m** saving in inventory holding
- Expected payback on the project in **less than 12 months**
- **Successful deployment** of standard warehouse processes; these are reinforced by mInventory as the standard process has to be followed.
- IT is now able to support setup of new warehouses in **less than six weeks** without the need to set up expensive Wi-Fi infrastructure.

> ***"Users have taken to mInventory faster than we expected, we are seeing productivity improvements across all our warehouse processes, especially goods receipt & picking. Recently we wanted to leverage additional EWM picking functionality and were able to deploy the change in less than a week, we need this flexibility to support continuous business change."***
>
> VP of Supply Chain

About Innovapptive

At Innovapptive, our purpose is to help improve people's lives with the next generation Connected Workforce Platform. Innovapptive's platform digitally connects the entire industrial workforce, executives, and back office to minimize plant outages & improve operational excellence. By engineering a platform that fuels innovation & collaboration, we are transforming the experience of the industrial worker to help uplift revenues & margins for our customers. Together, with our employees, customers, and partners across the globe, we are growing economies of some of the world's largest brands.

More Information

To learn more about Innovapptive's Mobile EAM and Supply Chain solutions, contact your Innovapptive sales representative, visit us at www.innovapptive.com or email Innovapptive directly at sales@innovapptive.com

INNOVAPPTIVE

24 Greenway Plaza, Suite 1501
Houston, TX 77046
USA