

Project participants in warehouse automation.

The 5 most important stakeholders.

Project participants in warehouse automation.

It goes without saying that you will not be automating the warehouse on your own. Several parties are involved in the successful implementation of a warehouse automation project. Senior managers, middle managers and employees of your own company are the most visible internal participants in this process. However, automation also affects other parties outside your company: the external participants. This article helps you identify who you need to contact and why, and what you need from them.

From the various stakeholders, you primarily need information to bring your plans to life. Furthermore, you will receive support and engagement from them to expand the reach of your ideas or plans within the company on a broader basis. Once the automation project begins, all those involved must work closely together. Good preparation will be of great benefit to you in implementing the project. The best way to reach out to other participants varies from company to company. You can present your ideas for automation in a formal meeting, but you can also discuss them individually with the stakeholders.

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1

Argumentation at the highest level.

You need the agreement of management to further develop your warehouse automation plans.

WHAT DO YOU NEED FROM MANAGEMENT?

Management assesses whether your ideas align with the company's strategy for the forthcoming years. Does this strategy for logistics processes aim to minimise operating costs? Or are speed and adherence to delivery dates more important? If your aims for automating warehouses go hand-in-hand with the corporate strategy, ask for support with developing your ideas or plans. Senior managers will make the ultimate decision regarding investment plans for automation.

WHAT ROLE DOES THE DIRECTOR OF FINANCE PLAY?

The Director of Finance plays a very decisive role. A key question is what amortisation period they envision. A high-bay warehouse for automated pallet storage has a significant cost, but functions efficiently for ten, fifteen or even twenty years. The investment is paid off during that period, but not in the three years that your director of finance may be expecting. First, ascertain what operating figures they are using and the financial leeway available for such investment before delving deeper into your plan. If their responses do not align immediately with your expectations, consider this in your discussions with other stakeholders and return later with revised plans or arguments.



HOW DO YOU OBTAIN WHAT YOU NEED?

To acquire the support of management, including the director of finance, you must effectively “sell” your ideas or plans. You must prove that automation fits with the corporate strategy and explain which short-term and long-term advantages it will bring.

For an initial agreement, you are not required to submit a detailed cost plan. If your plan proceeds to the next level, submit an initial investment plan. This will (roughly) substantiate in numbers what warehouse automation will cost and what it will bring. Demonstrate the current operational costs and how these figures will develop if nothing changes. Furthermore:

- ▶ Highlight the cost savings that can be achieved through warehouse automation.
- ▶ Complement this with benefits such as reduced lead times and fewer picking errors.
- ▶ Attempt to quantify these benefits in euros.
- ▶ Illustrate the actual cost of a picking error.
- ▶ Calculate the increased revenue due to quicker delivery times.

Well-founded information will help to convince management and subsequently gain more financial leeway.



Collaboration along the material flow.

The company's operational departments provide vital information on daily procedures and potential optimisation opportunities through automated processes.



WHAT ROLE DO PRODUCTION AND PURCHASING PLAY?

The managers of these departments are accountable for the material flow into your warehouse. The future flow of materials determines the choice of warehouse automation solutions to a great extent. Whether large quantities are received at once or smaller amounts are distributed throughout the day has a significant impact on system design. If you can prevent bottlenecks in these departments within your logistics process through warehouse automation, these managers will become your most important advocates. They are certainly willing to modify their own processes if this makes automation more viable.

WHAT INFORMATION ARE YOU GENERATING HERE?

These departments will provide you with information and co-operation. The most important questions for them are:

- ▶ How do they anticipate the material flow will evolve?
- ▶ Do they foresee warehouse stock levels increasing or decreasing in the future?

Consult with the production and purchasing manager about ways to optimise the material flow. Consider:

- ▶ Can the delivery of goods be stretched over a period, so that peaks in the incoming flow of materials are flattened out? If so, the warehouse may need less capacity.
- ▶ Can the goods be delivered on uniform, stable pallets? This will make automation a little easier.



HOW DO YOU OBTAIN WHAT YOU NEED?

Explain your vision and demonstrate how warehouse automation impacts sample production processes and inventory management. If the automated warehouse reaches a situation where the flow of pallets from the production hall can no longer be processed, this can cause production to come to a standstill – a worst case scenario for production managers. Good co-operation in choosing the best possible automation solution for the future is in the interests of all parties.



WHAT ROLE DO SUPPLIERS PLAY?

Does the warehouse receive direct deliveries from suppliers? If so, they also have a role to play. Do you need to discuss with your suppliers, possibly together with purchasing, which requirements the incoming material flow must meet? For an automated pallet warehouse, for instance, it is crucial that the quality of the pallet is high, that pallets are securely stacked and goods do not extend beyond the pallet. A loose board, an unstable box or a fluttering piece of film can lead to disruptions in the system.



3

Convincing with competitive advantages.

Incorporate sales and marketing promptly in your planning, as their objectives are closely linked with enhanced efficiency.

WHAT ROLE DO SALES AND MARKETING PLAY?

Talk to the sales and marketing manager(s) before creating your plan. They rely on the internal logistics process in order to implement their business goals. Automation often leads to a better service. This can lead to increased sales, improved customer loyalty or competitive advantages. Thus, their aims coincide with yours and they can help you later in persuading management.

WHAT INFORMATION ARE YOU GENERATING HERE?

Sales and marketing provide you with insights into the anticipated market developments. These help to determine the business strategy and departmental goals. Consider:

- ▶ How will revenue develop?
- ▶ What is happening with the competition?
- ▶ How is customer demand changing?
- ▶ Will they, for example, order more online?

If this leads to more orders with fewer order lines, it can influence the decision concerning automation.

HOW DO YOU OBTAIN WHAT YOU NEED?

Get sales and marketing on board as backers for your plans by explaining to them how warehouse automation contributes to implementing the business strategy. Name specific benefits you aim to achieve:

- ▶ Enhancing service quality.
- ▶ More reliable deliveries.
- ▶ Shorter processing times.
- ▶ Fewer picking errors.
- ▶ Fewer complaints and so on.

Ask for their support in dealing with senior management and seek their co-operation. When the heads of sales and marketing are convinced, you will undoubtedly receive valuable insights from them and align your objectives.

Gain support and trust through involvement.

Inspire employees with regular updates and address all questions openly.

WHAT DO YOU EXPECT FROM YOUR EMPLOYEES?

You will need the support and trust of your staff in order for a warehouse automation project to run smoothly. They will certainly understand that operations in the warehouse will change and subsequently, so will their job roles. Prevent any unrest from emerging in this regard.

WHO CAN ASSIST YOU?

Get your staff from the HR department involved in good time. Warehouse automation also means staff changes, and among other things, it requires knowledge of change management. In the HR department, this is often encountered and they also know how to engage external expertise.

HOW DO YOU OBTAIN WHAT YOU NEED?

If you want your staff to be on board with your vision, you must express this clearly. Your presentations must sound enthusiastic and captivating. Highlight the benefits and advantages for the entire company and the opportunities for your department. Keep your employees updated regularly and answer all questions honestly and openly – even if you don't have all the answers yourself (yet).

Involve your employees as early as possible in the process. The production hall is often a place where good ideas emerge that you can incorporate into your plan. Take their ideas seriously, thereby strengthening acceptance.



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External expertise for a successful project.

Once there is internal consensus on your plan, seek partners who can assist in implementing the automation project.

WHICH EXTERNAL PARTNERS DO YOU REQUIRE?

Ask yourself if you, together with your team, possess enough knowledge and capacity to create a design and to be able to choose the ideal solution from different systems. If that is not the case, you can charge a consultant with selecting a supplier. They can analyse your data and create an initial project based on this. If automation requires an extension or a new building altogether, you will need to involve further parties:

- ▶ The architect for the design.
- ▶ The local authority for planning permission.
- ▶ The contractor for the build.
- ▶ Potentially also the fire brigade for fire safety.

Involve these parties in the process in a timely manner. Applying for construction permission can often take longer than expected. Do not make the mistake of letting architects design a building and only then start to think about the set-up.

WHAT SHOULD YOU PREPARE FOR?

Choosing systems and suppliers can be complex. You will have to deal with the fact that on paper, suppliers offer different solutions. Select a financially stable supplier as you are entering into a long-term business relationship.

HOW DO YOU SELECT THE RIGHT PROVIDER?

A prudent option is to ask the supplier for a layout for your warehouse. After all, they possess the appropriate expertise and often know the capabilities of systems better than consulting firms. Consider entering into a business relationship on the basis of a transparent cost calculation with a design contract. Furthermore, ask for their references.



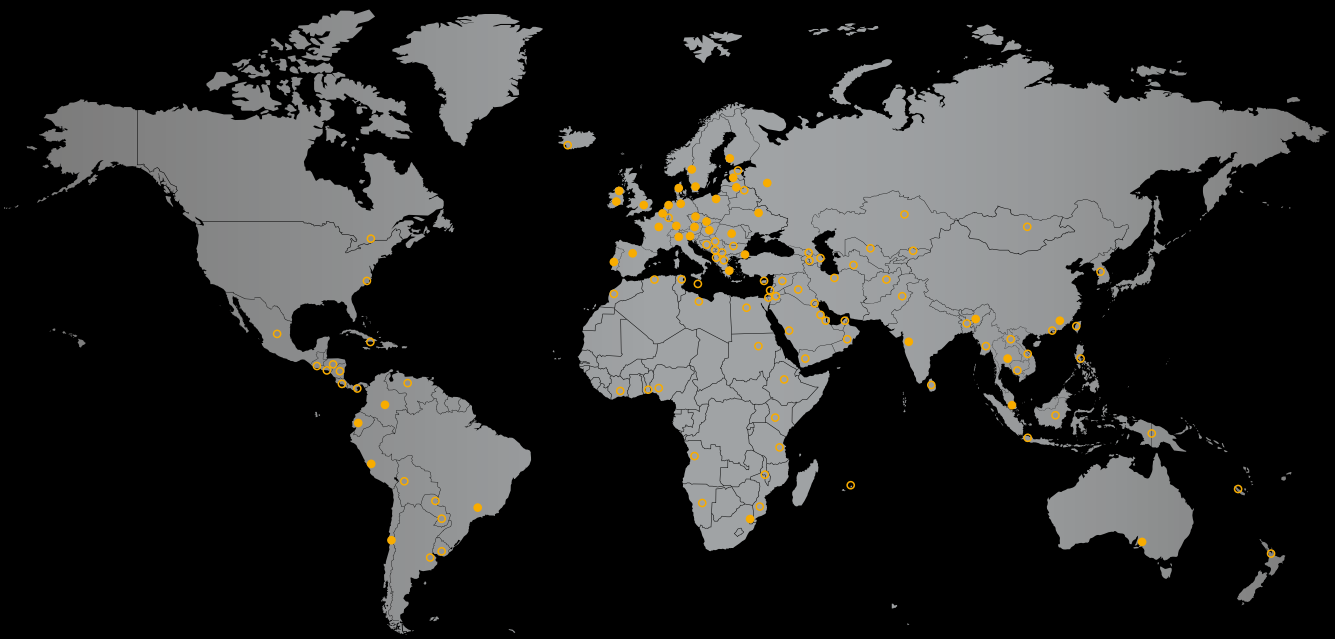
HOW DO YOU ORGANISE COMMUNICATION?

Be particularly aware when choosing a design for a warehouse and picking system from different parties. Ideally, a single entity – the prime contractor or total solution provider – is tasked with overseeing the entire project. This helps you avoid discussions with suppliers who pass on responsibility during issues. Consider that you may have to carry out such a project only once in your career. For turnkey solution providers and consultancy firms, this is their core business; assisting you in ensuring project success.

FOR ANY FURTHER QUESTIONS: CONTACT US.

As a total solutions provider, we guide you step-by-step to a flexible and efficient automation solution. We can offer you more than 70 years of material handling experience, characterised by consultancy and manufacturing expertise compiled into one package. Our expert team always plans material handling comprehensively, from goods receipt to goods issue, incorporating all process steps and interfaces. From the start of the project, a personal contact person will be at your side, coordinating all the trades involved while maintaining an overview. With Jungheinrich, you'll have a partner who is 100% reliable on your side.

A leader in material handling. We are by your side worldwide.



● Our own direct
sales companies
in 42 countries.

○ Partner companies
in around 80 other countries.

More than
21,000 employees.

More than 6,200 service
engineers worldwide.

Founded in 1953, Jungheinrich is one of the world's leading providers of material handling solutions. With a comprehensive portfolio of industrial trucks and automated components, as well as services, we offer tailor-made solutions that allow you to devote your full attention to your core business. With our unique direct sales and service network, you can call upon a reliable partner who is at your side at all times, wherever you may be in the world.



AUTOMATION

Based on our comprehensive process knowledge and extensive experience in a wide range of industries, we can provide you with tailor-made automated systems, ranging from semi to fully automated solutions. We will thus work together to raise your efficiency and productivity to a whole new level.



NEW INDUSTRIAL TRUCKS

Lifting, stacking, transporting, order picking – electrically, by combustion engine or by hand? Our product portfolio contains the perfect trucks for your needs.



WAREHOUSE EQUIPMENT

From pallet racking to automated small parts warehouses, we have the right solution for every item and warehouses of all sizes. Combined with Jungheinrich industrial trucks and IT solutions, the result is a future-proof, integrated material handling concept of unique quality.



RENTAL

Forklift truck rental is not just an ideal solution for addressing short-term or seasonal requirements. Jungheinrich offers „power on demand“ for all companies, regardless of their size or industry. There are rental solutions available to suit all requirements, with trucks available instantly in a wide number of variants across the globe.



USED TRUCKS

JUNGSTARS are used trucks from Jungheinrich, which are among the best on the market. With high-end reconditioning according to our 5-star principle, every truck is returned to an outstanding technical and visual condition to satisfy the highest safety and sustainability standards.



DIGITAL SOLUTIONS

With intelligent software and sophisticated hardware components, we ensure complete digital networking within your warehouse. All processes can be monitored centrally and controlled with utmost efficiency. Systems from different manufacturers can also be integrated with ease.



CONSULTING

Products and services must meet your exact requirements. That is why our consulting service combines a high level of technical ability with process knowledge and in-depth industry expertise. We can thus work together to identify the perfect complete solution.



FINANCIAL SERVICES

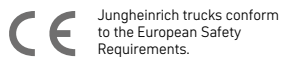
Jungheinrich Financial Services is your reliable partner throughout the entire life cycle of your Jungheinrich product. We offer individual solutions for trucks, racking, warehousing and system solutions, while taking your budget and the special requirements of your business into account.



SERVICE AND SUPPORT

The trouble-free operation of your material handling solution is our top priority. That is why we offer reliable, global support for your trucks and systems with more than 6,200 qualified service engineers. This allows us to be on-site within a very short time frame to restore the availability of your trucks and systems.

ISO 9001 The German production facilities
ISO 14001 in Norderstedt, Moosburg, Landsberg
and Kaltenkirchen are certified.



Jungheinrich trucks conform
to the European Safety
Requirements.

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