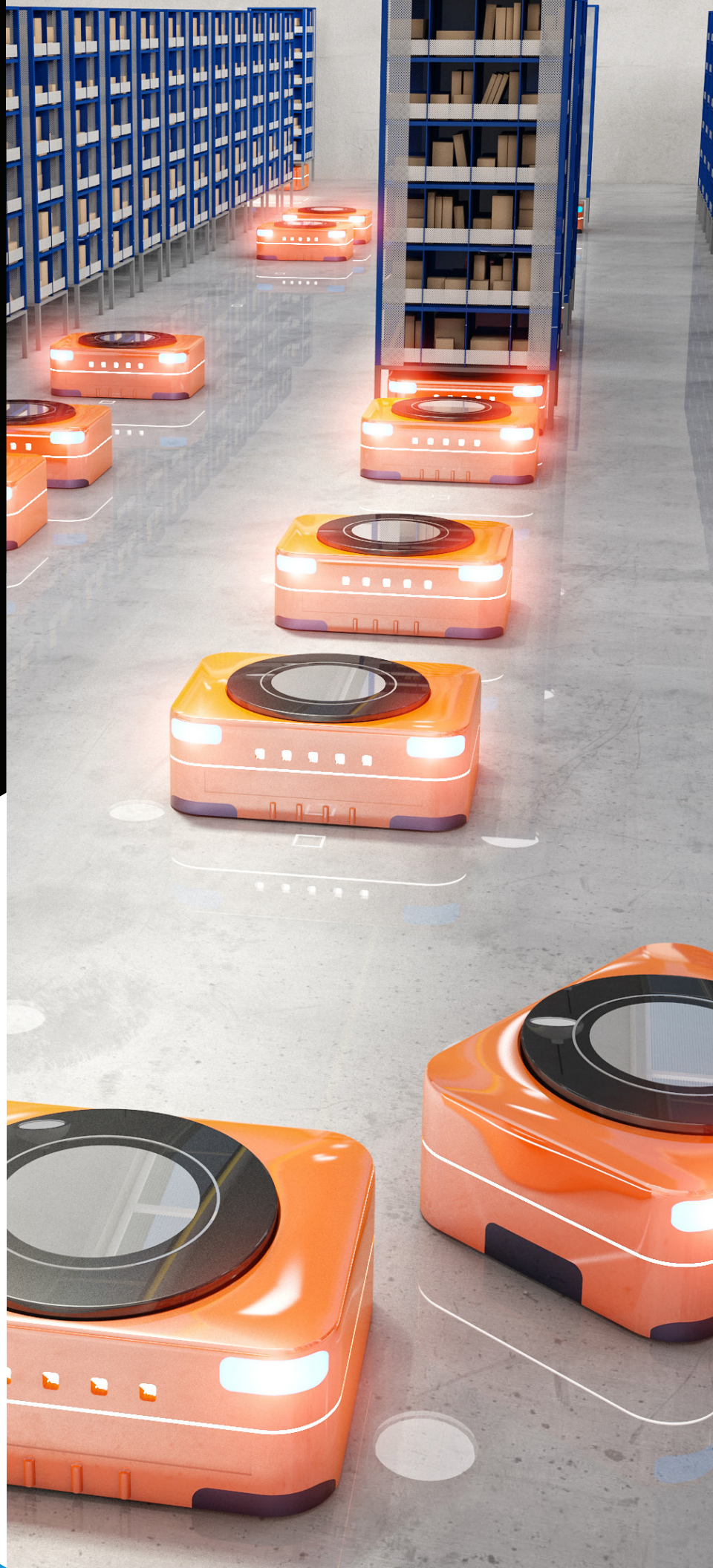




ZEBRA
CAPTURE
YOUR EDGE

Modernize Your Warehouse to Serve Customers and Grow Your Small and Medium Business

Innovative technology will
optimize operations via
mobility and automation



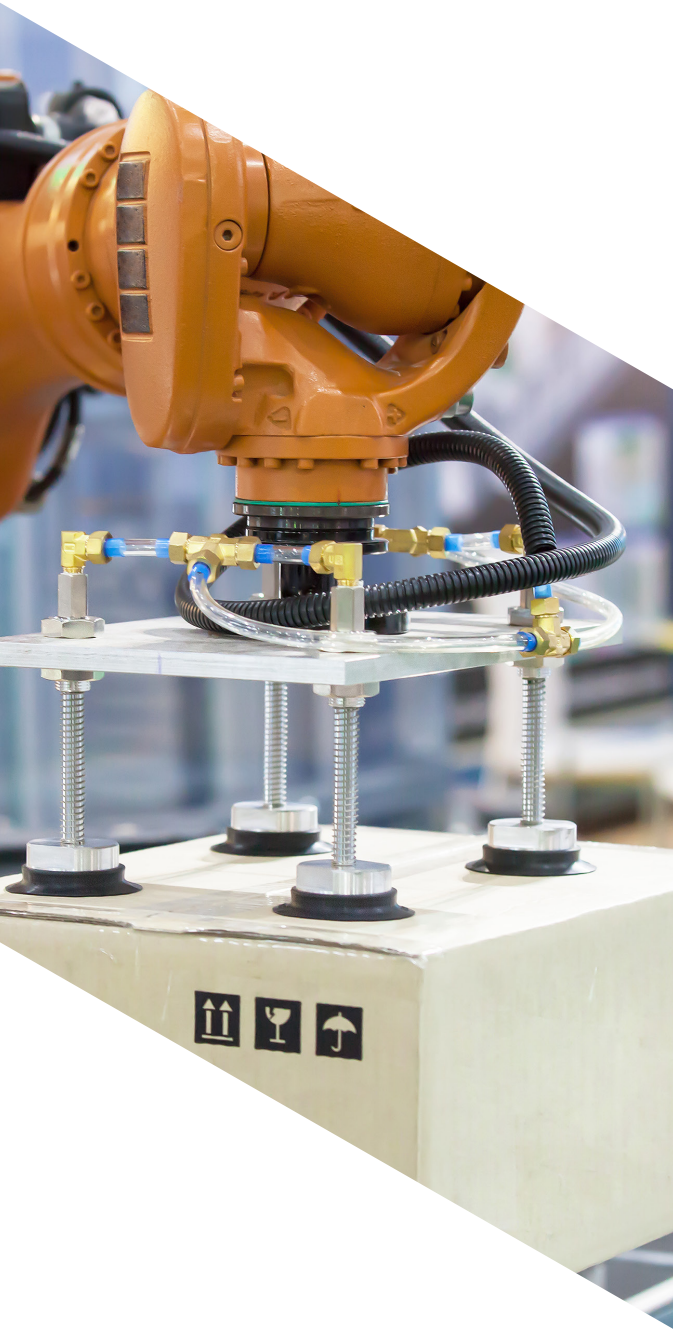


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Introduction

In a world dependent on materials and goods from worldwide sources, warehouse operations play a pivotal role in the global economy. Every improvement in small or medium warehouse operations increases an organization's ability to compete by streamlining tasks and speeding the flow of components and products.

The latest in a series of quarterly surveys shows that warehouse operations managers are aware of the impact that improved warehouse processes have on corporate success, particularly in delivering customer satisfaction and business growth. Modernizing warehouse operations is a major priority for survey respondents, who are eager to implement automation, gain increased visibility and deploy user-friendly mobile devices.

This survey takes the pulse of 200 warehouse operations decision-makers and influencers at small and midsize businesses (SMBs) as they face the challenges of globalized e-business. Conducted in the spring of 2022 by BizTech Insights on behalf of Zebra Technologies Corp., the survey findings paint a clear picture of transformation in the warehouse and what it means to you.

[Note: Respondents were to select only one of three possible answers to each question. Percentages have been rounded to the nearest whole number.]





THE CUSTOMER COMES FIRST

Speed and accuracy above all

Regarding warehouse operations, what's top of mind?



36%

Improving customer experience and satisfaction



35%

Implementing easy-to-use automation and technology



29%

Gaining real-time visibility of picking, packaging and shipping

In a sign that warehouse operations managers grasp the strategic importance of warehouse operations to their company's mission, improving customer experience and satisfaction is at the forefront of their thinking as it gained **36%** of responses. How to make customers happier? Ship them the correct products on time and keep shipping costs under control. The way to do that is by implementing easy-to-use automation technology, which was also a top-of-mind result with **35%** of responses. Another important contributor to a more efficient and strategically effective warehouse is real-time visibility over critical operations, the third choice (**29%**) to this survey question. The responses to this question show managers tightly link the end result – customer satisfaction – with the means needed to achieve it – automation and visibility.



Top challenge: Improving operations

What is your biggest warehouse operational challenge now and within the next five years?



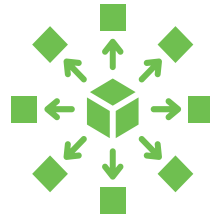
36%

Improving overall operations and capacity utilization



33%

Automating data capture for real-time visibility



31%

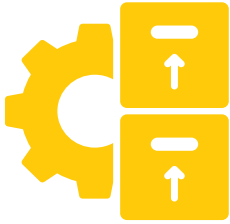
Connecting workflow to the warehouse management system (WMS)

Although warehouse operations managers face multiple obstacles in their quest to improve customer experience by increasing efficiency, the No. 1 challenge (**36%**) they face is improving overall operations and capacity utilization. Automating data capture for real-time visibility (**33%**) and connecting workflow to the warehouse management system (**31%**) showed only slightly lower percentages, demonstrating that warehouse managers are challenged almost equally by improving overall operations, automation, and workflow.



Automate inventory management

What operations could benefit most from increased automation?



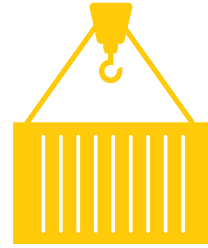
44%

Inventory management



35%

Warehouse labor
productivity



21%

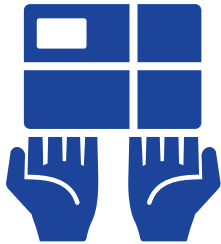
Shipping and receiving
operations

Automating warehouse operations increases efficiency across many processes. The foremost of these (according to **44%** of respondents) is inventory management, which includes tracking items as they enter the warehouse, as they await shipment and finally as they are sent on their way to customers. Another key consideration (**35%**) is warehouse labor productivity, the importance of which is magnified as personnel costs steadily rise in a tight labor market. Here, the use of mobile and wearable devices can significantly boost worker efficiency. Shipping and receiving operations (**21%**) – the loading and unloading of trucks and rail cars – also improve significantly when items are tracked by handheld devices.



Wearables increase efficiency

What is your main goal with increasing their house staff efficiency?



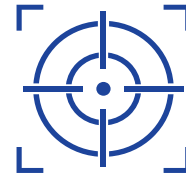
40%

Using wearables to speed up the picking process



36%

Giving receiving staff visibility over shipments



25%

Using RFID to improve inventory accuracy



Wearable devices stand out as the top choice to increase the efficiency of warehouse staff with **40%** of respondents choosing wearables as their main goal, a significant leap in interest over last quarter's survey, in which only **5%** picked wearables first. When warehouse workers can track the movement of items and communicate with one another using a device that goes with them as they move about the facility, their awareness of operations is greatly improved. Their efficiency is increased as well because they will never misplace the device they need to do their work. Visibility (**36%**) is also a significant goal, which tracks closely to the results of the previous survey (**37%**). When receiving staff members can survey inventory and shipments via an automated system, they know exactly which items are moving where and how fast. RFID improves inventory accuracy with tags that are unique to each device, reporting the whereabouts of goods and contributing to visibility as they send information to the wearable devices. These characteristics led **25%** to select RFID as their main goal.



Sales drives growth

What is the top driver for your warehouse growth plans?



39%

Organizational growth /
increased sales



31%

Increased asset visibility
and utilization



30%

Faster delivery to end
customer

Just as improving customer experience and satisfaction ranks as top of mind in our survey, achieving organizational growth through increased sales ranks as the top growth driver. More than 1 in 3 respondents (**39%**) selected growth first. As companies invest in their warehouse operations, increased visibility and utilization of assets are priorities (**31%**), once again showing how important visibility is for warehouse operations managers. And **30%** of respondents said the ability to increase delivery speed is a top driver of warehouse growth.



Modernized warehouse benefits

What would be the greatest business benefit you would expect from a modern warehouse solution?



35%

Improvement of inventory management



34%

More effective picking, packing, sorting and restocking



31%

Faster return on investment (ROI)

Echoing an earlier result in our survey, improved inventory management is the greatest benefit to be expected from a modern warehouse solution (**35%**). The ability to move goods efficiently in and out of a warehouse is a sought-after goal and a much-anticipated benefit of modernization. Nearly as important (**34%**) is more effective picking, packing, sorting and restocking – the physical side of warehouse operations that is carried out by automated equipment, processes and workers with wearable devices. **31%** of warehouse operations managers also expect to achieve rapid return on investment (ROI) from their modernization initiatives.



Automation accelerates modernization

What do you need to accelerate modernization?



35%

Add more automated data capture



34%

Eliminate siloed warehouse management systems



31%

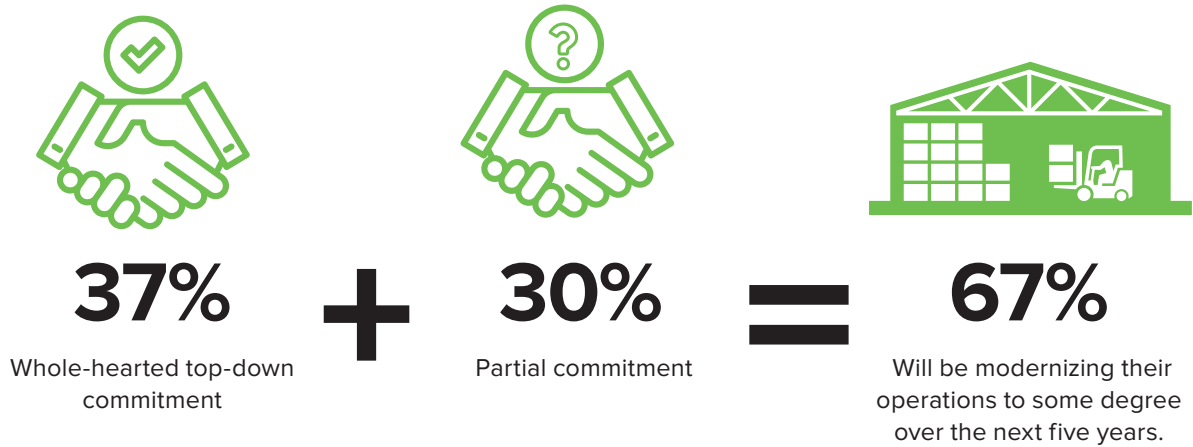
Deploy new technology to stay competitive

As for what would bring about modernization rapidly, ranking first (**35%**) is automated data capture – the ability to eliminate manual processes as data is gathered and input into the inventory management system. Also important (**34%**) is eliminating siloed warehouse management systems, a choice that reflects the need to gain visibility – a recurrent theme in this survey – across an organization’s assets. And due to the competitive benefits of streamlined warehouse operations, **31%** of respondents chose deploying new technology to speed modernization initiatives.



Widespread commitment to modernization

To what extent is the organization committed to modernizing warehouse operations over the next five years?



A strong majority of warehouse operations managers are moving toward modernization. Notably, **37%** express a wholehearted commitment from the top down at their companies. Because **30%** are making a partial commitment to modernization, the results indicate two thirds of organizations will be modernizing to some degree in the coming five years.



Cost of standing pat

If you don't modernize warehouse operations, what are the likely consequences for your business?



42%

We won't have visibility beyond the four walls of the warehouse, causing us to be reactive and inefficient with our supply chain partners



32%

We won't be able to optimize worker productivity



27%

We won't be able to keep pace with our competition

Companies that fail to modernize their warehouse operations face multiple adverse outcomes, the most significant of which (**42%**) is lack of visibility over operations, which will force businesses to be reactive and inefficient across their supply chains. In addition, the retention of obsolete technology will cause workers to perform their tasks inefficiently, an outcome that few organizations can afford. **32%** saw that as an adverse result. And finally, failure to modernize will cause an organization to fall behind its competitors was recognized by **27%** of managers.



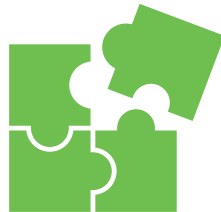
Experience delivers results

What are the benefits of working with an experienced warehouse modernization provider?



36%

We are looking for a partner who can help us pinpoint areas where technology can help optimize operations quickly



34%

We are looking for a partner who can help us take automation to the next level



30%

We are looking for a partner who can help us transform operations from pen and paper to entirely digital

Warehouse modernization doesn't just happen. Warehouse managers understand that experience counts. They recognize the need for a partner that knows the ropes – that can rapidly spot opportunities to optimize operations (**36%**), and then help take automation to the next level (**34%**). Many managers want a partner to help them advance from the era of pen and paper to entirely digital operations (**30%**).



Looking ahead

Each survey in this series brings to light new facts and trends in warehouse optimization. This quarter's survey shows warehouse operations managers are well aware of how modernization can improve their company's competitive posture by increasing customer satisfaction. Key to this pursuit are technologies that automate warehouse operations, increase visibility and boost staff productivity with wearable devices. Equally important, warehouse operations managers embarking on the modernization journey are counting on the knowledge and skill of an experienced partner to help them on the way.



Zebra Technologies Corp.'s warehouse automation technologies, integrated with inventory management systems, take inefficiencies out of warehouse operations. For some companies, Zebra solutions can transform operations from pen and paper to entirely digital; for others, they can bring about incremental improvements that generate game-changing results. In short, by streamlining processes and making workers more efficient, Zebra innovations can enable any warehouse to carry out its pivotal role in the digital economy.