

Warehousing Vision Study: Overview

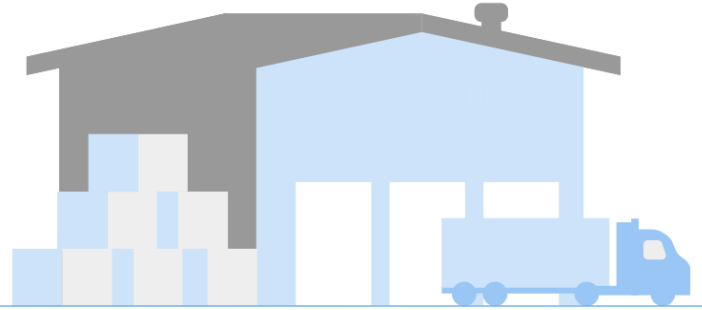
A new focus on flexibility and agility in the supply chain

Adapting to changing consumer habits,
growing labor recruitment and productivity
challenges, and increasingly interconnected
supply chains



Disruption as a Catalyst for Change in Warehousing

Change is nothing new for those in warehousing, distribution and fulfillment. But the pandemic accelerated a number of trends affecting the supply chain, increasing the need to make warehouse operations as agile, automated and resilient as possible.



1 Global Supply Chains Introduce New Threats

While the pandemic highlighted how quickly supply chain issues can impact the availability of goods, disruption can take place at any time due to natural disasters, geopolitical tensions, cyberattacks, labor strikes and more. As manufactured products become more complex, supply chains are more prone to interruption. The exposure of these vulnerabilities at the height of the pandemic highlighted the need for full supply chain visibility and collaboration. Warehousing decision-makers realize they need to do their part to support these efforts.

2 A Changing Workforce Has Heightened Expectations

As a generation of digital natives enters the workforce, the importance of technology has increased. Among associates surveyed, **92%** agree technology advancement will make the warehouse environment more attractive to workers. When working with technology, **83%** expect the business software applications and hardware devices their employer provides to be as easy to use as their personal smartphones.

Decision-makers have their own expectations for technology, particularly to ensure productivity in difficult hiring markets. Among decision-makers using automation or planning to within three years, **66%** rank offsetting recruitment challenges as one of the top three drivers for doing so.

3 Shifts in Consumer Behaviors Affect Warehouse Operators

Consumers want alternatives to in-store shopping. In the [14th Annual Zebra Global Shopper Study](#), **73%** of shoppers said they prefer to have items delivered to them rather than picking them up, with **58%** having placed an online order to be delivered to them within the three-month period prior to the survey.¹

Retail decision-makers are responding with an increased focus on optimizing their e-commerce order fulfillment operations. In the same study, **80%** of retailers said they are under high pressure to offer a variety of delivery options and speeds, a **43%** increase since 2019.



Decision-Makers' Plans for Changing Market Demands

All sectors



85%

Add third-party logistics (3PL) services support within five years.

In retail



77%

Report drop shipping volumes direct from manufacturers increased an average of 22% over the past two years.

1. Zebra 14th Annual Global Shopper Study Research, Zebra Technologies, 2021

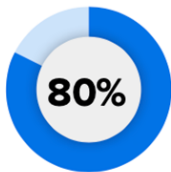
A Global View of Warehousing

For years, warehouse operators have been adapting to changing consumer habits, growing labor recruitment and productivity challenges, as well as increasingly interconnected supply chains.

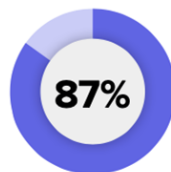
Fluctuating market conditions and new disruptors are prompting decision-makers to accelerate their plans to improve workforce productivity, responsiveness and agility.



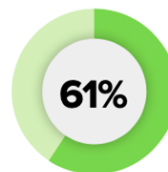
Decision-Makers Focus on Warehouse Modernization



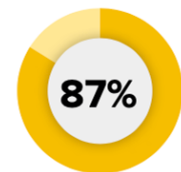
Agree the pandemic prompted faster modernization.



Plan to accelerate timelines of modernization projects within three years.



Plan to implement real-time inventory tracking within a year.



Agree new technology is needed to be competitive in the on-demand economy.

Operational Velocity Demands a New Way Forward

Decision-makers realize the need for resiliency, understand the implications of not making changes and are taking steps to modernize their operations. With the pandemic highlighting many challenges of the on-demand economy, stakeholders realized the need to collaborate across sectors to strengthen supply chains and make them more transparent. The need for speed, increasing order and shipping volumes, and consumers' changing purchase preferences uncovered some key challenges that are driving them to make changes.

Addressing Labor Constraints

Workers play a key role in making warehousing operations more resilient, and labor challenges are a significant concern among decision-makers. **More than half** report finding and training warehouse workers among the biggest challenges their organization faces with regards to labor, and **85%** report they have already prioritized labor optimization or plan to do so within the next three years.



Decision-Makers' Top Three Challenges Due to Increased E-Commerce



1 Faster delivery to end customers



2 Increased transportation costs



3 Inventory accuracy and visibility

Warehousing Evolution by the Numbers

Despite recent challenges, warehouse operators have made progress in several areas they identified as a “priority” in the [2019 Zebra Global Warehousing Vision Study](#). In addition, they are taking on what were likely long-standing challenges they can no longer ignore.

Greater Focus on Outbound Operations

With the rise in e-commerce, decision-makers in the current survey ranked returns management as their top operational challenge, along with many fulfillment-related outbound operations. Concerns and priorities in the 2019 survey were more generalized around recruitment, productivity and utilization. Today, warehouse operators are focused on identifying their weakest operational areas. This will enable them to prioritize improvements more effectively.

Outbound Fulfillment Challenges

	% of decision-makers	Percentage point (pp) increase from 2019
Packing, staging and loading	36%	+11 pp
Order fulfillment time	35%	+5 pp
Picking efficiency	35%	+5 pp
Order accuracy	32%	+3 pp

Positive Workplace Changes

News of short-staffed warehouses and fulfillment centers have dominated headlines for over two years. However, it has not caused current warehouse associates to take a negative view on the matter. In the current survey, **82%** of associates say their employers’ difficulties in hiring and retaining labor has actually prompted improvements. Specifically, they say their employer has:



60%

Improved working conditions



57%

Used technology to make work easier



45%

Increased wages and bonuses



43%

Provided technology to enable flexible work shifts



Warehousing Evolution by the Numbers (continued)

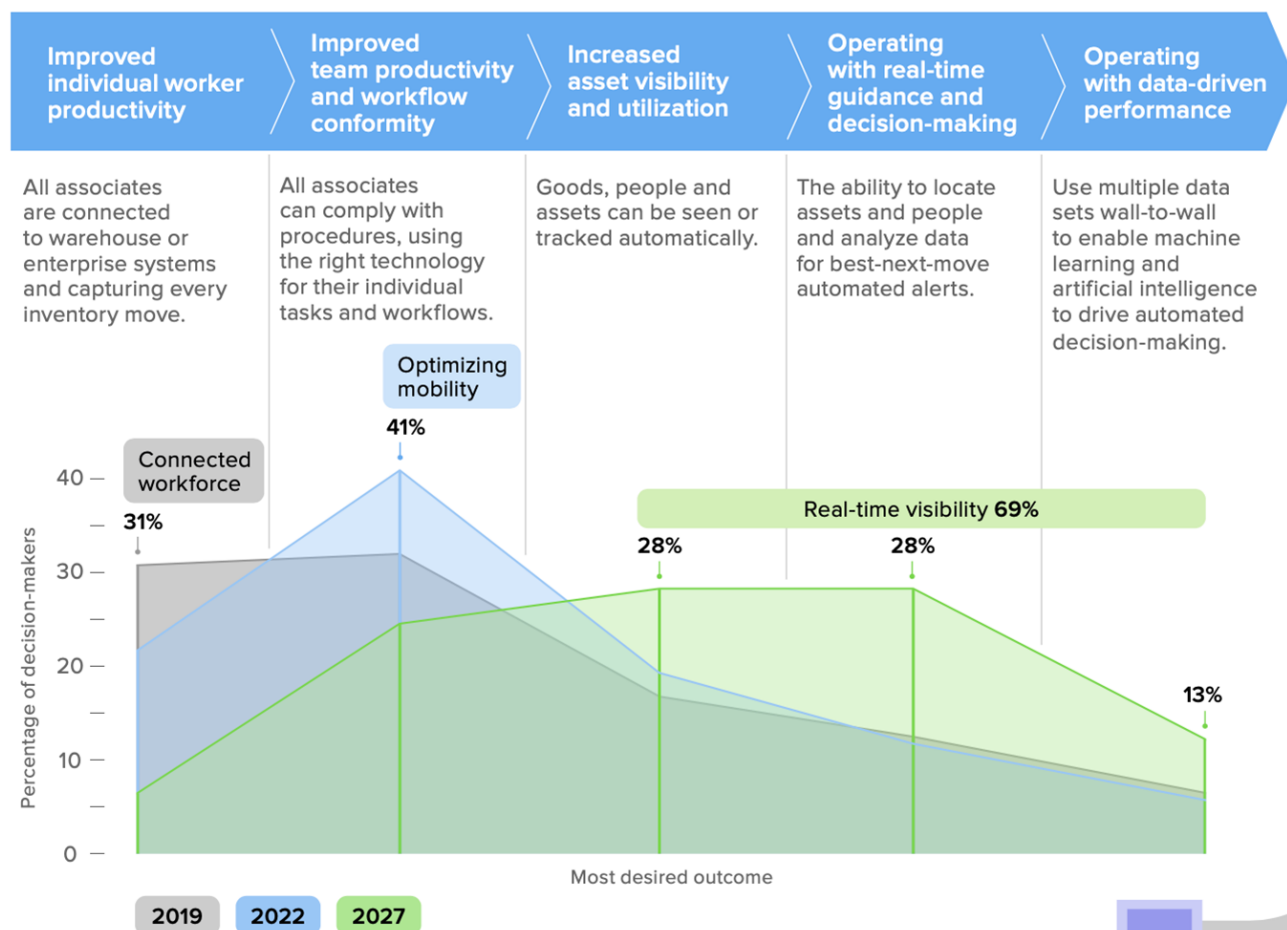
Desire for Increased Productivity-Related Outcomes

In 2019, **nearly a quarter (23%)** of respondents managed operations with all paper-based or fixed workstation systems. Decision-makers say that will drop to only **5%** within the next five years, and a greater focus will be placed on augmenting workers with mobile devices and automation solutions.

Back then, decision-makers were focusing on simply connecting warehouse workers with enterprise systems (**31%**), and some were optimizing that experience (**32%**). Since then, there has been a noticeable shift, as **41%** said they were focused on giving workers the right technology for the task to ensure improved team productivity and workflow compliance outcomes. In five years, almost **70%** of decision-makers would like to achieve more real-time visibility of people, assets and goods, as well as the ability to automate decision-making.



Decision-Makers' Most Desired Outcomes



Empower your connected workforce

Today, five in 10 decision-makers are utilizing mobility with some level of automated data capture, location solution, or predictive and adaptive data analytics. Within five years, almost six in 10 are expected to be utilizing mobility with these sensor-based technologies, with more emphasis on automating decision-making and constantly predicting and adapting operations in real-time.

With AbeTech, you can do more with less when you have access to connected technology experts who understand your challenges and simplify your day.

About AbeTech

At AbeTech, we are dedicated to helping technology leaders simplify their connected technology transformation. We understand your challenges, simplify your technology initiatives, and enable you to maximize your IT investments.

About Zebra Technologies

Zebra empowers organizations to thrive in the on-demand economy by making every front-line worker and asset at the edge visible, connected and fully optimized. Zebra serves customers of all sizes with an award-winning portfolio of hardware, software, services and solutions that digitize and automate workflows.

[Contact us](#) for a complimentary needs assessment

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