

Staff Retention, Issues Managing Different Channels and Legacy Tech put Warehouse Operations in the Spotlight

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LONDON--(BUSINESS WIRE)--Jun. 19, 2024-- Manhattan Associates Inc. (NASDAQ: MANH) today announced the findings of its 2024 'State of Warehouse Operations' research in association with Vanson Bourne, highlighting the current challenges and key opportunities ahead for the sector.

As the global economy continues to recalibrate after a series of macro-economic and geopolitical events shook it to its core, procurement and supply chain professionals continue to face unique challenges. From labour retention and engagement and environmental concerns to technological advancements, raw material shortages, and the challenge presented by elevated consumer expectations across a myriad of channels, the forces shaping supply chain commerce are strong and varied.

Vanson Bourne interviewed 2,000 supply chain professionals in Spring 2024 across Australia, Belgium, Brazil, France, Germany, Italy, the Netherlands, Norway, Mexico, Spain, Sweden, and the UK. Respondents included both senior management and operational staff, and came from the manufacturing and production, logistics, pharmaceuticals, retail, automotive and CPG sectors.

In terms of the overriding challenges, almost all respondents (97%) believe their warehouse operations IT infrastructure requires at least some modernisation. 84% reported facing difficulties with staff retention, while 73% said the volume of goods passing through warehouses had increased over the past 12 months, exacerbating the problems they were already facing.

However, organisations also remained hopeful about the future, with 75% and 72% expecting Generative AI and robotics (respectively) to play a positive role in improving job satisfaction and functions, through reducing manual operations/increasing automation, and by streamlining workflows and reducing paperwork. As organisations look at ways to simplify operations, meet increased demand and enhance staff experiences, continuous supply chain innovation will be required to tackle emerging risks, while taking full advantage of new opportunities simultaneously.

Below are three key takeaways from the report aimed at helping supply chain professionals to plan a path to future successes:

- 1. Warehouse operations are becoming more challenging for organisations and ensuring staff feel listened to, engaged and valued is important. A sizeable number of respondents cited staff-related challenges including recruiting/training short-term workers (41%) and ensuring productivity (40%) have grown significantly over the last 12 months.
- 2. 28% of organisations surveyed highlighted that outdated IT hardware and software was the most pressing challenge they are currently facing. That adds up to a significant amount of fiscal and technological drag for almost a one in three of the companies surveyed.
- 3. 26% of respondents said they are struggling to manage orders from different channels while 23% said that they were finding it difficult to meet heightened customer expectations on turnaround times.

Henri Seroux, senior vice president, EMEA at Manhattan Associates commented: "Warehouses are at the heart of a unified supply chain and centre of the fulfilment universe. Tackling the challenges highlighted in the report are key to the long-term competitiveness and success of companies. The findings underline the importance of looking forward and continuing to incorporate new technologies like micro services and Generative AI, future-proofing supply chains and allowing them to become revenue and customer service drivers in their own right.

"Ultimately, a more unified supply chain strategy creates efficiency, and that in turn creates sustainability, both in terms of economics and environment. And that can only be a good thing for P&Ls as well as the planet," Seroux finished.

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