

UPS Launches Smart Warehouse Technology

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UPS (NYSE:UPS) Supply Chain Solutions today announced warehouse network technology designed to make distribution centers smarter and more efficient. The new Warehouse Execution System (WES) will enable faster order intake and fulfillment to ensure that customers, especially those with fluctuating order patterns, receive their products on time.

UPS and supply chain solutions provider Softeon created the WES which allows UPS to define specific customer requirements to ensure highest priority orders are worked first without manual intervention, resulting in more than 50% productivity gains for some customers.

"WES enables UPS to better leverage our global warehouse network and integrated technology to help our customers reduce capital, improve service and speed to end customers," said Philippe Gilbert, president of Supply Chain Solutions. "We also can create more custom and turnkey outsourced fulfillment services to meet our customers' unique supply chain needs."

To meet the growing and ever-changing demands, supply chain operators are leveraging more sophisticated and complex warehouse technologies that can handle higher volumes with greater fluctuations. The WES's real-time monitoring of capacity, fulfillment requirements, backlogs, and labor status allows UPS to identify and resolve

potential disruptions before they arise. With companies experiencing labor scarcity and ecommerce-driven pressure for faster fulfillment, UPS is making outsourced fulfillment a competitive advantage for customers.

The WES implementation is part of UPS's ongoing efforts to modernize warehouse operations by leveraging autonomous capabilities. UPS is deploying Autonomous Mobile Robots (AMR) in several of its facilities and piloting AMR from Locus Robotics, which receive instruction from the WES to pick up and transport goods for order consolidation and pack out by UPS employees. The system dynamically dispatches order fulfillment activity and continuously balances inventory flow which allows UPS engineers and operators to efficiently synchronize the use of labor and equipment.

Other investments in warehouse technology include autonomous guided vehicles, automated sorting systems, and other automation technologies. UPS also plans to



launch a new visibility and reporting platform that will enable customers to monitor and track end-to-end supply chain activity and performance, from transportation to warehouse inventory to order volume all in one platform.

"Our investments in technology support

operational improvements that enable UPS to improve service for our customers," said Gilbert. "The WES, AMRs, and other technologies allow us to create more customized solutions that better serve customers and improve the end-user experience."

Source: <u>UPS</u>