

# ACCELERATE YOUR **DIGITAL** **TRANSFORMATION**



**In the past few years, there's been a lot of talk about the digital transformation taking place in a variety of industrial sectors. Technologies like robotics, automation, data analytics, machine learning and artificial intelligence are no longer part of some faraway future, but the very tools many companies**

**are integrating into their daily business practices today. Not only is this evolution helping companies deliver consistently exceptional customer experiences, it's also introducing solutions to traditional challenges while ushering in a new era of process efficiencies.**

Nowhere is this truer than in the distribution and fulfillment sector, where e-commerce pressures are driving retailers, wholesalers and third-party logistics providers to accelerate their own digital transformations. But the rate of progress in this transformation is as diverse as the spectrum of fulfillment operations found throughout our industry. No two operations are alike, and the drivers, goals and extent of this transformation are as diverse as the number of SKUs found in a typical e-commerce DC inventory.

Regardless of where our customers sit on this continuum, most have identified "digital transformation" — however they choose to define it — as a stated business objective. Digital transformation is perceived as a vital step in ensuring survival in this ultracompetitive climate, essential for growing a loyal customer base.

## ***THEREIN LIES THE CHALLENGE.***

Consumers want faster, cheaper shipping and accurate, on-time deliveries of an ever-expanding variety of products. As rising service level agreements dictate order fulfillment process improvements, pure-play e-tailers and omnichannel retailers alike are faced with escalating speeds, volumes and complexities in their DCs.

At the same time, rising labor costs and workforce shortages are shared hurdles faced by most, if not all, DC operations. While labor accounts for up to 70 percent of DC operational budgets, industry growth is outpacing the labor pool by a ratio of six to one.

For all of these reasons, limiting unplanned downtime is a top priority. Every hour of downtime results in idle workers, potential overtime costs,

shipping and logistics delays, and a variety of ripple effects which can ultimately chip away at profits and service level agreements. It all quickly adds up: as much as \$10,000 for an hour of downtime, and much more for extended durations. This is why embracing digital transformation within DC operations is so important. By leveraging powerful new technologies, companies can increase asset and system reliability, maximize DC utilization, and improve productivity. And by doing so, build a fiercely loyal consumer base.

Honeywell Intelligrated is committed to helping our customers make this necessary digital transformation. Our [Connected Distribution Center](#) is already helping many DC operations achieve competitive advantages by making the necessary transitions:

- From manual to automated processes
- From preventative to [predictive maintenance](#) strategies
- From reactive to proactive approaches to meet daily throughput targets
- From operational blind spots to comprehensive visibility
- From transient data to actionable intelligence

Within these pages you'll learn more about The Connected Distribution Center as well as several other of our enabling technologies, such as [robotics](#), [warehouse execution system software](#), [augmented reality glasses](#) and much more.

I sincerely hope this inaugural issue of our On The Move publication helps you explore the technologies available to accelerate your own digital transformation.

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