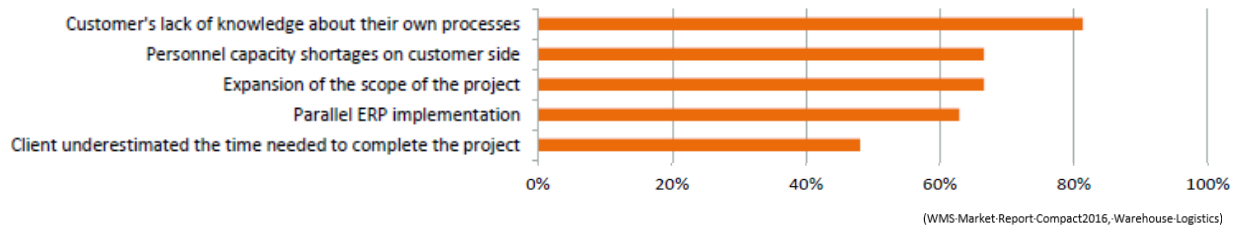# Importance of Requirements Development

The top reason of failed implementations is a customer's lack of knowledge about their own processes. Poor understanding and documentation of business processes during the requirement analysis, accounts for over 80% of implementation failures.



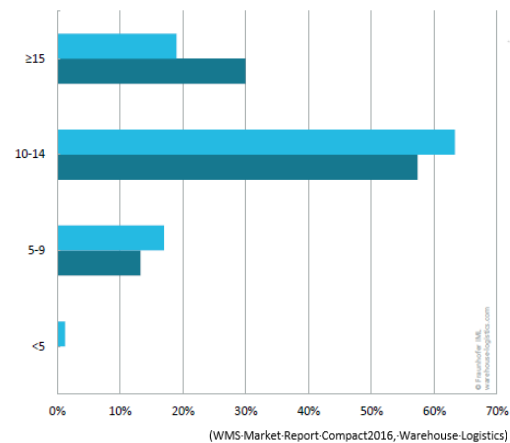(WMS-Market-Report-Compact2016,-Warehouse-Logistics)

Of companies currently utilizing a WMS, 80% indicate a long term commitment and rely on the system for 10 years or more; thus, it is critical to choose the right system and implement it right the first time. It saves valuable budget, manpower and time to conduct an in-depth requirement analysis prior to the deployment of such systems.

The requirement analysis should cover all functional areas to be supported in the existing operation, plus any additional functions that are anticipated for the 'five-year' minimum life of WMS or MES software package. Identified requirements are expressed in clear language, which will provide direction for the WMS or MES vendors and users through the project life cycle.

The following components are usually included in a requirement analysis:

- Document current process, systems, operational model
- Identify pain points of current operation
- Benchmarking with best practice, cutting edge technology and innovations
- Identify functions which require support from a software application
- Design and document future process and system requirement



Average period of use of a WMS 2016 compared to 2014 (in years)

(WMS-Market-Report-Compact2016,-Warehouse-Logistics)

From a strategic prospective, the following factors should be considered in the requirement analysis:

- **Planning horizon:** Address the short and mid-term needs of an organization but also support an enterprise's long term goal
- **Return on Investment (ROI):** Support the implementation of a system solution that can be justified from a ROI standpoint. The ROI for a major WMS or MES implementation typically ranges between one and two years depending upon its scope and size. Requirement analysis makes it easier to estimate the cost and request budget approval
- **Supporting Strategic Objectives:** WMS / MES programs enable centralized management of all activities involving and becoming a critical tool for many organizations

This has only scratched the surface of defining requirements of a complex major software application like WMS or MES system. The best approach to this process will vary, depending on the internal knowledge and experience of the user group. It is often a sound investment to add outside help to the company if some expertise is lacking in engaging such a complex and essential system. The external consultants could bring best practice, advanced technology, as well as proved methodology to the company. It can be a wise investment of a very small portion of the total project budget. An effective requirement analysis and well written document increases success, saving time, cost and resources in the system implementation.