

THE SUPPLY CHAIN GROUP: Logistics SUPPLYCHAIN SupplyChainDaily.com Login | Register **FREE** NEWSLETTERS! SIGN UP NOW!

MODERN MATERIALS HANDLING IN PARTNERSHIP WITH MATERIAL HANDLING

ADVERTISEMENT

DEMATIC Continuing the *Rapistan*® Tradition

Click Here

Home Topics Blogs Magazines Newsletters Resource Centers Events Webcasts Careers Industry Leaders

POWERED BY **SEARCH** Expert BUSINESS SOURCE **FREE SUBSCRIPTIONS** to MMH and MHPN Magazines!



[Bob Trebilcock](#)

Getting an ROI from cellular in the plant and DC

September 25, 2008

<http://www.mmh.com/blog/100000500/post/780033878.html>

We write a lot about automatic data collection and communication technologies at Modern. Usually, however, we're writing about mobile computing, barcode scanning, voice recognition and RFID. These are the technologies that collect and communicate information between systems or workers electronically.

Over the last few years, I've been hearing more about cellular in the supply chain. Many of those applications involve logistics outside the four walls of the distribution center or manufacturing plant, especially ways to track the location of trailers and rail cars in route to their destination. Increasingly, cellular is showing up on the shop floor, says Kelly Carr, president of [Cellular Specialties, Inc.'s](#) Custom Solutions Group

"Inside a facility or in the yard, it's usually supervisors on up who are being provided with cellular tools," says Carr. "The ability to communicate in a wide campus environment enhances their ability to do their jobs."

Cellular communications addresses public safety concerns, in case an employee is injured on the job. But the technology also enables exceptions management. "You now have the ability to change an order or add to an order in real time, at the push of a button, through a text message or a phone call. That can set your company a part from the competition."

In many facilities, cellular is taking the place of a desk phone. A wireless service provider will install a microsite on the premises that assigns employees a four digit extension, just like a landline. Step outside the facility, and the traditional cellular network and telephone number would take over.

The biggest impediment to broader adoption of cellular is establishing a return on investment. "Ninety-nine percent of the time, we can overcome any technical challenges to setting up a cellular network," says Carr. "The real challenge is coming up with a hard number to justify the investment."

That is changing as cell rates come down, and as companies look at areas beyond productivity increases to justify the cost of an implementation. "We recently worked with a company that was able to save 8% on the insurance premiums for their DC because of improved public safety," says Carr. "That's a new way of thinking about ROI."

Posted by [Bob Trebilcock](#) on September 25, 2008 | [Comments \(1\)](#)