

# WMS market to surge

*New research predicts annual growth over 20 percent*

**IT'S A GOOD TIME TO** be in the business of developing – or perfecting – warehouse management system (WMS) software.

Global spending on WMS platforms surged from US\$2.3 billion in 2019 to over

\$2.5 billion in 2020, showing an eight percent year-over-year growth, according to a new study by ABI Research.

The biggest investment in WMS has come from logistics service providers, who

spent over \$636 million last year. Investments in retail and food and beverages follow suit with \$509 million and \$483 million respectively.

According to ABI, worldwide WMS revenues will have a compounded annual growth rate (CAGR) of over 23 percent from 2021 to 2030 and will exceed \$10 billion by 2030.

“Companies are starting to combine the value of multiple hardware and software solutions. Productivity technologies can achieve far greater return on investment if combined correctly with other technologies,” said Adhish Luitel, industry analyst, supply chain management and logistics at ABI Research.

“For example, by combining location tracking data with a voice solution, warehouses using a WMS can optimize workflows by minimizing distance traveled based on a worker’s whereabouts.”

## Innovation

The boom in demand for WMS has prompted numerous innovations in warehouse management. Advancements in data collection and tracking allow more insights into warehouse operations, as well as boosting predictive analytics.

ABI says areas to watch include Machine Learning (ML) algorithms that capture the data and give insights in real time. Blockchain will allow supply chains to become more connected, accountable, and visible. Finally, Robotic Process Automation (RPA) combines the use of software, robotics, Artificial Intelligence (AI), and ML to speed up inventory management tasks like picking or replenishment.

## Play nicely together

Software suppliers developing solutions that integrate well with various levels of automated processes and technologies will be most likely to achieve long-term success, ABI suggests.

“Vendors should be ensuring that they have a well-developed partner network and integration strategy relating to complementary technologies. Technology vendors and solution providers should be paying close attention to indoor Real-Time Location System (RTLS) providers,” Luitel concluded. ■

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