01
WAREHOUSE SERIES

METAWMS FOR DYNAMICS 365 BUSINESS CENTRAL

THE DYNAMICS 365 BUSINESS CENTRAL WAREHOUSE MANAGEMENT PLAYBOOK

Stop running your warehouse on memory. Start running it like a system.

WHAT'S INSIDE

$150,000

Lost every year by a mid-size warehouse running on guesswork instead of a defined Business Central workflow — before a single customer ever calls to complain.

CONTENTS

A playbook for operations and IT leaders running Microsoft Dynamics 365 Business Central, or about to be.

IN THIS PLAYBOOK

WHAT YOU'LL WALK AWAY WITH

WHO THIS IS FOR

Operations and IT leaders who are already running Microsoft Dynamics 365 Business Central, or about to be, and who want warehouse management to be a source of margin instead of a source of firefighting.

EXECUTIVE SUMMARY

1–3%
Average warehouse picking error rate, industry-wide

20–40%
Error rate in manually tracked inventory records

36–40%
Annual turnover among U.S. warehouse workers

Sources: Descartes Finale Inventory (2026); Logimax WMS (2026); U.S. Bureau of Labor Statistics, cited in SPS Commerce 2026 Supply Chain Trends.

EXECUTIVE SUMMARY

EVERY WAREHOUSE RUNS ON ONE OF TWO THINGS: DISCIPLINE OR GUESSWORK

Right now, in warehouses running on Microsoft Dynamics 365 Business Central, one of two things is happening. Either every receipt, put-away, pick and shipment follows a defined workflow that the system enforces — or someone is quietly reconciling a spreadsheet, walking the floor to "just check", or re-picking an order because the bin label lied.

Business Central gives you the ERP backbone to run the first version. This playbook is built for operations and IT leaders who are already on Business Central, or about to be, and who want warehouse management to be a source of margin instead of a source of firefighting.

You will see what unmanaged workflows actually cost. You will get a complete picture of how goods move through Business Central, from receiving to returns. And you will walk away with nine best practices drawn from real implementations, plus a checklist for deciding whether native Business Central is enough — or whether it is time for a purpose-built extension.

> **The workflow discipline that prevents these errors has to be a deliberate choice. It is not something the software forces on you by default.**

THE NUMBERS BEHIND IT

WHAT THE INDUSTRY MEASURES	BENCHMARK	WHY IT MATTERS
Average picking error rate	**1–3%**	Even "acceptable" operations misship 1 in 50–100 orders.
Manually tracked inventory records	**20–40%**	Spreadsheets and paper counts introduce errors on up to 4 in 10 transactions.
Annual warehouse workforce turnover	**36–40%**	Tribal knowledge about where stock really sits leaves constantly.

01
THE PROBLEM

20–40%
Error rate in manually tracked inventory records

<1%
Error rate once workflows are barcode-verified

$30–75
Direct cost of a single picking error

36–40%
Annual turnover among U.S. warehouse workers

Sources: Descartes Finale Inventory (2026); Logimax WMS (2026); U.S. Bureau of Labor Statistics, cited in SPS Commerce 2026 Supply Chain Trends.

SECTION 1

THE REAL COST OF WAREHOUSE GUESSWORK

Warehouse inefficiency rarely shows up as one dramatic failure. It shows up as a slow leak: a picker who walks past the right bin because the label is six months out of date, a cycle count that turns into a half-day scramble, a customer service rep apologising for the third short-shipment this month.

None of it looks urgent in isolation. Added together, it is one of the largest hidden taxes on a growing distribution or manufacturing business.

What the industry data says

METRIC	BENCHMARK	WHAT IT MEANS FOR YOU
Manual inventory tracking error rate	20–40%	Spreadsheets and paper counts introduce errors on up to 4 in 10 transactions.
Automated / scanned tracking error rate	<1%	Barcode-verified workflows close nearly all of that gap.
Human error's share of inventory inaccuracy	60–80%	Most stock discrepancies trace back to process, not theft or damage.
Average picking error rate	1–3%	Even "acceptable" operations misship 1 in 50–100 orders.
Cost per picking error	$30–75	Covers reshipment, returns processing and labour — before lost customers.
Warehouse workforce annual turnover	36–40%	Institutional knowledge about "where things really go" walks out the door constantly.

LET'S DO THE ARITHMETIC

A mid-size operation shipping **500 orders a day** at a 2% picking error rate loses roughly **$150,000 a year** in direct correction costs alone — before accounting for returned customers or damaged trust. Scale that to 10,000 orders a day and the same 1% error rate becomes a **$1.3 million** annual line item. These aren't worst-case numbers; they are the industry average.

Illustrative model: 500 orders/day, 260 business days/year, $50 average cost per picking error. Source: Descartes Finale Inventory, "How to Improve Order Picking Accuracy" (2026); NetSuite, "12 Ways to Reduce Warehouse Picking Errors" (2026).

Why this hits Business Central users especially hard

None of this is unique to any one ERP. But it lands differently for Business Central users because the platform makes it easy to "go live" on warehousing without fully committing to warehouse-grade process.

A company can post receipts, ship orders and close the books using nothing more than basic locations and manual quantity entry — which means the workflow discipline that prevents the errors above has to be a deliberate choice, not something the software forces on you by default.

02
THE PLATFORM

02
Warehousing tiers in Business Central, configured per location

03
Recurring gaps once operations scale past a single simple location

Source: Insight Works / DMSi, "Mastering Warehouse Management with Business Central" (2025).

SECTION 2

WHERE BUSINESS CENTRAL WAREHOUSING STANDS TODAY

Business Central ships with two tiers of warehousing, configured per location: Basic and Advanced. The tier you choose shapes almost everything downstream — how picks are generated, whether put-away is directed, and how much of the process the system can actually enforce versus simply record.

CAPABILITY	BASIC WAREHOUSING	ADVANCED WAREHOUSING
Put-away	Posted directly from purchase receipt	Directed put-away tasks by bin ranking
Picking	Manual pick from posted order	Pick worksheets, wave/zone logic, bin-level
Bin management	Optional; single bin per item common	Mandatory; multiple bins, bin content tracking
Internal moves	Manual	System-directed replenishment and movement
Best fit for	Single location, low SKU count, low volume	Multi-bin, multi-zone, higher-volume operations

Where the native experience runs out of road

Independent implementation guidance on Business Central warehousing is consistent about three recurring gaps once operations scale past a single simple location:

01 Configuration complexity

Setting up bins, directed put-away and pick logic correctly is not plug-and-play, and it is a common source of go-live delays.

02 Limited real-time visibility

Standard reporting often can't show granular warehouse movement, throughput or bottlenecks as they happen — teams end up reacting instead of managing proactively.

03 Native barcode and mobile support

Out of the box, Business Central was not built around handheld scanning workflows, so many teams either buy an extension or keep working from printed pick lists.

> None of this means Business Central can't run a tight warehouse. It means the workflow discipline you build around the platform matters at least as much as the licence tier you buy.

03
THE WORKFLOW

06
Stages every warehouse runs, regardless of industry

For each stage: what a system-enforced process looks like, and the failure mode that appears when the step depends on a person remembering instead.

SECTION 3

THE BUSINESS CENTRAL WAREHOUSE WORKFLOW, END TO END

Every warehouse, regardless of industry, runs the same six-stage loop. What separates a tight operation from a leaky one is whether each stage is a defined, system-enforced step — or an assumption someone makes on the fly.

01 Receiving

WHAT GOOD LOOKS LIKE

Purchase or transfer receipt is posted against an expected line; quantity, lot/serial and condition are verified at the dock.

THE FAILURE MODE

Phantom stock. Goods are put away before they're logged, so the system and the shelf disagree from minute one.

02 Put-away

WHAT GOOD LOOKS LIKE

Directed put-away assigns a bin based on ranking rules (velocity, zone, capacity), and the task is confirmed by scan, not memory.

THE FAILURE MODE

"Wherever it fits." Items land in whatever open bin is closest, and nobody but the person who put it there can find it again.

03 Cycle counting

WHAT GOOD LOOKS LIKE

A rotating subset of bins or SKUs is counted on a fixed cadence, with variances posted and investigated, not just written off.

THE FAILURE MODE

The annual fire drill. A full physical count once a year, discovering months of drift all at once.

04 Order release & picking

WHAT GOOD LOOKS LIKE

Sales orders release to a pick worksheet using wave, batch or zone logic matched to the order profile; pickers confirm by scan.

THE FAILURE MODE

Paper pick lists. A printed sheet, a walked route, and a picker's judgment standing in for system-directed accuracy.

05 Packing & shipping

WHAT GOOD LOOKS LIKE

Pack confirmation validates picked quantities against the order before a shipment and carrier label are generated.

THE FAILURE MODE

Trust-fall shipping. Cartons go out the door on the assumption the pick was right, discovered wrong only when the customer calls.

06 Returns & adjustments

WHAT GOOD LOOKS LIKE

Returned goods are received back through a controlled workflow, inspected, and either restocked to a bin or written off — with the reason coded.

THE FAILURE MODE

The mystery pile. Returns sit in a corner because nobody owns putting them back into a sellable, trackable state.

03
THE PATTERN UNDERNEATH

THE COMMON ROOT CAUSE

EVERY FAILURE MODE TRACES BACK TO THE SAME THING

Notice the pattern across all six stages: each failure mode depends on a person remembering or noticing something, instead of the system confirming it. Fixing that pattern, stage by stage, is the single highest-leverage thing you can do to warehouse performance on Business Central.

A STEP THAT DEPENDS ON A PERSON

Remembering

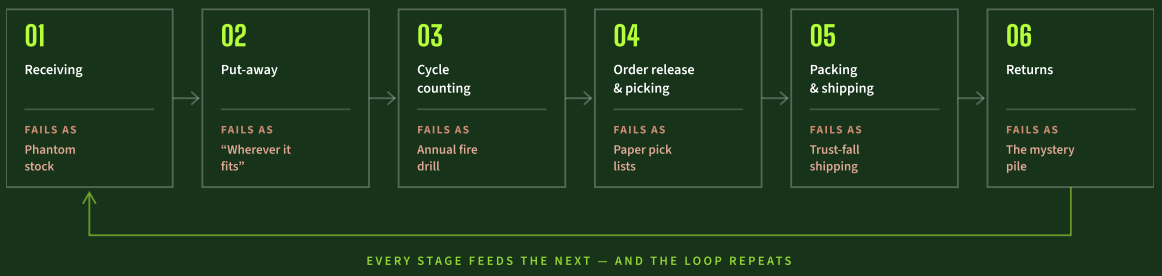
Which bin the pallet actually went to. Which lot was opened first. Whether the short-ship was recorded or just mentioned.

A STEP THE SYSTEM CONFIRMS

Scanning

The bin barcode. The item barcode. The quantity against the expected line, at the moment the work happens.

THE LOOP, IN ONE VIEW



> A warehouse does not become accurate because people try harder. It becomes accurate when the system stops asking them to remember.

The nine practices in Section 4 are ordered by how much of that memory-dependence each one removes, and how early most teams can realistically tackle it.

04
THE PLAYBOOK

09
Practices, ordered the way most teams should tackle them

Drawn from recurring fixes across Business Central warehouse implementations, not from theory.

SECTION 4

NINE BEST PRACTICES FOR BUSINESS CENTRAL WAREHOUSING

These aren't theoretical. They're the recurring fixes that show up whenever a Business Central warehouse operation moves from reactive to reliable — organised in the order most teams should tackle them.

01 Turn on bins before you need them

Enabling bins after inventory has already accumulated means retrofitting location data onto live stock. Configure directed put-away and bin structure while volumes are still manageable, even if you're not using every advanced feature yet.

02 Decide Basic vs. Advanced warehousing by location, not company-wide

A single distribution centre and a low-volume satellite location rarely need the same setup. Business Central lets you configure warehousing per location — use that, rather than forcing one tier everywhere.

03 Replace paper pick lists with scanning as early as you can

Manual tracking runs at a 20–40% error rate versus under 1% for scanned workflows. If budget forces a phased rollout, prioritise picking and shipping first — that's where mis-picks turn directly into customer-facing failures.

04 Run cycle counts weekly, not annually

Rotating counts on a fixed cadence catch drift while it's still small and traceable. An annual physical count finds problems only after months of decisions have already been made on bad data.

05 Build pick logic around your real order profile

Wave, batch and zone picking each fit different order patterns. High-volume, low-line orders favour batch picking; multi-line B2B orders often favour zone picking. Match the method to how orders actually arrive, not a generic default.

SEQUENCING NOTE

Practices 01–05 are structural — they change how the warehouse is modelled and how work is issued. Practices 06–09, overleaf, are about keeping that structure honest once it is running.

04
THE PLAYBOOK CONTINUED

36–40%
Annual turnover — why tribal-knowledge workflows are fragile by design

Practice 07 assumes a reporting layer outside standard Business Central reports — Power BI or a warehouse extension.

SECTION 4 · CONTINUED

KEEPING THE STRUCTURE HONEST

06 Treat item tracking setup as a prerequisite, not an afterthought

Lot and serial tracking must be enabled at the item tracking code level before advanced warehousing will surface that data on the warehouse ledger. Skipping this step is one of the most common — and hardest to unwind — setup mistakes.

07 Track the KPIs Business Central doesn't show you natively

Picks per labour hour, error rate per thousand picks, dock-to-stock time and cycle count variance rarely appear on a standard report. Build a dashboard — in Power BI or a warehouse extension — that surfaces them weekly.

08 Give warehouse staff a stake in accuracy, not just speed

With turnover running 36–40% annually industry-wide, workflows that depend on tenured institutional knowledge are fragile by design. Recognition programmes and clear, scannable instructions reduce the accuracy gap between your best and newest picker.

09 Stress-test your setup before your busiest season, not during it

Wave logic, bin capacity and staffing assumptions that hold at normal volume can break under peak load. Run a volume simulation or a deliberate peak-week review in advance, not as a live experiment.

THE FOUR KPIS WORTH A WEEKLY DASHBOARD

KPI	WHAT IT TELLS YOU
Picks per labour hour	Whether pick logic and routing are actually reducing walking, or just moving the problem.
Error rate per thousand picks	The number that converts directly into the $30–75 correction cost from Section 1.
Dock-to-stock time	How long received goods stay invisible to the rest of the business.
Cycle count variance	Whether drift is being caught weekly, or accumulating until the annual count.

05
THE TURNING POINT

06
Signals that configuration alone has reached its limit

None of these mean Business Central was the wrong choice. They mean the native module has reached the edge of what configuration can solve.

SECTION 5

SIGNS YOU'VE OUTGROWN NATIVE WAREHOUSING

Applying every best practice in Section 4 will take a disciplined Business Central operation a long way. At a certain point, though, growth outpaces what configuration alone can deliver. These are the signals worth taking seriously.

- **Your team maintains a shadow spreadsheet** because Business Central's native reporting can't answer "where is this lot right now" fast enough.
- **Pickers are still working from printed pick lists,** and mis-picks are treated as a normal cost of doing business.
- **You've added locations or bins faster than you've added visibility** into which bin actually has capacity.
- **Cycle counts routinely surface variances** that take days to investigate rather than minutes.
- **Seasonal volume spikes require temporary labour** that can't be trained fast enough on tribal-knowledge processes.
- **Finance and the warehouse floor are working from numbers that don't match** until month-end reconciliation forces them to.

> None of these signals mean Business Central was the wrong choice. They mean it is time to evaluate a purpose-built warehouse management extension on top of it.

06
THE EVALUATION

05
Categories to run against any candidate solution

19
Individual checks, on a single printable sheet

Print this page, or run it side by side against two shortlisted vendors.

SECTION 6

THE WMS EVALUATION CHECKLIST

Whether you're comparing extensions or pressure-testing your current setup, run this checklist across five categories. A solution genuinely built for Business Central should check every box — not just the ones on the sales deck.

01 — Business Central integration

- ☐ Built as a native Business Central extension, not a bolt-on requiring a separate database
- ☐ Transactions post to Business Central in real time, rather than depending on a batch or nightly sync
- ☐ Works across the same item tracking (lot, serial, expiration) setup you already use
- ☐ Certified and listed on Microsoft AppSource

02 — Mobile & barcode capability

- ☐ Supports 1D and 2D barcode scanning out of the box
- ☐ Mobile app works on common handheld and consumer device hardware
- ☐ Offline scanning support for spotty warehouse Wi-Fi zones
- ☐ Label printing (bin, licence plate, shipping) built in or tightly integrated

03 — Picking, put-away & bin management

- ☐ Supports wave, batch and zone picking methods
- ☐ Directed put-away with configurable bin ranking logic
- ☐ Licence plating / container tracking for multi-item moves
- ☐ Automated replenishment triggers between bulk and pick bins

04 — Inventory visibility & counting

- ☐ Real-time, bin-level inventory visibility across all locations
- ☐ Cycle counting workflows with variance tracking and audit trail
- ☐ Reporting that shows throughput, error rate and labour productivity without custom development

05 — Vendor fit & support

- ☐ Implementation timeline and cost are clearly scoped up front
- ☐ Vendor has verifiable experience with your industry and order volume
- ☐ Ongoing support and roadmap commitment beyond initial go-live
- ☐ Reference customers you can actually talk to

SCORING IT

Fewer than 15 of 19 ticked?

You are buying a warehouse system that will need a second system to make it work. Watch the integration category especially — a bolt-on that syncs overnight reintroduces exactly the drift this playbook is about eliminating.

HOW TO USE THIS IN A VENDOR CONVERSATION

Ask for a demonstration against your own process, not a generic dataset — specifically the stages where your current failure modes show up. A solution built for Business Central should be able to show you receiving through dispatch inside the ERP you already own, on hardware you can buy off the shelf.

07
BRINGING IT TOGETHER

MetaWMS Advanced Warehouse Management is a native Business Central extension, listed on Microsoft AppSource, developed by MetaOption LLC.

SECTION 7

CLOSING THE GAP: METAWMS FOR BUSINESS CENTRAL

Every gap identified in this playbook — limited native barcode support, thin real-time reporting, manual pick lists standing in for directed, verified workflows — is the exact gap MetaWMS was built to close. It is an advanced warehouse management extension built specifically on top of Business Central, not alongside it.

THE GAP THIS PLAYBOOK IDENTIFIED	HOW METAWMS ADDRESSES IT
Native reporting can't show real-time warehouse activity	Centralised visibility into stock levels, bin locations and activity across every location, live.
Limited native barcode and mobile support	Full 1D/2D barcode scanning and mobile workflows for receiving, put-away, picking and shipping.
One-size-fits-all picking logic	Configurable wave, batch and zone picking to match your actual order profile.
Cycle counts disconnected from daily operations	Cycle counting workflows that post variances straight back into Business Central's ledgers.
Data drift between the warehouse floor and the ERP	Every transaction — receive, move, pick, ship — syncs to Business Central in real time, with no manual re-entry.

> **A disciplined warehouse team can get remarkably far on native Business Central. But when SKU count, order volume or multi-location complexity outpace what configuration alone can deliver, MetaWMS extends the same foundation rather than replacing it.**

MetaWMS BY METAOPTION · A METAOPTION PRODUCT

READY WHEN YOU ARE

SEE EXACTLY WHERE YOUR WAREHOUSE IS LEAKING MONEY — IN 30 MINUTES

You've seen what unmanaged workflows cost. You've seen what "good" looks like inside Business Central. The only thing left to find out is how big the gap is in your own warehouse — and MetaWMS can show you that live, on your own data, in half an hour.

Real-time visibility
Across every bin and location.

Native integration
Business Central, not a bolt-on.

Guided implementation
From a Microsoft Gold Partner.

ABOUT METAWMS

MetaWMS is a comprehensive warehouse management software built for Dynamics 365 Business Central- helping businesses streamline warehouse operations from receiving to shipping through one connected workflow.

READY TO TRANSFORM YOUR WAREHOUSE?

- www.metawms.com
- info@metaoption.com
- Book a free MetaWMS demonstration