

# The Real Cost of Warehouse Automation: A Partnership Story

5-minute read

## Warehouse Operations - Automation Investment

### The Problem: Manual Process Costing Real Money

Sarah had been staring at the same spreadsheet for over three hours. As the operations director for a mid-sized service center in Ohio, she wasn't just exhausted—she was frustrated. Their facility had been pushing through peak season with outdated manual processes, and it showed:

- Workers spent half their shifts simply walking from one end of the warehouse to the other
- Picking took twice as long as industry benchmarks
- Inventory mismatches were a daily occurrence
- Product damage was creeping up
- Near-miss safety incidents were becoming too common as labor challenges increased

The weight of it all sat heavily on Sarah's shoulders. She knew the facility wasn't just inefficient—it was vulnerable. And while spreadsheets tracked the symptoms, they couldn't solve the problem.

Her team was burning out. Her leadership was questioning growth targets. And she was haunted by the knowledge that they were leaving money—real money—on the table every single day.

After a week of late-night research—including industry reports, webinars, facility tours—Sarah came to a realization that motivated her: Automation wasn't a nice to have anymore. It was a must have.

### The Search: Not Your Typical Sales Call

She picked up the phone and called CareGo. Expecting a typical sales conversation—pricing, quotes, budget talk—she braced herself. But what she got was... different.

“Before we talk numbers,” said Wes, CareGo’s senior consultant, “help me understand what success looks like for your operation.”

It wasn’t a pitch. It was a conversation—an honest, hour-long deep dive into the real struggles her team was facing:

- An order backlog that kept growing, but no capacity to catch up
- Labor shortages preventing the idea of scaling
- Disorganized inventory systems that wasted hours of productivity
- Frequent bottlenecks causing delays impacting customer satisfaction

Wes didn’t push. He listened. And when Sarah asked for a quote? “I can’t give you a meaningful one today,” he replied. “But I can help you understand what will drive your investment.” It was the first time Sarah felt like someone was listening her—not selling to her.

#### The Education: Learning Before Buying

In the week that followed, Wes became an automation mentor as much as a salesperson.

He introduced Sarah to the retrofit concept and dug into the details further. He invited in colleagues to further the conversation. Wes shared an example: one automated crane in an existing warehouse with steel coils. No new construction. No operational downtime.

The price was determined through extensive analysis and CareGo was able to retrofit the crane as it was fairly new. All in, the project cost was \$940K including crane retrofit, software and lifting device.

One of Sarah’s concerns was the impact of such a shift in their operational practices. CareGo’s Customer Success Manager, Jen, helped to ease her mind.

CareGo views the relationship with customers as long-term and mutually beneficial, she shared. Our model provides the customer with the wrap

around services they need to ensure success now and into the future. It includes change management, training, software licensing, 24/7 support and upgrades to the software. No need to hire expertise in house, it is always available. It also includes site visits each year by the CareGo team to assess performance improvement options.

“One-year later,” Jen shared, “that client changed their product mix—and the system adapted. No redesign. No downtime. No extra cost.”

For Sarah, this wasn’t just cost savings—it was transformational.

### The Investment Breakdown: Transparent Pricing

Wes didn’t believe in the classic “it depends” dodge. Instead, he laid out exactly what goes into automation investment:

- Cost Breakdown Capital Equipment: 25–80% of total (lower for retrofits)
- TELIA Automation Platform: 10–20%
- Support: \$5K–\$25K/month, depending on scope

### Real Automated Crane Cost Examples:

- Basic crane setup: ~\$750K
- High-capacity/custom: \$2M+
- Sarah’s expected range: \$750K–\$3M

Then came the kicker: Optimized storage increases capacity by 40–60%. If you’re storing 80,000 tons now, automation could push that to 130,000 tons—without expanding your building.

That was millions in potential revenue—unlocked by smarter design.

### The Process: Discovery Before Design

Instead of rushing a quote, CareGo asked for: Inventory profiles, Facility blueprints, Equipment specs & Operational benchmarks.

“Why are you investing so much effort before I’ve signed anything?” Sarah finally asked.

Wes’ response changed everything: “Because automation isn’t transactional. It’s a long-term partnership. We need to be the right fit—for both of us.”

### The Decision: A Few Weeks Later

A few weeks later, Sarah stood in front of her executive team. Her voice was steady as she laid it out:

- \$1.2M retrofit solution
- 18-month ROI projection
- \$8K/month in ongoing support

“This isn’t just a system. It’s a strategic partnership. And it’s how we evolve beyond the chaos.”

She had answers for every financial concern. Every operational risk. Every doubt. The proposal was approved—that day.

### The Results: Beyond Expectations

Today, Sarah doesn’t dread spreadsheets anymore. Her team is thriving, not surviving. The metrics speak for themselves:

- Zero workplace injuries
- 300% increase in throughput
- 99.8% order picking accuracy
- 35% more floor space—converted to \$2.3M additional annual revenue
- Employee retention and engagement

### The Ongoing Value:

- Eliminated quarterly physical inventory counts
- Real-time location tracking
- Continuous system optimization
- 15% throughput increase through software updates alone

- Employee mindset – the company invests in our safety and productivity

## The Lesson: Education Over Sales

Today, she regularly advises other operations directors:

"Find a partner who educates. Success isn't about the biggest budget—it's about understanding you're entering a long-term partnership."

## Key Takeaways:

- Automation is a long-term partnership, not a one-time purchase
- Education beats aggressive sales tactics
- Retrofit can deliver massive ROI without new construction
- Ongoing support drives continuous improvement
- The right partner invests in your success from day one

## Ready to Start Your Automation Journey?

The best partnerships begin with understanding. Want to learn more about warehouse automation partnership? Connect with CareGo's team for an educational consultation—allow us to share our insights.

About This Story: Based on real customer experiences with CareGo's warehouse automation solutions. Names and specific details have been adapted to protect customer confidentiality while maintaining the authenticity of the partnership approach and results achieved.

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