

Why warehouse 4.0 pilots fail to scale and what to do about it

White Paper



Introduction

The truth is, most pilots don't really fail — they succeed up to a point, then fail to scale. In many situations, that's fine. Maybe the pilot is designed to be single-purpose and successfully resolves the issue it's deployed to address. Or maybe your company simply wants to test a new solution or idea before making a commitment to invest.

But often, you want to expand your Warehouse 4.0 pilot beyond one use case, machine type in the warehouse — that's when the gap appears: the inability to scale beyond a certain scope or level of success.

We call this situation
“scale fail.”



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Top reasons for scale fail

1. Proof of value missing in action

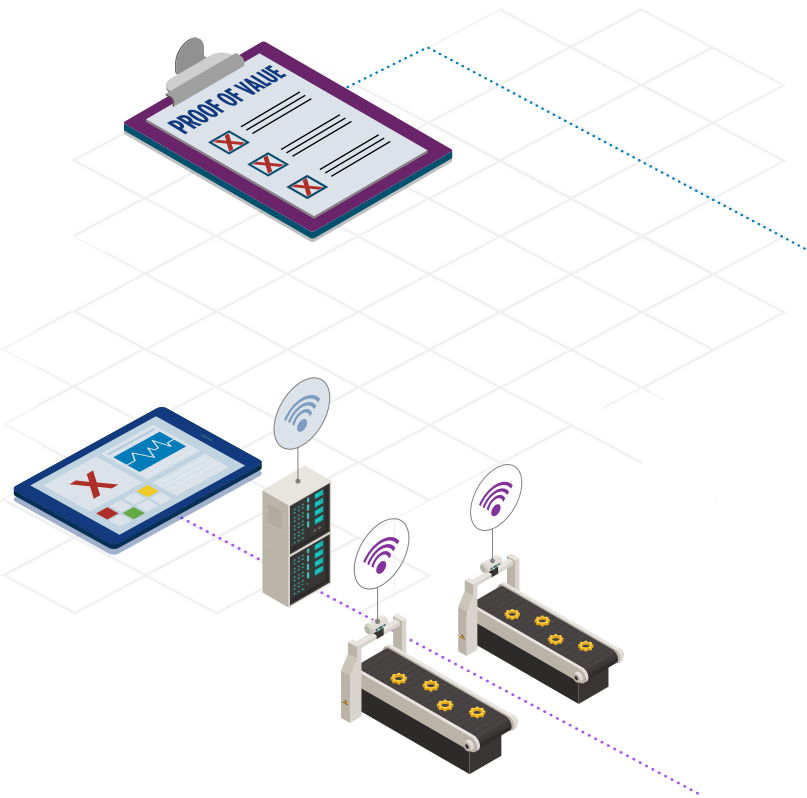
Many pilots are designed to fix immediate, easy-to-handle problems and **often neglect the root cause of larger issues**. This short sighted approach could stem from a lack of diagnostic tools, funds or knowledge.

Like treating a symptom without curing the illness, **implementing a narrowly focused pilot won't effectively address the more significant, underlying problem**. Therefore, a strong and scalable pilot project should always have a solid value case with long-term business outcomes in mind.

2. New adventures of old machines

Warehouse equipment is often decades old. **The older the machinery, the fewer available parts and experts to fix issues that impact production**. Many plants "patch-in" various point solutions and software to quickly mitigate issues.

In addition, employees sometimes resort to "shadow IT" — **unofficial and unapproved software** — to solve immediate problems. These quick fixes result in disconnected, siloed systems that pose significant challenges to pilot programs and heighten cybersecurity risks.



3. Data everywhere (except where it needs to be)

Warehouse floors are filled with **connected and disconnected machines**. Connected machines produce a vast amount of data, while disconnected ones generate unused information.

This imbalance poses challenges for pilots. Bulk data is not enough; relevant data in near real time is required for proactive decisions.

4. Too-exclusive pilot party guest list

Engaging employees is vital to every stage of a pilot: design, deployment, optimization and expansion. Yet many **pilots are deployed without involving the people impacted by the pilot**. Key workers lack insight into the pilot's purpose, goals, metrics and other criteria.

In fast-paced industries like material handling, there's an **inherent resistance to change**. Workers tend to focus on immediate tasks over the potential benefits of digitalization and cloud technology. Encouraging adaptation and viewing change as opportunity is essential for successful scaling.



Strategies to succeed

The bottom line

If you can't scale your Warehouse 4.0 pilots, you can't fully implement smart Warehouse operations — and you could lose business.



Let's explore **key strategies** for **successfully expanding your pilots** and **avoiding scale fail**.

Strategy 1: Unlock insights in data

Access and understand relevant OT data

Numerous warehouse operators struggle with accessing OT data. Overcoming these challenges and ensuring reliable access from machines, devices and workers can empower businesses. Focusing then on cleaning, contextualizing, and security can drive insightful decision-making.

Converge your IT and OT data and create insights

A scalable and functional pilot requires the integration of IT and OT data, enabling you to unite business processes, controls and data in a converged edge to cloud platform. This critical step unlocks insights across your entire material handling chain and makes data available as needed from operator to boardroom.

Streamlining operations by solving a messy OT problem

Challenge: In 2022, Belden's Richmond facility underwent a journey to modernize its decades-old operations. Faced with **unplanned downtime**, various **machine vintages** and a **lack of real-time data** about mechanical performance, the facility needed to quickly expand digitization, increase capacity and improve operational efficiency.

Solution: Using a mix of Belden networking products and AWS cloud and edge computing services, the company implemented a solution that enabled real-time OEE visualization and improved predictive maintenance.

Results: These improvements delivered an **18 percent increase in OEE** and an **\$833,000 reduction in costs** annually.



18% increase in OEE
\$833K reduction in
costs/year



Strategies to succeed

Strategy 2: Take a comprehensive approach to use case selection

Understand the underlying problem

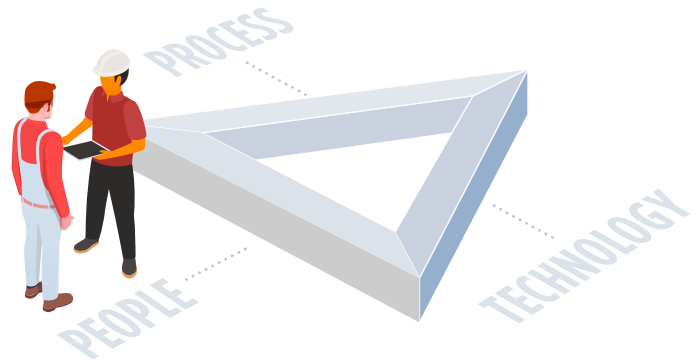
Don't scramble to address an immediate-but-minor pain point. Determining the overarching issue helps you create a pilot that's scoped to scale as need arises.

Plan now to scale later

Narrowly defined proofs of concept (PoCs) yield limited results and can't effectively redeploy in other use cases. Develop your PoC around variability, so it can resolve its use case and be deployed in other locations and situations.

Leverage diagnostic tools

Use diagnostic tools to identify patterns and anomalies in your data, systems and infrastructure operations. This guides you to build a scalable pilot for long-term business value.



Strategy 3: Make the human connection

Integrate worker challenges into your pilot parameters

Your pilot will ultimately impact everyone in your company, from warehouse floor to C-suite. Take the time to understand their needs and challenges and take these into account when designing your pilot.

Proactively engage your entire workforce in the pilot process

The key to a pilot's lasting success is human buy-in and improvement of experience. When people clearly understand a pilot's goals and benefits to their way of working, they're more willing to put in the effort to help ensure the pilot is successful.

The People, Process and Technology framework, or Golden Triangle, advocates for striking the right balance between people, processes and technology when taking steps toward Warehouse 4.0; however, people are often the least and last element considered. To design a scalable pilot, warehouse operators should dedicate as much time to securing human buy-in as they do to implementing new processes and technology.

Strategies to succeed

Strategy 4: Try a platform approach

Build a flexible, foundational platform

Avoid considering next-generation warehouse pilots as unrelated. Strive for a flexible foundational platform that can handle multiple use cases for better standardization and easier deployment.

“Stack” capabilities

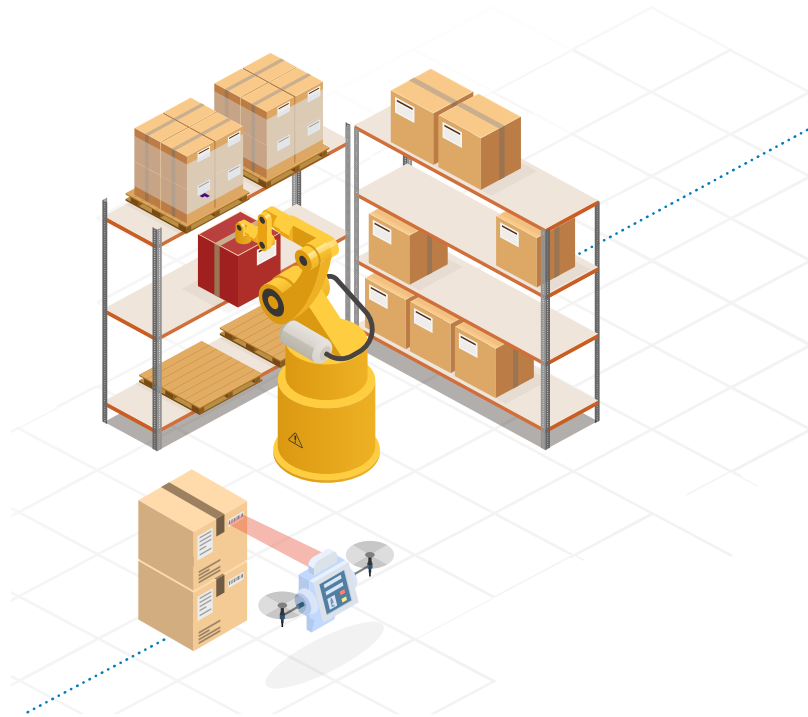
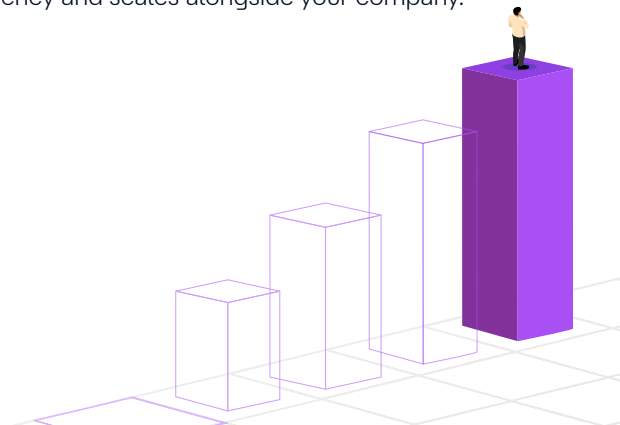
First establish a core business platform of foundational functions, then add on capabilities in a modular manner as needed.

Think long term to solve short-term challenges

This strategic planning approach means that even as your pilots initially solve lower-value use cases, they'll still be applicable, scalable and valuable to your business in the long run.

Final thoughts

Building a scalable Warehouse 4.0 pilot isn't easy. It requires a value-driven approach, the right technology, contextualized data and human buy-in. But the time you spend up front on planning will pay off in the end, providing you with a pilot that generates ROI, improves operational efficiency and scales alongside your company.



You now have the
roadmap to successful
Warehouse 4.0
implementation.

Ready to turn these
insights into action
and ensure your vision
scales profitably?

Request a consultation →



Connect to what's possible.

White Paper



About Belden

Belden Inc. delivers complete connection solutions that unlock untold possibilities for our customers, their customers and the world. We advance ideas and technologies that enable a safer, smarter and more prosperous future. Throughout our 120+ year history we have evolved as a company, but our purpose remains – making connections. By connecting people, information and ideas, we make it possible. We are headquartered in St. Louis and have manufacturing capabilities in North America, Europe, Asia and Africa.

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