



## ASSESSMENT

## Warehouse Design & Operational Process Improvement

### TYPICAL IMPROVEMENTS

#### Internet Fashion Company

Storage capacity 20% increased  
Picking rate 30% increased

#### Food Producer

Warehouse consolidation £2.5m saving p.a.

#### Internet Retailer

Labour Costs 40% reduction  
Storage capacity 30% increased

#### Healthcare Company

Material handling 57% reduction

#### Glassware Manufacturer

External warehouse costs £155k saving p.a.

#### Storage Solution Manufacturer

Racked storage capacity 48% Increased  
Material handling 50% reduction  
Non-value add activities Over 20% reduction  
Manual handling equipment 39% reduction

#### GOODS IN

Review of the goods-in operation with a view to establishing the effectiveness and organisation of these activities. Looking at the unloading, marshalling, labelling and recording aspects of the operation.

#### STOCK CONTROL

Analysis of stock holding, stock integrity, perpetual inventory, SKU pick frequency and cycle counting with a view to increasing the utilisation of resource and reducing working capital.

#### STORAGE

Review of the physical layout of the facility, the logic of current storing philosophy, suitability and flexibility of MHE in operation, storage types, degree (or suitability) of automation, operational and resource efficiencies.

#### PICKING & PACKING

Analysis of existing Pick and Pack activities with a view to improving efficiencies by means of simplification & streamlining activities by redesign of layout, process, picking lists or the introduction of new technologies.

#### DISPATCH

Review of current dispatch activities, analysis of performance measures such as OTIF, and current levels of delivery service, fleet scheduling optimisation and administration functionality.

#### REVERSE LOGISTICS

Analysis of all returns functions and processes, including physical management, reporting, the decision making process for disposal, frequency and reasons for returns.

### Can you identify any of the issues below in your warehouse operations?

- Poor warehouse layout and design
- Warehouse process flows are not well defined and therefore the warehouse looks cluttered and disorganised
- High cost of stock management
- Computer systems not having WMS functionality
- Poor stock and location controls - can't find stock for customer orders
- Picking productivity poor which is driving additional labour costs
- Regularly needing overtime to meet customer orders
- Stock loss is an everyday occurrence
- Poor people productivity
- No visible floor controls for Input and output product flows
- These are just a few of the issues that many operations suffer.

We can fix all these and many others that you will not have noticed, but are contributing to:

- ▶ High cost of operations.
- ▶ Poor use of space
- ▶ High cost of stock levels
- ▶ High resource levels needed to sustain customer order shipments

Goods-In	Stock Control	Storage	Picking & Packing	Dispatch	Reverse Logistics
Location planning	Perpetual inventory	Warehouse layout design	Pick list generation	Review KPIs	Returns management
Unloading & Marshalling	Cycle counting	Equipment usage, type & compliance	Order picking & packing methods	Transportation costs	Review KPIs
Types of receipt	Stock taking	Work flow	Packaging, Labelling & addressing	Load fill %	Process mapping
Receipt Recording	Write offs & authority	Replenishment model/function	Delivery methods	Load marshalling	Layout for returns
Pallet identification	Stock categories	Pick face management	Packing area layout	Staging and loading	Authority for disposal
Product put-away	Stock holding, rotation & turn	Security	On Time In Full	Pick confirmation	
Staff planning	Reporting	Stock locations & space utilisation		Loading error management	
KPIs	SKU Analysis			Traffic management	
Supplier OTIF				POD storage & retrieval	