

Supply Chain Management Best Practices



20 Tips on How to Organize your Warehouse more Efficiently

"A lean, efficient warehouse keeps businesses running efficiently; therefore, warehouse organization can make or break a business' bottom line"-Charles Intrieri



20 Tips on How to Organize your Warehouse more Efficiently:

Warehouses play a key role in the supply chain. A lean, efficient warehouse keeps businesses running efficiently; therefore, warehouse organization can make or break a business' bottom line. Effective warehouse design certainly encompasses layout and space optimization, but it also includes warehouse labeling and racking, warehouse management systems (WMS) with technology, plus designated picking and receiving areas. Warehouses that are clean and well organized are ready to receive merchandise, prepare orders, load and ship containers, and keep customers happy.

Unfortunately, organizing a warehouse efficiently is easier said than done. Each decision should support the organization's goals while being aimed at increasing productivity, optimizing space, reducing costs, and delivering superior customer service. If you're struggling with how to organize your warehouse more efficiently, consider the following tips from industry leaders and warehouse authorities. While we have listed the tips in no particular order, we have grouped them into categories to make it easier for you to jump to the tips that of are most interest to you.

General Warehouse Organization Ideas and Tips:

1. Keep your warehouse clean. Allocating an hour or two per week, or even per month, to cleaning the warehouse can lead to amazing improvement in your efficiency. You never know what missing or misplaced orders you might find. [In addition] a clean warehouse means employees can move around more quickly and get things done easier. It's just common sense.

2. Adopt Lean inventory practices. Maintaining a lean inventory means that you only keep around what you actually need and nothing more. This gives your workers fewer products to sift through when organizing freight, completing order fulfillment services, and more. Try reducing your safety stocks, if possible, or see if you can get your suppliers to deliver smaller loads on a more frequent basis. As long as the costs add up correctly, you can greatly improve your efficiency with a lean inventory.

3. Top Priority: Organize for Safety. When it comes down to it, safety is priority when it comes to a warehouse – after safety, you can think about efficiency. The last thing you want to do is put your warehouse workers in danger – just to boost your profit margins. When it comes down to it, a safe warehouse is an efficient warehouse.

4. Assess Shelf and Space Utilization. When trying to look for ways to improve the efficiency of your warehouse, a good plan is to understand the way that shelves and space are being utilized. The placement of shelves and containers, along with the traffic patterns and total design of the building ultimately affects the ability for you to utilize any space available.”

5. Keep track of inventory error rates. Even in the most efficient and organized warehouse, pick and pack errors will be made from time to time. Keeping track of what kinds of mistakes are being made, and how often, can provide key insights into areas where there might be room for improvement.

6. Organize the shipping station for efficiency. Time yourself or a partner going through the process of packing a product for shipment. Are the scissors, packaging and tape materials all together in a bin for easy access? Are the FedEx boxes in the right place? Do you need to move the scale, or pre-build some boxes? Do you find there is a lot of physical backtracking through the process from start to final label, or are you able to have a streamlined assembly? Where can you cut steps, literally and figuratively, to save time and money?

7. Regularly train warehouse staff. “There are two solutions required to keep a warehouse organized. The first is to do regular trainings with your warehouse staff on the importance of keeping the warehouse organized and using the tools in place to keep your inventory system up to date. Keeping the warehouse organized becomes part of the corporate culture when it is the subject of mandatory training sessions.”

8. Implement cycle counts. “Instead of taking a single large inventory once a year, adopt a cycle counting system where inventory is routinely counted one or more times in a given cycle. The cycle can be each month, each quarter, or any other time period you choose. This helps keep inventory numbers far more accurate as well as helps identify missing stock and put away errors.” Your goal should be 98-100% Inventory Records Accuracy Daily.

Warehouse Labeling and Technology Tips:

9. Adopt technology. Your competitors are using every technological angle to optimize their operations to gain a competitive edge. From WMS software that is organizing orders to convert belt solutions to fill orders faster, these technologies all have a place in your warehouse – if you are willing to take the time to determine which repetitive tasks could benefit from automation.

10. Use a good inventory control system. Once your goods are in the optimal location, it's important to keep detailed records with a good inventory control system, which is a process for managing the location, stock on hand, and movement history of all items in the warehouse.

11. Take advantage of automatic data collection technology. An area that technology has advanced significantly in the past decade is in the area of Automatic Data Collection (ADC). Far from the days of writing down a long number by hand or even keying them into a keyboard, most warehouse and distribution centers are now running RF barcode and RFID (Radio-Frequency Identification) systems that remove the human error element from the tracking process. Any step that can be automated means one less step to manage—plus you are able to collect more accurate and timely data that helps you make smart supply chain decisions.

12. Barcode everything. Barcoding your stock ensures ease and accuracy of moving, counting, and picking the product down the line. It's reliable and at least 75% faster than manual data entry – even by the most skilled typist. And, by cutting out the middleman, it completely eliminates human error.

It's essential to know where your inventory is from the moment it enters the warehouse and barcoding is a process that will help you precisely keep track of your stock. It also allows you to know how much stock you have at all times, meaning inventory can be reduced, and warehouse space and overheads decreased.

13. Utilize your space properly. Poorly utilized space is a common occurrence that happens in all warehouses occasionally and is non-exclusive of the inventory type or storage conditions in the warehouse.

Traditionally, warehouses are built and equipped to handle projected volumes, a set number of products and limited unit loads. Then they are expected to adjust to customer demands as well as be more efficient over time. To accomplish these conflicting goals, warehouses generally accept long-term penalties to accomplish short-term goals like creating customized floor-ready merchandise for end-cap displays, hand-pricing a key customer's merchandise at the piece level or creating mixed loads to simplify customer processing when goods traditionally ship in full case or full pallet quantities.

14. Track results and evolve your warehouse organization. Companies are expecting more from their warehouse and distribution centers operations. Real-time visibility to inventory, order status, and task statuses are expected. Increased use of available technology will provide you with visibility, better metrics, warehouse data, and improved productivity. Organizing your warehouse and changing equipment to increase the amount of usable production space will allow you to grow sales while keeping

inventory onsite. Building cross-trained and cross-functional teams will allow flexibility to react to the fluctuations in business and seasonal businesses. Measure results, implement changes, analyze the data, and ultimately create a more efficient warehouse.

15. Consider vertical storage. Floor space is finite, but vertical storage can offer a huge increase in the amount of product that can be stored. Vertical storage requires the right type of shelving for the products with a focus on safety and easy access. Using available warehouse space poorly is a common problem, and it is easily resolved with custom industrial shelving systems.

16. Use slotting. Slotting your inventory will provide great benefits in the form of increasing throughput and providing increased accuracy levels. Slotting is the process of keeping similar types of inventory items together. The similarity of the inventory can be categorized as velocity, physical size, frequency of picking the same items together, seasonality and other characteristics which lend themselves to some intelligent grouping... Slotting increases your accuracy by eliminating operator walk and search time searching for SKUs in distant parts of your warehouse.

Warehousing Picking Tips:

17. Apply logic to pick processes. “Whether your warehouse is small or large, the amount of time spent picking orders is a large portion of your costs. If your warehouse is organized efficiently, you can organize pick lists for better time control.

If you normally only ship a small number of orders with large quantities of products, arrange the lists so the picker can work from one material location to the next and avoid the constant back-and-forth process.

If you ship numerous small orders, create pick lists in groups and then divide the materials by customer order when it reaches the verification stage.

18. Evaluate picking methods. In order to streamline your processes and make the picking process easier for your staff, you should consider implementing software that will help you sequence orders so that they are grouped by pick path or areas within your warehouse. Re-evaluate your picking methods and make sure that they are still appropriate. Consider the following picking options you have to choose from should you need to switch methods: single order, multi-order, batch picking, and zone picking.

19. Reduce travel time. Reducing travel time improves order picking productivity. Therefore batch and cluster order picking strategies are used in warehouses. It is also why some companies invest into conveyor systems.

Travel time can easily account for 50% or more of order picking hours. By combining orders into a single travel instance the time spent travelling is greatly reduced. The smaller the order, the better the opportunity to combine multiple orders into a single travel instance.

Warehousing Picking Tips:

20. Make room for receiving. A lot of inventory errors can happen at receiving if your inventory management personnel don't have enough space to work. Avoid giving them a small office at the end of the room. Eliminating receiving errors will relieve you from all kinds of ugly issues later in the selling cycle, like losing time, money, and credibility.

Content by:

Charles Intrieri Consulting:

Charles "Chuck" Intrieri, C.P.M. CPIM, VE-is a highly experience and credentialed LEAN Supply Chain Management professional and is a recognized thought leader as well as innovator.

Charles M. Intrieri Consulting
3260 Fennel Lane
San Luis Obispo, CA

Phone: 805-835-9223

Email: cmiconsulting93@gmail.com

Website: <http://theleansupplychain.us/>

Additional Information:

We hope you found this article of value. We have many additional articles on our website and we also can partner with your company if there is need to explore other supply chain management technology solutions. We can consult with you to give solid guidance on strategies and systems that have led to success from our vast industry experience. We look forward in hearing from you. Our contact information is below.

All of the employee owners at iCepts Technology Group, Inc.

