Materialogic

Your Complete Guide to Setting Up The Perfect Warehouse

FOLLOW THESE GUIDELINES TO CREATE A SEAMLESS WAREHOUSE OPERATION

Efficiency in warehouse management and logistics is an obvious way to curtail costs and improve the overall customer experience. But some warehouse operations are doomed from the start. No matter how many efficiencies and innovations are introduced, they suffer from flaws stemming from common—yet easily avoidable— warehouse mistakes during setup.

Setting up the perfect warehouse system isn't rocket science. It can be done without a huge capital outlay or sophisticated technology. But, like most mistakes, avoiding them does require the presence of mind to spot them and make appropriate adjustments in your warehouse.

Continue reading to learn how to recognize the most common mistakes made when setting up a warehouse, and how to avoid them.

What To Avoid To Create a Successful Warehouse

1

SHIPPING AND RECEIVING AREAS OVERLAP OR ARE ON THE SAME DOCK

It may seem like a no-brainer, but matching shipping locations to warehouse functions helps a warehouse operate much more efficiently. Failure to do so causes improper workflows. For example, having your outgoing orders in the same space as your incoming orders can accidentally lead to improper re-shelving or bottlenecks at your docks. Separate these areas to avoid confusion, inefficiencies and mistakes.

2

THE RECEIVING AREA IS TOO SMALL

Even if shipping and receiving are separate, receiving areas often face a "space crunch," which leads to inaccuracies. Receiving is a fundamentally critical function in a warehouse because errors and problems there will cascade throughout the warehouse, creating a host of other inefficiencies. Those further inefficiencies erode profits.

Make sure your receiving area has adequate space, not only for holding inventory, but for performing quality control and labeling, breaking down larger pallets, staging items that might need to be returned or inspected further, and other receiving activities.

3

ORDER PICKING PATHS ARE NOT OPTIMIZED

Inefficient picking paths make efficient order picking difficult—between searching through the warehouse to find the SKUs to packaging, these long turnaround times can lead to unnecessary labor costs. The ideal picking path should be linear, and store items that are frequently purchased together near each other.

4

NO FORWARD LOCATIONS ARE SET UP OR USED

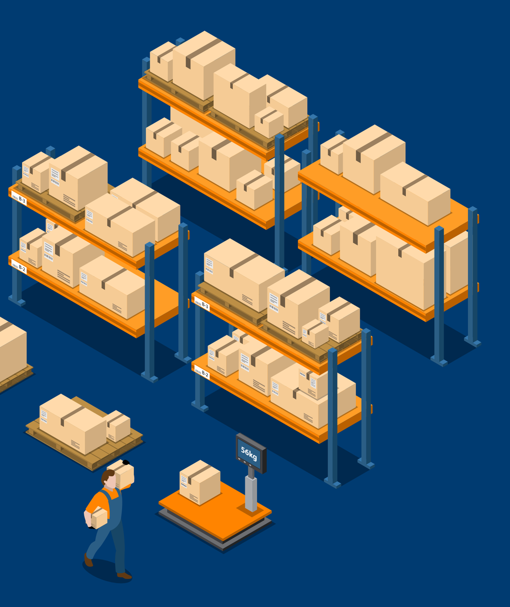
Another way to optimize order picking is by using forward locations. Forward staging involves having a set amount of stock in locations closer to sections of packing and shipping. This makes for easy grabbing for pickers and can be a huge time saver, especially with more popular or high-volume items. By using forward locations, you can minimize trips to more remote locations in the warehouse, and at the same time, minimize the distance a picker has to travel to get an item.

5

NO SEPARATE AREAS FOR DEAD STOCK, RETURNS, ETC.

If you don't have a "dead stock management plan," you're already behind. There are many reasons why "dead stock" items might need to be stored but are not ready and available for shipment: product recalls, customer returns, items that are no longer carried and destined to be sold in bulk at a discount, and so on.

Your dead stock shouldn't be nestled among the regular inventory. Your pickers could mistake it for live stock and reship items. Instead, block off an area to set this dead stock aside, making it noticeable at a glance.



6

LACK OF EASILY RECOGNIZABLE SIGNAGE AND SHELF LABELS

Dead stock is not the only thing that should be easily recognizable to your pickers. All inventory areas should be clearly labeled to avoid any confusion. This needs to go beyond mere barcodes for items; your employees should be able to visually distinguish different areas and items. For example, use large signs for different sections of your warehouse, and use color-coded areas for the different subsections.

7

OVERPAYING FOR STOCK

While having an inventory full of dead stock that won't be moving anytime soon can be a challenge, overpaying for that stock is an even bigger pain. Carrier prices fluctuate frequently, especially more now thanks to the pressure COVID-19 has put on the industry. Be sure to forecast and monitor what inventory you need based on previous customer demand to help you define and stick to a budget that fits your warehouse.

8

TREATING TECHNOLOGY AS A TOY, NOT A TOOL

Some warehouse managers and fulfillment centers invest in pricey technology solutions, only to have those solutions become the focus of all their activities. What gets left by the wayside are the human aspects of warehouse management: planning, layout, signage, communication, and so on. The right technology solution shouldn't be the focus of your entire operations. It should be almost invisible, working in the background to achieve peak efficiency and only drawing attention to events outside of optimal operating parameters.

9

NO PLAN FOR FUTURE GROWTH OR CHANGE

The mistake here is fairly understandable: business owners want to optimize their warehouse space because leasing space by square feet is common. (Even if a company owns a warehouse outright, it is paying for things like insurance, climate control, and so on.) No one wants to pay for unused space unless they have a guarantee of carrying more stock in the future, but lacking this prediction can hurt your options of scaling.

Instead of standing still, anticipate shifts in market demand (including seasonal changes), inventory, and process changes at least five to ten years out. Even if you don't have any concrete opportunities for growth, it's better to stay prepared for when those opportunities fall into place.

10

PARTNERING WITH THE WRONG 3PL

Just like using the wrong technology, your 3PL should work quietly in the background of your shipping operations. You shouldn't have to worry about monitoring your inventory or transportation costs. The right 3PL will be actively involved in your day-to-day operations and build a custom network solution for your organization and have a deep understanding of your needs. If you are working off a network that was provided to you without previous engagement, it's time to find a new partner.

Our tools of the trade

As stated above, technology can easily make or break a warehouse's operations. It's important that when you're setting up your warehouse management software, you pick the right technology to fit your needs. Materialogic's software is unique in that it is entirely customizable and can fully grow with you as your business evolves.

Our WMS is the only 3PL operational software built by a team of people who are actively involved in day-to-day operations. Our supply chain management software InfoPLUS provides you flexibility in your services without any significant additional cost. Our WMS software acts as the beating heart of your warehouse, giving you complete visibility into your supply chain and supporting growth through automation.

Through our expertise, you can:

- Keep up with demand as your organization grows
- Manage orders on massive scales or in multiple warehouses
- Deliver on every order made through many channels, in-store or online
- Find the lowest possible rates for your carriers

Materialogic acts as an extension of your team, in software and in strategy. Our approach is completely customizable to your needs and optimized for the complexities and complications of shipping. **Discover what's possible with Materialogic**

Your partner every step of the way

With Materialogic, you're not just another client. You're our partner. We schedule individual calls to our customers on a weekly, biweekly, or monthly basis to keep tabs on how best to provide the services that you need. We use our 40+ years of experience and industry expertise to create the perfect plan to help your operation run smoother and scale quicker. Materialogic is more than just another 3PL; we're by your side at every step of the journey, from building your perfect warehouse and beyond.

REQUEST A CONSULTATION