

## **Warehouse Coach**

*Improving warehouse performance*

### **There is more than one way to solve a problem**

By Don Benson – [www.warehousecoach.com](http://www.warehousecoach.com)

Most of the columns I have been writing, are describing issues we have in warehouse operation, and how I approach them with affordable solutions.

One of the foundations of this approach is that there is always more than one way to solve a problem. Your evaluation may focus on how some of the options may require your time to implement, and others will have a cost for others to do the work or provide some equipment or system, etc. But we often do not notice that the options we are considering are not mutually exclusive (that is you can implement more than one).

As I look back on my work, I have noticed that none of options I have proposed have completely solved a specific problem, and that for really important or difficult problems, we have often implemented more than one change to improve the situation. This is a really important point to consider when you look at the advertising in the trade. In spite of the promise of the advertising, generally no one has “the solution” to your problem, they may have one solution and it may not be all that you may need. So the question then is how to decide on the ways to look at problems and choose solutions options to increase the effectiveness of change.

As I was working on a serious inventory accuracy problem recently, we recognized that there were possibly two ways to approach the issue; events and processes. I like to think of events as the tasks that interrupt our daily routine (planned or otherwise), and processes that are those tasks that we include in our daily or weekly schedule. In a warehouse, cleaning up a spilled load would be an event, where emptying the trash cans or sweeping the floor are processes that are best done every day or week. To illustrate my point, probably the most ongoing challenge to improve and maintain the productivity and quality performance of your distribution center is to maintain the quality of inventory data. Every time someone touches the inventory or its data, there is an opportunity to create an error.

I once worked for client who was so concerned about inventory accuracy and the problems they had experienced that they installed a security device that required hand print verification to allow entrance into the warehouse. And, no one except warehouse staff was allowed into the warehouse unescorted, including the President. While I have known others who wished they could have installed that

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level of security and control, we know that keeping non-warehouse staff out of the warehouse did not eliminate the problems.

What we need is to implement ways to find and correct these errors in a timely way. Probably the most common event to maintain inventory data quality is the annual or semi-annual physical count of each piece of the inventory and compare/reconcile the result with the values in your records, in total and for the more advanced systems, by location. However, there are many companies have moved or are transitioning to replace this inventory counting event with a process called Cycle Counting, to count a portion of the inventory every day or week, throughout the year.

There are many ways to do Cycle Counting, and if you are interested in this change from an event to a process, I recommend you do your research and talk with your accountants about what method would be best for your company. I have written about one approach in Cycle Counting linked also on this list of articles. Cycle Counting will cost you less, and provide a higher daily inventory accuracy level.

Another common approach in warehouses with a lot of activity or SKUs, is the creation of an Inventory Control position responsible to daily maintain the completeness and accuracy of the SKU and inventory data, recommend methods changes, and monitor the accuracy. We have found that the net improvement in overall warehouse performance will typically pay at least for a part time position responsible for this task.

The point I want to make is that it does not matter which options to implement, any of them will contribute to resolving the problem, but rather that you consider implementing more than one and that they be substantially different, as in event and process to really make a difference, and particularly if the problem you need to resolve is significant.

There are probably many other approaches that may work for you. Please let me know your approach. I look forward to writing another article describing several options from your feedback. You can reach me at [coach@warehousecoach.com](mailto:coach@warehousecoach.com).