

Warehouse Coach

Improving warehouse performance

Improving performance – as events or continuously

By Don Benson – www.warehousecoach.com

I suggested in a recent column that if we take the time to look, we can discover there are often many ways to deal with or solve warehouse problems. And usually many of the options we consider can be valid, that is, would satisfy your selection criteria and implementation would have a positive impact on the problem. However, the standard process that we have been taught is to find and implement either the first option we find because we are in a hurry, or take the time to find the least expensive option. In that column, I presented a variety of viable options, and encouraged you to think about how to include these additional criteria in your decision process.

The point of this column is to encourage you to consider another approach in evaluating options. That is, that you consider that when selecting a best option for implementation, think about the value of implementing some of the other options as well. One aspect of considering options is that some are implemented as events, for example once per year or when there is significant pain and another is to review and implement change as often and weekly or monthly.

In focusing on a particular problem, function or area of the warehouse, we typically identify some really good approaches for change, and then we select one and forget the others, often to move on to working with the next problem. The question we began to recognize recently is, why implement only best option and discard the rest when many more of them would also contribute to positive change? There are probably many reasons, but few of them relate to the other options.

For example, as we were thinking about how the SKU placement in a pick path, and the utilization of the shelving and rack, we concluded that implementing all of the following options could yield improvements in picking productivity. And even more so when reviewed and performed regularly.

Reslotting – Review and assign pick positions for each SKU in an optimum location based on physical, handling, storage, and order characteristics. Some SKU characteristics change as often as every season.

Continuous culling of low velocity items – There are many people who are actively involved in the work to add new items to your inventory, but generally I find that

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in most companies, no one is assigned the responsibility for getting rid of the SKUs that no longer generate sales. Don't wait until you are out of space in the pick area. I recommend that you regularly identify these dead items and move their pick positions to new locations away from the normal pick path, or work with others to get them out of the warehouse.

Sizing the locations to meet demand – To obtain optimum use of pick location space, in those areas of the warehouse where location sizes are variable, consider resizing locations or changing the maximum inventory assigned to each location. This is particularly useful in repack locations where the cost of storage is the highest in the warehouse. I recommend sizing the location in order to hold no more than 1 week inventory capacity per SKU location (unless the items are very small).

Cycle Counting – The counting and verifying the accuracy of your records for a portion of the inventory every week, not only keeps the accuracy of inventory records more current but also keeps the importance of this accuracy in the minds of all staff all the time.

If you have some additional processes that you do every week or daily, send me a note and let me know. I always look forward to learning. You can reach me at coach@warehousecoach.com.