

THREE WAYS TO IMPROVE WAREHOUSE EFFICIENCY



If you can improve efficiency, it is likely you can increase responsiveness to change, reduce waste and lower costs. This philosophy is basically what Lean manufacturing is all about. These concepts can be applied to warehouse operations to achieve similar results.

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.

There are many ways to improve the efficiency of your warehouse, ranging from how you position each shelf, to how you utilize space through only the most

effective means. Those constructing a new warehouse facility have the advantage of incorporating these concepts into the building design where an architect can consider the flow of space, how items are stored in the building and what traffic flows will occur.

Listed below are ways to improve warehouse efficiency within an existing facility:

- **Be methodical** when stacking items such that they are always in the same order, in a way that compliments each other. Doing this creates an order that allows easy retrieval, encouraging employees to more easily find items and to find them using the same, repeatable process, which creates efficiency over time. And, you are less likely to lose items and less likely to have spoilage of items that have a shorter shelf life while optimizing space available, which will create more shelf space for inventory storage.
- **Keep the space clean** in your warehouse such that it is free of any unneeded items. If you organize your building in a way that maximises the given area, you can greatly improve the flow and efficiency of *movement*. More areas can be used when items are set in an area specifically designated for those items. The position and arrangement of the items greatly affects the available space given to you. A metric that is often used to measure this efficiency is “inventory turns.” The greater the number, the more times you are replenishing your inventory and making greater efficiency of your inventory space.

- Think carefully and **highly value every space** used for any warehouse storage needs. If an item isn't really needed to be stored locally, remove it. Only using space you truly need significantly improves the number of items you can fit in any given building, increasing efficiency and avoiding unnecessary expansion. Doing this can also help lower the cost for the maintenance and security of the facility you maintain.

Staying aware and examining with greater scrutiny these key efficiency concepts can help you maximize the “fixed” area in a warehouse that you have to work with, while also keeping everything well organized and maintained. While it is the responsibility of the owner of the building to ensure the initial foundation is secure and that the physical structure meets the minimum facility requirements, over the long run it is the warehouse manager that can make the greatest impact with how the space within the four walls is actually utilized and managed. In the long run, significant cost savings and performance improvement can be achieved by laying out the placement of shelving units, traffic patterns and your inventory in the most efficient manner.

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