

CHALLENGES WAREHOUSE OPERATIONS MANAGEMENT

AMUDHA.J

Research Scholar, Dept of Mathematics, Mother Teresa Women's University, Kodaikanal,
Tamilnadu

ABSTRACT:

The most challenging and exciting the field of warehouse operations management faces new impetus growth and transforms in to new scale of management techniques. The changing global business scenario compels the organization to adopt new the business strategy to match requirements. Changing business paradigm and tech solutions provides a basis for improved performance. The success of any organization depends on efficient warehouse and operations management. A dynamic warehouse begins with how to handle warehouse inventory. By adherence with priority picking, adjusting floor plan and its capacity, use of proper quality control, manpower and taking the stock of situation in order to contain the in-efficiency operations by following proper picking and cross docking mechanism and thereby wiping-out the inventory issue. The changing landscapes of consumer are limelight towards warehouse requirement. There is shift in the company and focus on from ownership –centric to service –centric business today. It is learned that warehouse operations management is said to be more complex, dynamic but if it is effectively done right way it can reduce costs, improve customer satisfaction and rise operational efficiency. Storage house and warehousing in India has evolved logistics business and industry stood that Rs.560 billion, as per review E&Y and CII institute of Logistics. This paper demonstrates an overview about the challenges faced by warehouse operations management and explains how to overcome these issues and how to figure- out inventory problem. This paper devoted to discuss the emerging challenges for the improvement of the warehouse of the management.

Keywords: Warehouse operations management, inventory system, efficiency, challenges

1.1. INTRODUCTION

“Almost all quality improvement comes via simplification of design, layout, processes, and procedures”-Tom Peters

The globalized scale competition opens an era of new opportunity and also invites new problems to face. The value of warehouse market of India is expected to pitch Rs.1463 from the year 2017billion to Rs.3179 during the year 2023.

Statista (2017) analysis says that we are living in the age of “Golden Age of Speed” and “Fulfillment” and study result reveals that due to rise in competition and changing consumer expectation that company has run efficiently keeping in mind that knowing all (in/out operations) with modern technology for their warehouse operations. Further study also outlines that in USA they are continuously warehouse operations touches 18000 facilities’ in the last decade. The successful company one who operate with least cost and manage warehouse problem which is the key in handling “on-hand inventory” which are treated as critical component as main expense and asset. For smooth running and efficient operation, we

need quality infrastructure say for example well connected national road, connecting all regional state highways with less traffic city roads. It is estimated that Less than 8 per cent of the warehousing sector is organised. The industry is fragmented and largely unorganized (92 per cent) and is dominated by small players with small capacity less than 8 per cent of the warehousing sector is organised. es, not well-linked with the national highway network and interstate roads. As reported by E&Y and CII of logistics, the warehouse sector is growing at a rate of 10% pa and within this, warehouse catering to industrial and retail clients claim the maximum share of 55%. The cost factors creates greater impact emphasis that operation stood 14 percent of total GDP which is logistics cost in developed nations. To manage this government is planning is to take steps that will contain logistics that costs less than ten percent of GDP by the year end 2022.

1.2. WHY STUDY OF WAREHOUSE OPERATIONS MANAGEMENT [WOM]?

The concept WOM can be defined as “set of activities that are involved in collection and preserving of goods and making ready transport and dispersal”. In its simplest form, “warehousing” is the storage of goods until they are needed. The main goal of any WOM means that “Customer satisfaction” and meeting their demands, how to make use economically the available space, equipments and working personnel. The ultimate goal is that all the goods and services are accessible? Is it well protected? Then answer is right. In order to realize this goal, the organizations regularly doing “constant planning” and adopt the concept of change management.

According to Bhargava, "The warehouse of Indian logistics industry is undergoing see change and faces challenges at every level. Uncontrollable of damaged goods are the major driving force the management to cut operational cost and there lies new updated technology a significant role in solving unnecessary costs. Indian business is getting momentum and growing, likely the capacity to manage WOM system with modern, developed –up-to-dated technology will bring the positive results. The Indian logistics industry said to be highly sub-divided by nature it requires heavy investments pose as great challenges which need to be addressed with utmost urgency.

1.3. WHAT IS WAREHOUSE OPERATIONS MANAGEMENT?

Six major processes are the core to reach optimization in the warehouse domain namely i). Comprise receiving ii). Put away iii). Storage iv). Picking v). Packing and Vi). Shipping. The efficient warehouse management system [WMS] helps to achieve the following:

- It reduces overhead cost
- Ensure you monitor stock properly
- It gives optimum space management
- Save you time

1.4. ESSENTIAL CONDITIONS FOR EFFECTIVE OPERATIONS MANAGEMENT. THEY ARE:

- Adopting careful safety mechanism
- Cross docking

- Effective man power use
- Identifying different demands
- Planning for proper space requirement
- Proper arrangement
- Proper labeling
- Using exact pin locations

1.5. DAUNTING CHALLENGES FACED BY A WAREHOUSE MANAGER

- Being All This and Eco-friendly
- Budget is Always a Constraint
- Constant Struggle to Bring Down the Operational Costs
- Continues purchase order
- Customer Expectations
- Dealing with Availability and Cost of Labor
- Ever-Increasing Need for Stock-Keeping Units Due to Variety in Stock
- Limited and shorter lead times
- Making stock which are readily available
- Managing the Never-Ending Data with the Growing Pressure of Multiple Delivery Channels
- Quality Control
- The Pressure of Seasonal Demand
- The Quest for the Perfect Order

1.6. PROBLEM AREAS: HOW TO REACH OPERATIONAL EFFICIENCY?

Basically the problem crops up with the following main reasons:

- There is no time management
- In-efficient cooperation and coordination
- No coordination between departments
- Problems in receiving and purchase orders.
- Communication gap

1.6.1. RELATED TO INFRASTRUCTURE

- Availability of land
- Cos factor (cost of credit)
- Inefficiency in the processing concept
- Issue in integration
- Trained manpower
- Warehouse Technology in application

1.6.2. From the literature it is learned that the basic issue of operational efficiency arises in the form of:

- Inventory policy, auto replenishment process, material handling procedure.

- Mainly operating cost must be kept under control
- Storage capacity should be maintained to the optimum level.
- The appropriate space and optimum level of efficiency.
- Warehouse design and layout mapping methods which includes facility layout plan.

1.6.3. Warehouse automation concept also helps to build their capabilities in adopting change in the system. This automation will address this challenge by introducing the techniques like:

- Better space management
- Free flow of material
- Increase in safety operation
- Minimization of Labour cost
- Reduced lead time
- Reduction in operating costs and inventory

1.6.4. According to shiprocket.in challenges includes:

- Location of inventory
- Optimization (Picking)
- Problem of in-accuracy
- Lack of space
- Redundant processes.

1.7. ENTRY OF 3PL TECHNIQUE IN WAREHOUSE MANAGEMENT:

It is yet another milestone and brought lot of challenges in Indian logistics industry. It is revolutionary concept bring momentum in the operational efficiency result in transformation in the warehouse operations system.

It is estimates that Indian warehouse business stood at Rs.745 billion in 2013, which is 15 % increase year by year growth, and it has touched upon Rs1440 billion in 2017 which account 18% growth. The study result by (knight Frank Real estate consultancy) says that Indian business touches the mark and it is assessed that average the growth rate will be 9%.

1.8. OVERCOMING CHALLENGES OF WAREHOUSE MANAGEMENT

The experts' advice to manage this issue Bhargava suggests s approaches namely i). Adjustment layout and space management ii). Optimisation in picking and iii). More of accurate information about inventory level.

- Analyze Your Department Space
- Consolidate Locations
- Cross Docking
- Depth of Storage
- Door Use
- Drop Shipping As An Option
- Keep It Simple
- Mezzanine Installation

- Right-Size Your Slots
- Supply Storage
- The Starting Point
- Use off-site location for overstock
- Use your vertical space

1.8.1. MANAGING INVENTORY BOTH LONG-RUN AND SHORT-RUN:

In order to be successful in both short- run and long- run, firm must be ready keep –up to – date the following points:

- Better efficiency and speed in decisions
- Controlling costs aspects
- Few and noticeable or misplaced items
- Less attrition rate
- More of knowledgeable and productive employee
- Satisfied customer experience
- Satisfied vendor

1.9. WAREHOUSE MANAGEMENT SYSTEM [WMS] IS THE RIGHT SOLUTION?

Though many debates with WMS concept in real –time application it can provide solutions in the form of a). Proper inventory Location and accuracy b). Proper space utilization c). Diversification of product d). Optimization in product picking e). Demand fluctuations. The questions must be answered before considering the issues:

- How the stated goods in returning older position
- How to pick order and filled?
- Is it arranged in good order
- Providing canceled orders
- What is possibility for breakdown
- What is the timing for receiving goods
- When to give order?

1.10. CONCLUSION

"Suppliers get delayed, equipment fails, employees get sick, and orders are shipped to the wrong customer. Not having the right information with you leads to problems in warehouses and could have a direct impact on your bottom-line and future success. The planning is an essential function. The understanding the new evolving challenges are the real opportunities for the organisation and success depends on how well the company manages its warehouse operations.

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