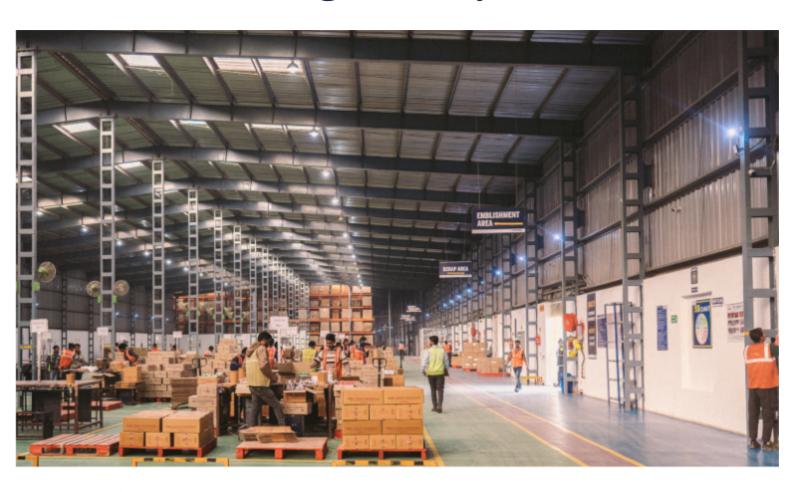# Warehouse Management System

WAREHOUSING

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Every company that manufactures products has to store them before sending them forward to dealers, distributors, or end-customers. This requires a distribution center or fulfillment center, commonly called a warehouse.

One can buy land, construct infrastructure, hire machines and staff, and even get customers. But what differentiates a service provider from others is how they manage products and processes in the warehouse. This requires proper Warehouse Management.

What is Warehouse Management?

Running the day-to-day operations of a warehouse involves various activities like receiving products, organising space, scheduling workforce, managing inventory, and fulfilling orders. These activities are at a hygiene level only. At a higher level, it is critical to integrate each process so that all aspects help increase productivity and control costs. This process of combining all these aspects is called Warehouse Management.

Benefits of Warehouse Management:

Warehouse Management plays a vital role, behind the scenes, in ensuring smooth operations and on-time delivery of products. It ensures that all warehouse processes run seamlessly and in an error-free manner.

The various processes involved in warehouse management are storing the products so that it optimises warehouse space and staff and helps in efficiently fulfilling orders. It also helps coordinate smooth communication with the suppliers and transporters so that pick-up and delivery of products are on time and as per schedule.

Good warehouse management helps a company offer quick and efficient deliveries at a low cost with little or no errors. A smooth supply chain creates healthy relationships on both sides – suppliers and customers. But this is easier said than done. That is why many companies install warehouse management systems to make the entire process cost-effective, smooth, and error-free.

What is a Warehouse Management System?

The task of managing a warehouse is very complex as there are several elements involved in it. And at every step, there are chances of making an error, which could prove very costly. Often provided as part of the ERP package, WMS is a software designed to simplify and automate warehouse management. WMS supports a warehouse optimize every aspect of warehouse management, which includes:

Collating and analyzing data to perform various analytics operations like demand analysis and sales forecasting to create daily operating plans.

Providing accurate and real-time information about the number of goods stored in a warehouse and its location.

Communicating with other software like accounting or transportation software to share critical data and information to make the entire process error-free and increase business efficiency.

Keeping track of productivity and providing regular reports to offer a deeper understanding of the warehouse operations. These insights help companies make improvements in their warehouse operations.

Making a Standard Operating Procedure (SOP) to guide users through routine processes. This helps to avoid errors and makes the entire process quick and efficient.

Inventory Management v/s Warehouse Management:

Many people confuse these two terms and often use them interchangeably. However, both these terms have several key differences.

Inventory Management is mainly focused on ordering, picking, storing, and efficiently moving materials.

Warehouse Management, on the other hand, is a broader term. Apart from inventory management, it includes other aspects, such as warehouse design, workforce distribution, order fulfillment, warehousing monitoring, and timely reporting.

Principles of Warehouse Management:

The way e-commerce and distribution businesses are growing, an increasing need is being felt to improve efficiencies and reduce costs continuously. To do that, we need to understand warehouse management in a better manner.
Given below are five principles that can help you optimise your warehouse management operations.

Be clear about your objectives: Before anything, a warehouse must know and finalise its primary reason for existence. There is a need to understand your customers and the products that you are storing. There is a need to know if the customers have any specific requirement, which is unmet? Does the product you are storing require specialized storage?

Control warehouse operations: Warehouse management involves several processes and elements, all of which, put together, make it a complex activity. Each aspect – people, equipment, orders, and inventory needs to be tracked and controlled to avoid any error and ensure a seamless process. Comprehensive quality control is mandatory to provide accurate and timely fulfillment of orders.

Flexibility and resilience: Warehouse management is a very dynamic activity, and hence warehouse managers need to always be on their toes. Whether it is a case of damaged delivery or shipments getting delayed due to uncontrollable reasons, the managers need to decide and keep backup plans ready. This may require having to re-look the workflow or warehouse space to maintain the set efficiency levels.

Customer-centricity: A satisfied customer is the key to the success of warehouse management. The various elements that help you deliver top service quality are providing the right product, on-time delivery, and fast and satisfactory response to grievances if any. All this requires building customer focus in the DNA of your organisation.

Data-driven decision making: In a warehouse running smoothly, there is always a scope for improvement. With changing technology and customer preferences, there is a continuous need to keep looking into every process to see if it can be done better and effectively. A WMS can provide specific data to help you identify areas that need improvement. Data analytics help companies make better decisions to improve their efficiency.

Core Warehouse Management Processes:

As mentioned above, Warehouse Management is quite a complex activity. There are several people and processes involved in it. Each of these processes is interlinked and affects the smooth functioning of the following method. Hence, to ensure smooth running, it's critical to optimise each process.

The core warehouse management processes are listed below:

Receiving: This is the first step, where the products move into your warehouse. At this stage, it's critical to check and log in the items received. The goods received must be checked for quality, and condition.

Storage: Once the products are received, one must move them to their designated storage locations from the receiving dock. Logically arranging the inventory keeps it safe and enables fast and accurate pick-up at the time of order fulfillment.

Picking: Once an order is received, it's critical to identify where those items are stored. To fulfill an order correctly, one must pick up only the correct items.

Packing: Once the items have been picked as per the order list, the next step is to make them ready for shipping. The articles need to be packed as per packing instructions. It is critical to fill them safely and place an accurate packing slip.

Shipping: After the order is packed and finalised, it needs to be loaded onto the right vehicle at the right time, along with the complete documents to receive orders on time without any hassle.

Bringing 3PL and Warehouse Management together:

Warehouse management has become a complicated and expensive process in the present scenario because of increased competition and customer expectations. This is why many progressive companies outsource their entire warehouse management process to a third-party logistics (3PL) company. These 3PLs service providers run their fulfillment centers. Listed below are some key benefits of working with a professionally managed 3PL company to manage their warehouse operations.

1. Optimise Logistic Operations: 3PL service providers work with several customers at different business cycle stages. This provides them with a lot of knowledge and data to manage things efficiently. These companies are better positioned to forecast demand, inventory levels and even shipping hubs for faster delivery at lower costs.

2. Make use of a well-spread network of warehouses and partners: For a customer, sending consignments from one location to another is easy, but when you need to send consignments to several areas, it becomes a monumental task, both in terms of cost as well as management. Most 3PL service providers have their own warehouses or have tie-ups with other warehouses and related vendors. Moreover, they have a complete know-how of the documentation formalities. This makes shipping goods cost-effective and hassle-free.

3. Save time: Using 3PL services for many companies, especially e-commerce companies, helps them ease the order fulfilment process to a great extent. 3PL service providers' help customers eliminate many time-consuming and complex activities like storage, picking, packing, shipping, order tracking, reverse logistics, etc. While the 3PL service provider manages all these tasks, you can monitor their performance and use the data to make better business decisions.

4. Make better use of warehouse space: By outsourcing their logistics process, companies can free their warehouse space and use the warehouse facilities of the 3PL service provider. This not only helps customers save cost but also gain from experience.
A 3PL company can make space available as per your varying requirements. This takes care of any fall or increase in the area required without any compromise in service quality.

5. Real-time insights: Working with a 3PL company allows freedom from the hassles of managing the entire logistics process. Using the experience, techniques, and technology of 3PL service providers can help you track when and how your inventory is received, stored, picked, packed and shipped to the correct location.

Choosing a Warehouse Management System (WMS)

Choosing the right WMS can help you reduce costs and achieve business objectives. Hence, before finalizing the right WMS, one needs to set their goals. The following tips can help you choose the best WMS:
A good WMS should help you achieve greater efficiency at lower costs.

It should act as an integrator and seamlessly communicate with all other related software.

It should guide the entire warehouse workforce to become more efficient in their work.

It should provide valuable data and meaningful reports and insights to improve each aspect of the warehousing operation.

An ideal WMS should be scalable to adapt itself to the dynamic market conditions and your changing requirements.

Finally, a good WMS should help improve efficiency, speed, and order accuracy. This enhances the company's competitiveness and company image while controlling the costs.

Varuna Warehousing Management System

Varuna Group is among the leading 3PL warehousing & logistics companies in India. Founded in 1996, the company uses state-of-the-art technology, WMS, automation, and bots to make the entire logistics process seamless, quick, and cost-effective.

Conclusion:

The e-commerce industry has snowballed in the last few years. The pandemic and the resulting lockdown have accelerated its growth. It is estimated that e-commerce business will cross revenue of $29 trillion by 2023. This would mean an increased need for warehouse space.

Technology is playing a significant role in making the entire warehouse management more effective and seamless. One of the tools being used is WMS. It integrated all aspects of the logistics process and is compatible with other applications that deal with suppliers and transporters.

One of the growing trends in the logistics industry is Third-Party Logistics or 3PL. In this, the companies outsource their warehouse management entirely. This helps them gain from their knowledge and get cost benefits.

Varuna Group is among the leading companies that offer 3PL services to various customers across industry segments and growth stages. The company uses the latest technologies, like WMS, bots, and processes to provide services that help differentiate them from the competition.

(Source: https://www.netsuite.com/portal/resource/articles/erp/warehouse-management.shtml)