

Warehouse Automation

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Controlling Your Inventory



Effective Inventory Management

- Purchase, Plan, Manage & Control Inventories and Materials
- Evaluate Inventory Methods
- Reduce Excess Inventory & Invest in the Right Inventories
- Calculate Optimal Order Quantities
- Locate your Minimum-Total-Cost Point
- Control Inventory Loss & Determine Ideal Safety Stock Levels

Controlling Your Inventory



You need to answer this very important question:

What is the Real Cost of Being Out of Stock for Your Company???

Controlling Your Inventory



80/20 Focus on Inventory

- Divide Inventory into A,B,C Classifications
 - **A Items** – Typically 20% of the items accounting for 80% of the inventory
 - **B Items** – Typically an additional 30% of the items accounting for 15% of the inventory value
 - **C Items** – Typically the remaining 50% of the items accounting for only 5% of the inventory value

Controlling Your Inventory



- Establish clear-cut goals for buyers
- Conduct regular cycle counts -- at least monthly
- Know who your inventory receiver is
- Train them
- Assume that suppliers never ship too much

Controlling Your Inventory



- Develop a receiving policy
- Buyers should walk the warehouse
- Organize and label the warehouse
- Document all inventory procedures

Controlling Your Inventory



- Perform monthly checks on inventory reports
- Spot check the accuracy of physical inventory counts
- Inspect what you expect

Controlling Your Inventory

- Implement a Bar Code Solution
- There are 4 main components to a typical Bar Code Solution in MAS: Receiving, Shipping, Physical Count and other Inventory Transactions and Label Printing



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- Why Would I Consider RF/Wireless or Mobile Technology?



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If you are not using a Warehouse Automation Solution that streamlines your order entry through a pick/pack/ship process...

- How many more people will you need to hire to keep up with your orders?
- How much variance will there be in your inventory valuation at the end of your year?
- Will you get dinged by your customer for missed promised dates?
- Will you lose a client due to shipping errors?
- Will you ship products out if your client cancels or changes their order?
- Will you need to deal with expensive RMA remedies?
- Will your Warehouse Personnel have the exact same information as your customer service and sales?
- Will you lose time waiting for information to be in-put instead of collected?
- How much over-time will you pay for manual processes?
- Do you know how many transactions are processed within your facility during any given time period?

Warehouse Automation Picking



- Picking an Order
 - Order created in MAS
 - Someone has to go get the items for that order and get them out the door
 - An invoice is created in MAS

Warehouse Automation

Pick/Pack/Ship



- Problems with Picking an Order?
 - People make mistakes.....it's human nature
 - Incorrect items are pulled from the shelves
 - Incorrect quantities are pulled
 - Customers receive incorrect items

Warehouse Automation Picking



- What happens when an order is picked incorrectly?
 - Unhappy Customers
 - Shipping Charges
 - ✓ You pay return shipping
 - ✓ You pay to ship the correct items
 - Time
 - ✓ Identifying the error
 - ✓ Receiving incorrect items back
 - ✓ Pulling correct items to re-ship

Shipping in a Warehouse Automation Solution



- Automating the picking process will alert you instantly if an incorrect item is picked. The handhelds also indicate the quantity to be picked and alert the user if he or she is trying to pick too many or too few.
- Not only do you gain accuracy in your shipments, but the invoices are automatically generated back in MAS when the data is sent from the handhelds.

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Picking/Shipping Demo

