

"PLANNING A WAREHOUSE MOVE INTELLIGENT PLANNING NEEDED FOR EFFICIENT, ECONOMICAL MOVES"

Many distributors, faced with the need to move their warehouses, also find themselves faced with a king-sized headache. How for example, do they move all the equipment, all that breakable inventory, and all those busy workers from point "A" to point "B" without having at least a few costly little accidents along the way? And even more to the point, how do they fit all these pieces together at point "B" so the warehouse machine actually works?

The simple answer is, they plan. The more complex answer is, they plan intelligently. This means they not only concern themselves with making the move as economically and efficiently as possible, but they plan to operate their new warehouse with the same economy and efficiency. Thus, what might have started out as a sizeable headache is actually an exciting, challenging opportunity to create that sleek, beautiful, completely debugged "dream" warehouse.

Where and how does the distributor start? The answer is, he starts where he wants to be, and works backward to where he is. Specifically, he decides what he wants his "dream" warehouse to look like. Then, he determines what he is going to need and what he must do to make this dream a reality. If his plan is intelligent and he implements it correctly, he discovers he made a trouble free "move" and he has a warehouse that functions smoothly and efficiently.

What must the distributor do? Two things: (1) develop a plan and (2) implement the plan.

1. DEVELOPING THE PLAN

When developing an overall plan for an efficient, economical "move", consider the following elements.

- A. MERCHANDISE
- B. BUILDING
- C. SERVICES
- D. EQUIPMENT AND HANDLING METHODS
- E. LAYOUT
- F. ORGANIZATION AND PEOPLE
- G. SECURITY

A. MERCHANDISE

Before a trouble-free move can be accomplished, the distributor must estimate the amount of space required in the new building. Before any intelligent estimate of the required amount of space is made, a study should be made of the existing amount of merchandise normally carried in stock. This is done by measuring the bins, shelves, racks and merchandise on the floors, on pallets and in bulk. The merchandise should be classified according to:

1. Its material handling characteristics
2. How it will be stored
3. Cubic feet requirements of each classification.

After measuring, allowances must be made for wasted space, overstock, normal maximum requirements and for growth and expansion. The distributor then will have information on how

much space is needed for each classification. For example, 65,000 cubic feet of space might be needed for shelf items; 32,000 cubic feet for bulk storage items; 12,000 cubic feet for awkward items, such as mops and brooms, and 42,000 cubic feet for full carton merchandise.

B. BUILDING AND SERVICES

The next question in an intelligent plan for moving the warehouse is: Can the material handling operation be accommodated in the new location? After all, merchandise not only must be stored, but must be handled in and out quickly and easily. To answer this questions, the following physical characteristics of the building should be checked:

- Loading docks
- Floor load
- Ceiling height
- Number and size of columns
- Spacing between columns
- Roof truss capacity (for conveyor lines or hoists)
- Doorway height and width
- Outside dock doors should be large enough for tractor trailers
- Interior doors should be large enough for lift trucks and carts
- Elevator size and capacity
- Ramps
- Stairwells
- Pipes and drains
- Lighting
- Floor condition and capacity
- Depressed wells
- Sprinkler system
- Rest rooms and lockers
- Heat, ventilation, air conditioning
- Parking space
- Cleaning facilities
- Snow removal and flood conditions

Space must be allotted for:

- Administration offices
- Receiving
- Assembly
- Shipping
- Storage of finished goods
- Staging
- Picking
- Packing
- Checking
- Warehouse offices
- Refurbishing
- Returns
- Show room
- Storage of carts, pallets, packing materials
- Any other areas peculiar to the operation

C. EQUIPMENT AND HANDLING METHODS

How will the merchandise be put away and how will it be picked? The speed and volume of inventory turnover will determine, in large part, the type of operation and the kind of equipment needed to perform these functions. If it is a high speed, large volume operation, there may be a need for receiving on lift trucks and picking from flow racks. The system may be either mechanical or manual with a combination of tote boxes and a conveyor system. A powered conveyor may be necessary. If speed is not too critical, free roller conveyors may be adequate. An overhead conveyor might be needed to remove empty cartons and trash.

If the operation is not too large, the best equipment for storage may be bins or open shelving. In a lift truck operation, pallets may be used, although it may be desirable to use slip sheets. Unitized loads may be held together by film, glue or straps. A clamp truck may be used to move merchandise.

D. LAYOUT

After the merchandise, building and services, equipment and handling methods have been studied, the grid layout must be made. The layout should include:

All physical characteristics of the building
Where the different classifications of merchandise will be stored
Necessary aisle widths

Each item must be considered in terms of where it will be stored. All the bins, shelves, racks, conveyors and bulk areas must be laid out to make certain the merchandise fits. Adjacent aisles must be large enough for the use of material handling equipment. A picking cart may operate in a three foot aisle, an electric stacking truck may need a seven foot aisle and a propane lift truck may need ten to twelve foot aisles depending on its size and make.

E. ORGANIZATION AND PEOPLE

Nothing will happen until people are put into the building. Organization charts and job descriptions should be planned so each person knows what he/she is responsible for and how his/her job integrates with other jobs in the organization. Job descriptions are useful for employee selection and for training.

Another important aspect of planning an efficient move is projecting how many people will be required to run the new organization. Great savings may be realized in this area. If you can improve the material handling methods, then you should be able to do more with fewer people. If you can't, the move may not be worth making.

F. SECURITY

In any operation, security must be built-in. There are too many cases of theft, pilferage and robbery to disregard this area. Is an alarm system to a central station needed? Perhaps a loud bell is sufficient. Is a guard needed? Generally, lockers should be provided and employees should change their clothing before they go into the warehouse. Then, after work, they should punch out before changing into street clothes and a supervisor should stand near the clock. Fire exits should be alarmed so a bell rings when someone attempts to leave. The receiving and shipping doors should be arranged so that truck drivers cannot enter the storage areas. When a door is opened, a responsible person, such as a supervisor or guard, should be present. The

inventory control system, the order processing system, and the receiving system should have built-in controls to detect any instance of merchandise disappearing.

2. IMPLEMENTING THE PLAN

Before the actual move is made, someone in the distributor's company must divorce himself from the day to day operations of the existing business and devote himself only to the move. He is the person who must bear the brunt of this move. He should be familiar with the existing operation and will probably be the person who worked on setting up the new operation.

After the new building has been laid out and the equipment ordered, then the detail work must be done. Every item currently in stock that will be stocked in the new building should be laid out exactly where it will be stored in the bins, shelves, racks, etc. If this is done, there will be fewer movements during the move. The distributor will avoid lost time in starting up the operation and there will be less damage. Items that don't have a home must be set aside.

Before the actual move, all the material handling equipment should be erected and installed. All the services should be hooked up. The bins, shelves and racks should be marked with what is going into them. The aisles should be painted and marked and each area should have its location marked.

Several weeks before the actual move, fast moving merchandise should be shipped directly to the new building. Slow moving merchandise should be apportioned by use and some sent to the new warehouse. For example, if you have a two months' supply of one item, half of it should be sent to the new warehouse.

When the physical move is actually taking place, the distributor must decide how his staff will be divided in order to keep up operations at the old building and set up the new building. Will he have to hire additional people and who will do the actual moving? Will it be his employees, professional movers or a combination of both?

Several years ago we advised a client to plan in advance where each item would be stored. He failed to do this and it took weeks of sorting and handling to straighten out the mess. It also cost him money in warehouse overtime, additional help, damaged merchandise and, worst of all, lost business.

There are many ways to simplify the actual movement of merchandise, depending on the situation. If the move is from a palletized operation to a palletized operation and there are docks at either end, you can have a rapid shuttle operation, with little handling. However, if there is a great distance between buildings and outside truckers make the move, it can be costly since the trucks cannot be loaded to capacity.

Paperwork should account for all transferred merchandise, and it should be checked at both ends.

Compliments of:
Gross & Associates
Corporate Headquarters
167 Main St.
Woodbridge, NJ 07095
Phone: (732) 636-2666
FAX: (732) 636-2799
info@grossassociates.com