



How to turn warehouse management into a business success

THE COMPLETE GUIDE





Introduction

In an evolving logistics landscape, where supply chains need to be more resilient and agile, 3PL's must deliver greater flexibility and operational efficiencies to meet their customers ever-growing demands. In turn the way businesses manage their stock and its distribution to the end customer has never been more important. A robust warehouse operation is at the foundation of every successful business. From Agriculture and Materials Handling, to MedTech and eCommerce, the time it takes to fulfil an order and deliver to your end customers will define the success of your business.

87% of decision-makers in warehousing, logistics, and retail said they are planning the expansion of warehousing strategy by 2024 (Zebra Technologies, 2023). However, achieving this is not a simple task. Whether you're thinking of expanding your distribution network, maximising your current space utilisation, exploring third-party providers, or contemplating a switch in providers, there are numerous factors to consider.

We understand how challenging yet crucial it is to run an efficient warehousing operation, and we've created this straightforward warehousing guide to help you navigate through the many options and opportunities available. As orders will always need to be fulfilled fast, it's essential to find the right, scalable solution that creates a highly effective supply chain that will deliver the best customer experience.

Let's dive in.

WHAT IS WAREHOUSING?

The term 'warehousing' comprises the process of managing and physically storing outbound and inbound inventory. This includes:

- Organising the warehouse layout and inventory
- Acquiring and upkeeping the necessary equipment for loading and transportation
- Handling incoming inventory at the facility
- Fulfilling orders through picking, packaging, and shipping stages
- Monitoring and enhancing the overall performance of the warehouse

Recently, the use of automation tools, such as a Warehouse Management System (WMS) to control stock levels and locations and minimise human error has also become a regular feature.

THE ROLE OF WAREHOUSING IN LOGISTICS AND SUPPLY CHAIN

Warehousing bridges the gap between production stage and the products final destination, becoming a key component within logistics and the supply chain. Like clockwork, every stage in the supply chain is deeply reliant on the success of every component.

As such, warehousing is a crucial link that guarantees the consistent flow of goods and materials from point of origin to the end customer. Providing a centralised location for storing, organising and handling inventory, warehousing allows businesses to maintain adequate stock levels and meet customer demand.

Another key factor of warehousing is the facilities' geographic location.

By strategically placing warehouses within a supply chain network, you can optimise transportation routes, reduce lead times, and enhance your overall operational efficiency.

For instance, a warehouse strategically situated in a high-demand area can help smooth out seasonality peaks and fluctuations in demand and supply.

Warehouses serve the purpose of bolstering manufacturing operations by ensuring an adequate supply of resources and cross-docking processes, automatically securing uninterrupted production.



WAREHOUSING OPTIONS

When considering the best warehouse solution for your business, there are many factors to take into account. Square metre requirements, SKU quantity, and product types are just a few criteria that can help you determine whether sharing a warehouse or securing a facility exclusively for your own operations is the best solution.

Dedicated Setup

A private warehouse means that the facility is exclusively occupied by a single tenant. You can choose to own or lease the location, however labour, operations, technology implementations may also be something you need to fully manage as they will be solely dedicated to your operations. This solution is suitable for businesses with space requirements exceeding 95 sq. metres, and the warehouse management may be outsourced to a third-party provider.

Shared/Multi-Client Setup

A shared warehouse is owned and fully managed by a third-party provider. Also known as public warehousing, it can be adopted as a temporary solution for seasonal peak time surges or for businesses needing square metreage below 95 sq. metres. This option may also involve cross-docking services and value-added services like customised labelling or pick and pack.

WAREHOUSING MANAGEMENT SYSTEMS (WMS)

Innovation has greatly advanced warehousing functionality over the last decade, and it doesn't look like it's going to slow down now. A recent research reports that **80% of organisations are planning to invest in new technologies to stay competitive** (Zebra Technologies, 2023).

Artificial Intelligence, cloud computing, and the Internet of Things are paving the path forward. Moreover, modern Warehousing Management Systems (WMS) have evolved to offer additional features such as

demand planning, staff management, and supply chain management.

Distribution centres can effectively streamline their entire workflow thanks to these new technologies. This translates into great efficiency improvements that go beyond the warehousing operations and can directly impact the wider business performance. From the moment goods are received to the stages of picking, packing, and shipping, WMS have truly revolutionised supply chain operations.

A reliable WMS can offer tangible advantages, such as:

- Minimising spreadsheets and manual data entry
- Generating comprehensive reports to effectively monitor costs and pick up performance patterns (e.g. picking accuracy rate, order lead times, receiving efficiency rate)
- Automating shipping and labeling processes to save time and reduce human error
- Enhancing staff productivity through streamlined workflows
- Give full visibility on stock levels and distribution on different locations.

The right WMS should speed up your entire logistics operation, that's why it's important to carefully identify your specific business needs. Think about your current processes and analyse each separately, e.g., your picking accuracy rate, how many orders you're dealing with daily, how many team members are needed to run your operations, and project what economic benefits would be brought by the adoption of a WMS.

INVENTORY MANAGEMENT

Inventory management is so much more than just handling stock levels for goods ready to be sold. A crucial component for any supply chain, inventory management comprises all operations necessary to maintain an efficient level of stock, whilst also optimising warehouse space and keeping waste at the bare minimum.

Effective warehouse inventory management can also significantly reduce costs on shipping and workforce. By diligently tracking product availability and locations, businesses can ensure a

swift and efficient order fulfilment.

And that's not all.

Conducting regular inventory checks proves invaluable in identifying errors and discrepancies that have the potential to result in lost sales or customer dissatisfaction.

SEASONALITY: A CHALLENGE TO TURN INTO AN OPPORTUNITY

As businesses prepare for peak season, so do warehouses.

During busy times, everything must be streamlined to ensure operational efficiency and high-standard customer service.

Dealing with surges of high demands for products, and consequently high volumes for returns, can be challenging, therefore it is essential that your business can rely on efficient warehousing operations.

Failing to prepare for peak season can bring major constraints, making it hard to maintain inventory balance, ultimately leading to unhappy customers.

The best way to enable smooth processes is by implementing automation into your warehousing operations. Leaving as little space as possible for human error during peak time can skyrocket your business performance and advance your reputation within the industry you're trading in. Also, think about developing a fulfilment strategy that covers stock levels for any product in high demands, your shipping options and your returns management. And last but not least, get ready for the unexpected by having a contingency plan to proactively respond to staff shortages and ensure your workflow is stable and hiccup-free.

ADDED VALUE SERVICES

If you're thinking of outsourcing, some providers may broaden their offerings beyond standard warehouse operations. These value-added services can really go the extra mile for your business, helping you bring to life a much more tailored service to your end customers. For some sectors like Automotive or Healthcare, value-added services such as kitting and sequencing can turn out to save you time.

In fact, adding these services will increase assembly efficiency and reduce the square metre space of final assembly through consolidation of multiple parts in one final product. Advantageous value-added services include:

- Kitting
- Sequencing
- Product customisation
- Labeling, packaging, and wrapping
- Returns management

WHY DANX

Flexibility, speed, and reliability are what makes DANX's warehousing solutions truly competitive. From storage to inventory management and order fulfilment, we look after your shipments and have the capability to customise our warehousing solution to fit your needs, while also giving you access to our extensive in-night network across Europe. With over 30 years' experience in the Nordics, Baltics, and Poland, we pride ourselves on providing specialist solutions that help our clients drive business growth.

Today, DANX has an extensive and flexible distribution network including:

- ✓ 6 regional distribution centres
- ✓ 29 forward stock locations (FSL)
- ✓ 86 pick-up & drop-offs (PUDO)

TAKEAWAY

As your business expands, a reliable and efficient warehouse management strategy becomes essential, helping you drive growth and maintain high-quality service for your customers at all times. One major advantage of effective warehousing is that it gives you the ability to focus on your end customers and products, while entrusting the fulfilment aspect to experienced professionals.

DON'T WAIT ANY LONGER!

Reach out to DANX today to boost your business performance with our cross-borders and domestic warehousing solutions.

[Book your call back now!](#)

Ann-Sofi Ståhl
SALES DIRECTOR

ann-sofi.stahl@danx.com
+46 72 230 8820