

The important role played by warehousing commerce essay



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Nowadays, the warehousing is playing a very important role in the supply chain management. The warehousing not only provides the function to holding or storage the goods but it also provides the value-added services to improve the performance of the supply chain. The value-added service services are including

1. 2 Role of warehouse

1. 2. 1 Buffer

The warehousing is holding the goods for the downstream stages of supply chain. It is to balance the difference goods schedules and aim to deal the efficiency in the distribution process and achieve the economic of scale.

1. 2. 2 Consolidation center

The warehouse is used for accumulates and consolidates the goods from the different manufacturer or company for combined the goods into a same shipment to the customers. The consolidation can reduce the expenditure of transportation operations because it can reduce the number of shipping and the capacity of loading is sharing by few companies.

1. 2. 3 Cross-dock center

Cross docking is the moving the goods from a manufacturer and the goods is directly delivers to the customer with low material handling and without storage in warehouse in a long time period. For example, the goods have sent to the loading dock from the manufacturers and the goods will prepare for the outbound activities in soon.

1. 3 Value-added Services

Due to the strong competitive market nowadays, the function of warehouse is requiring to extend to a wide range.

1. 3. 1 Inventory tracking system

Many different goods from different manufacturer is storage in the warehouse and a good tracking system can provide the information about the type of goods, goods order, shipment schedule, and the sold of goods. The tracking system help the company manage the inventory in the warehouse with more efficiency and aims to reduce the cost and time in the warehouse operation process. It also prevents the loss of goods because every step in movement of goods is recording in system and the related document was signed.

1. 3. 2 Reverse logistic

Reverse logistic is a customer service that helps the retailers in process of goods return to the warehouse and increases the satisfaction of retailer and customer. The reverse logistic activities include handling of returned goods, goods recycling, goods reuse and hazardous materials disposition. The retailer returns the goods to the warehouse when the defective product was return by the customer to retailer. The warehouse will responsible to checking the situation of the product such as packaging damage, due day of goods, hazardous materials and so on.

After the goods was return, the process to scanning and test will make and

the suitable solution from dispose management will do for the defective
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product either is repacking, repairing, or recycling. Finally, the final goods will distribute to the retailers.

1. 3. 3 Just in time delivery

The company can gain the competitive advantage when it available delivery the right quantities and quality goods to the customer. Just in time delivery is a management that arrange and manage the goods shipment for different customer which ensure the goods is sent to them before they need to sell the goods. It can be prevent too much goods are storage in warehouse in long time because it will increase the storing and handling cost.

1. 4 Conclusion

Warehouse can help a company to providing the value-added service for their customer because it can be improve the performance and profit of company. In

3. 1 Introduction

Normally, warehouse is performing the three basis function such as receive the goods from a client, storage the goods, and reclaim the goods when requested. It is about the movement and storage of goods in the warehouse. Warehouse can consider is a distribution center and the goods are storage and shipping everyday.

3. 2 Cross- docking warehouse

Cross-docking is a new logistics technique used to rapidly consolidate shipments from different manufacturer or client. Cross-docking help a company prevent the higher cost of inventory holding in warehouse with long time. It also reduces the process of goods picking and storage in warehouse. It can make the distribution process become faster and efficiency. Cross docking is the receive and moving the goods from few manufacturer and the goods is directly delivers to the customer with low material handling and without storage in warehouse in a long time period or more than 24 hour.

Figure: cross docking layout

Cross-docking warehouse is different with the traditional warehouse. In cross docking, warehouse receives goods from supplier and the target of goods delivery was given and the worker just move the goods directly from inbound transport to an outbound transport for the distribution process to certain customers. There is not goods storage in warehouse more than 24hour.

Before cross docking distribution made, the goods must on cross dock palletizing and labeling before transfer to customer and a document will holding by the goods carrier. It can enable the worker understand the type of goods is belong to the certain transport or customer without mistake made. In addition, the cross docking is perform the first in first out system and enable the delivery lead time during waiting the late received of goods.

3. 3 Distribution warehouse

Distribution warehouse is a distribution network and allow to storing large amount of goods at a single location. The activities in warehouse consist receive the goods from different suppliers, storage and picking process in warehouse, packaging and delivery process to the certain customers.

Distribution warehouse is different with cross door warehouse because it is receive a large amount of goods and ship or deliver the small amount of goods to the certain target. Beside, the other goods will storage in warehouse and waiting for transfer when the order made.

The location of the distribution warehouse normally is located at the center point between the location of supplier and customer. It is available the movement of goods to warehouse can be make in the short time. In other hand, the location of the distribution warehouse is possible located near to the supplier or customers. It is depend to the movement of goods rate or transportation rate is rapid to the customer or supplier.

3. 4 Basic raw material warehouse

Basic raw material warehouse is responsible to receive, storage the raw material and help the production facility manage the flow of raw material with efficiency. The warehouse function is similar with the distribution warehouse but the goods storage in warehouse is the raw material and normally delivery to the facility for produce the finish goods.

Basic raw material warehouse needs a huge space to storage the raw material and the design of the warehouse layout is very important. It needs to ensure the movement of material in warehouse is smooth. In other hand,

the raw material is unlike the finish goods that storage in distribution
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warehouse because some of the raw material is consider hazardous material or some material need storage in cold condition. Therefore, the design of the warehouse storage function is special than normal warehouse.

3. 5 Conclusion

In conclusion, the storage function of cross-docking warehouse is different with the distribution warehouse and basic raw material warehouse. The cross-docking warehouse is aim to reduce the inventory holding cost and the goods that receive will be shipping to certain customer within 24hour. Beside, the basic raw material warehouse is different in the movement process. Normally, the

4. 1 Introduction

Inventory management is very important to help a company manage the goods flow in the inventory. It is the process of planning, controlling, organizing, and leading the inventory for company. A good inventory management enables a company to meet the expectation or requirement of customer with ensure the goods is always available for sell. In addition, it also can help company to reduce the cost and achieve the economies of scale.

4. 2 Modern methods of inventory management

The modern methods of inventory are the pull system in inventory management that aims to produce the goods in cost saving and short lead time. Nowadays, the customer preferences are increasing and the production

just make when the order is placed. It can be to avoid the overstock problem and wastage.

4. 2. 1 Just-In-Time

The just-in-time system is aim to produce the right quality and number of goods on the certain time. The goods will make after receive the order. It going to minimize the inventory amount because enables to minimize the costs of maintenance cost and inventory control cost. Just-In-Time system is a pull system and the efficiency on monitor the usage of raw material in production and the raw material reorder was made in quick when the minimum of stock safety is reach.

Just-In-Time system provided the information that usage of raw material use to produce goods and plan to deliver the goods to customers within the shortest time. The time taken to finish a finish goods and usage of material for a finish goods must be clearly understand to perform the Just-In-Time system

4. 2. 2 Kanban system

Kanban system is an effective material control system and it can adopt in a variety of production environments. The Kanban system is very helpful in the production cycle because a production instruction is provided. The production instruction is given the information about what, where and when the material and process needed, and the flow of the raw material in production. The purpose of Kanban is to automate the inventory controls without planning.

4. 2. 3 Flexible Manufacturing System

Flexible Manufacturing System is a manufacturing technology that can change rapidly in production of different products. It is enable to deal with less or much mixed parts and allow difference in parts assembly and variations in production. It is flexible deal with change in the design and volume of production in manufacturing.

4. 2. 4 Other pull system

Other pull systems of inventory management include vendor managed inventory, time compression, ABC inventory priority, lean and agile inventory control.

Vendor managed inventory is a management that the supplier help the customer making the order and responsible to manage their inventory. Time compression is a system to deal the changing constantly of customer needs and produce the goods when order made. ABC inventory priority is analyses the type of raw material in different levels of importance and should be handled differently. Lean inventory control enables to reduce the wastage in production and agile inventory control is concern the quick response to the change of customer needs.

4. 3 Traditional inventory management

Traditional inventory management is different with the modern inventory management because it is concern the product quantity and quality must meet to the future demand. Therefore, the raw material order or goods will be made before the customer making the goods order. The forecasting to <https://assignbuster.com/the-important-role-played-by-warehousing-commerce-essay/>

the future demand will make to the end customer and the level of the inventory must satisfy the requirement on time.

The methods of inventory management include Economic Order Quantity and re-order point. Economic order quantity is the total order quantity of goods that order to minimize the total inventory holding costs and ordering cost. The optimal number of goods order will generate by Economic Order Quantity and it can help the company save the cost to associate with the delivery, storage and purchase of goods.