



WAREHOUSE REDESIGN BECOMES A CRITICAL IMPERATIVE

Making the Case for Material Handling Warehouse Consultants

The Takeaway

As the distribution environment continues to evolve and as customer demands change, the traditional warehouse or distribution center (DC) setup is quickly falling out of favor. In its place, facilities that optimize space, accommodate more product, improve labor usage, minimize accidents, and fully leverage material handling equipment are helping operations work smarter, better, and faster.

Want to know more?

Contact Allied Toyota Lift at (866) 538-0667.

The Details

Plagued by manual operational methods, time-intensive order fulfillment processes, and physical space that wasn't designed to handle the rigors of e-commerce and omni-channel, companies continue to grapple with challenges like decreased productivity, safety problems, wasted space (or, a lack thereof), and customer service problems.

Ensuring that every inch of warehouse and DC space is being used efficiently helps to keep these and other challenges in check, but actually developing a plan of action and putting it in motion takes time, money, and human resources that can present a major challenge for any size operation.

The evolution of the digital supply chain and the supplemental impacts of e-commerce and omni-channel fulfillment are pushing more warehouse managers to reevaluate their current operations. As a result, the need for outside perspective and expertise has increased exponentially.

Enter warehouse consulting—a discipline that integrates material handling systems, physical space, and the flow of material from the back door to the front in an effort to create the most streamlined, efficient process possible. These efforts have become particularly critical in a distribution world where demand for



rising throughput from customer orders is directly impacting warehouse design and management. Competitive warehousing operations are realizing that they need to alter their facilities and operations to stay ahead.

“Through warehouse optimization, companies are making better utilization of physical space while also maximizing their inventory levels and their employees’ time,” says Steve Lowe, vice president of sales and marketing at Allied Toyota Lift.

According to Lowe, the benefits of using an outside warehouse consultant to make that happen go even deeper, and include better inter-relationships among employees, floor space, and inventory. And because most companies invest much money and time in all three, being able to maximize the return on investment (ROI) in each critical area can lead to substantial savings and improved profitability. “Even more importantly,” says Lowe, “you wind up with much happier customers who come back and give you more of their business.”

Consider, for example, the privately-owned paint manufacturer that currently has about 10,000 square feet of warehouse space and that wants to add a new trim or wallpaper line to its product lineup. The company has about 60 to 70 different “primary” SKUs that it manages manually, without a warehouse management system (WMS). However, the company wants to add 40 to 50 more SKUs over the coming year.

The products are currently stored on pallets, with some of those pallets containing multiple different products—a technique that will become more difficult once the manufacturer begins selling 100+ popular products.

“When you get into the hundreds or thousands of SKUs, the first thing you need is a WMS that can control your warehouse,” says Lowe. A WMS is the system that controls and tracks the location, movement, and placement of all materials in the warehouse. That includes managing inventory, space, capital equipment, and labor (labor management systems are often one component in a WMS). In addition, shippers need rack, conveyor, dock equipment, automation, robotics, and forklifts that can work in concert to easily manage the flow of materials in and out of the dock door. “That’s where warehouse consulting comes into view, effectively helping companies increase warehouse productivity, improve process efficiencies, and reduce costs,” he adds.

With warehouse consulting services, Toyota Material Handling USA and Toyota dealers nationwide are filling a market gap that operations don’t always have the time, resources, or expertise to handle on their own. Companies can effectively focus on their own core competencies and leave the space, flow of materials, and equipment optimization strategies up to the experts.

“Companies look to us to make the changes necessary to thrive in today’s evolving distribution environment,” says Eddie McLendon, Toyota Material Handling’s warehouse products territory manager, “and to provide the solutions they need to manage the increasing velocities and demand for rising throughput from customer orders—both of which impact warehouse design.”