

## **NIDAN EDUCATION & SKILL TRAINING**

# Work Book for Warehouse Supervisor

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## **Objectives**

After this training, you will be able to :

- manage smooth operations of the warehouse
- manage incoming, outgoing materials & inventory
- manage & control warehouse team (staff & workmen) to ensure daily operations of warehouse
- gain documentation requirements knowledge
- knowledge on transportation
- build customer relationship skill
- know of Health, Safety & Security Procedure

# 1. Introduction to Warehouse

## **Key words**

*SKU - Stock Keeping Unit*

Trade off

Distribution

Synchronize

Logistics

Supply chain network

AGV (automated guided vehicles)

Pallets

Warehouse

Flexibility

Inventory

Facility

Technology

Automated

Handling

Flow

Control

Performance

Storage Cost

MHE (material handling equipment)

Put away

Cross-docking

Order picking

Sortation

Replenishing

Activity profiling

Centralized

De-centralized

Bulk storage

Racking

Optimize

Equipments

## **1.1 Definition & purpose of warehouse**

Inventory carrying building / shed is known as “**WAREHOUSE**”. Different industry terms are used to call it as a ‘warehouse’ or ‘stores’ or ‘hub’ or ‘godown’, depending on the nature of their business interest.

The warehouse is where the Supply Chain holds their inventories. Functions of warehousing include :

- Receiving materials
- Safe storage of materials
- Product mixing / relabeling / repacking
- Transportation to customers

Warehousing involves proper arrangement for storing raw materials from the time of their purchase, till the actual use in production or storing finished goods till it is sent out to customers. This storage done in a specified manner is called ‘warehousing’. The place where goods are kept is called ‘warehouse’. The person in-charge of warehouse is called ‘warehouse-supervisor’.

We need different types of materials for our household utilities and we store them in designated areas within our home. Similarly, large scale materials are stored in a warehouse, according to the material condition and safe requirement to store them until consumption.

Big companies have in-house facility for storing materials and different areas identified as ‘Raw material warehouse’, ‘Packing materials stores’, ‘Work-in-progress (WIP) stores’, ‘Finished goods warehouse’, ‘Engineering stores’, etc., etc.,

The warehousing market in India is highly challenging, with less than 10% organised players operating the total warehouses; this indicates the good opportunities. Demand for modern warehouses is on the increase and these warehouses are equipped with tall designs, modular racking systems, palletisation and use of automation systems.

Tremendous growth in industries like Automobiles, Pharmaceuticals, Fast-Moving Consumer Goods (FMCG) and Retail has significantly increased the demand for movement of materials across the country. This includes, imports from sea ports to manufacturing or distribution warehouses or from manufacturing sites and distributor warehouses to customers and for exports to sea ports.

The government has significantly increased the investment allocated for the development of logistics infrastructure including ports, airports, national highways, logistics parks, freight stations and corridors.

Several measures have been undertaken by the Government of India to encourage private sector participation in the logistics industry across all modes. These measures include increasing targeted contributions of private players in the investments set aside for the development of logistics infrastructure, tax exemptions and duty free imports. Apart from speeding up capacity creation, this is also aimed towards incorporating latest technologies and better management practices.

The logistics industry stands to benefit from the increasing trend of outsourcing the logistics and warehousing function to third party service providers. This function was traditionally performed by the organisations themselves. However, corporate entities recognise the benefits associated in engaging a third-party logistics provider for integration of information flow, material handling, production, packaging, inventory, transportation, warehousing and often security. This allows corporate entities to concentrate on their core business and also avail of significant discounts through outsourcing.

## **1.2 Types of warehouses**

There are several types of warehouses in use –

- Private warehouse
- Public (3PL) warehouse
- Customs bond warehouse
- Temperature controlled warehouse
- Cold storage warehouse
- DG / Hazardous cargo warehouse
- Bulk storage warehouse

### **Private Warehouse :**



Private warehouse is owned and managed by manufacturers or traders, exclusively for storing their stocks.

Generally large manufacturers own and operate such private warehouses within or near their factories. Similarly Traders and Distributors are also having such private warehouse for storing their products. Warehouses are also owned and managed for storing agricultural products by the farmers, or wholesalers.

The design and the facilities are as per the nature of products and requirements of individual owners and industry need.

### **Public (3PL) Warehouse :**



Public warehouse or Third-party (3PL) warehouse, is where more than one party store their materials. Mostly these warehouses are used by manufacturers, distributors, traders, retailers, etc., for storing their products. Modern warehouses with infrastructure facilities and material handling equipments offer cost benefits in sharing such public warehouse space. Trained resources and well equipped safety measures are added advantages in such public warehouse operations.

### **Customs bond warehouse**



Imports store their products in customs bond warehouse, until actual requirement for consumption or use. Customs clearance formalities are completed and duty paid, customs cleared materials are then taken out for production or sales. Charges for storing in such bond warehouse is economical compared to cost incurred in keeping the materials at port. Cash flow benefit is achieved in deferring customs duty payment, until actual requirement of material for consumption.

Similarly, exporters also store their products in such customs bond warehouse for loading, stuffing the goods in containers and complete customs export formalities. Charges in customs bond warehouse is cheaper compared to handling such activities at port.



Traders who does re-export or re-brand/re-label and re-export are also using such customs bond warehouse facilities.

### **Temperature controlled warehouse**



Temperature controlled warehouse is normally used for storing Pharmaceutical items and products which need to be stored in cool temperature. Example, food products which we normally store in our Refrigerators are home.

Both private owned warehouse and 3PL warehouses operate such facility, depending on the size and need for such operations.

### **Cold storage warehouse**



Cold storage warehouses are for storing products like Milk, Ice, Poultry items which are required to be stored in freezer temperatures. Depending on the size and need basis, both private and 3PL warehouses provide such facilities.

### **Dangerous Goods / Hazardous cargo warehouse**