

Title:

Warehousing - Your options

Word Count:

308

Summary:

A modern warehouse is so much more than an empty shell where boxes are kept. In most cases young companies are better off contracting out their warehousing. It avoids large capital costs. As the company's product line develops, warehousing needs will change.

Keywords:

warehousing, logistics, storage

Article Body:

An efficient business requires efficient warehousing. It can often be the most profit-consuming element if not organised properly - with the cost of staff, health and theft insurance, building rates.

Whether you contract for individual services, work with a warehousing company or run your own warehousing operation, it is just good business sense to make a plan and consider all the possible consequences.

Outsiders may think of a warehouse as just containing a pile of boxes that are loaded onto trucks for delivery. This may have been the case 50 years ago, but the modern warehouse operation uses specialist software to track each package around the complex. Packages are bar-coded to help with tracking in and out as well as for in-house tracking.

Some of the warehousing services available are: Trans loading, Cross docking, Pick and pack, Pallet exchange, Labelling, Packaging, Quality control, Local trucking/drayage, Stretch/shrink wrapping, Inventory control, Just-in-time control, Lot number control, Import/export handling, Containerization, Pool distribution.

If starting afresh you may need to purchase the basics, forklifts, storage shelves etc. As these are big investments, it is often cheaper to find a quality warehousing operator if the savings and features outweigh the investment costs. This is especially the case when a business is still in its early stages, where there is little capital set aside for investment.

Even before this stage, the decisions can be crucial. You will need to consider what will be best for your company, public warehousing or contract warehousing

If you choose public warehousing you pay only for the space and services you use, as you use them and there is no long term commitment. Contract Warehousing involves a longer term commitment but the costs per unit will be less. Public warehousing is generally the better option initially, with progression to Contract Services as your product line becomes more established.