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RESEARCH TO IMPROVE CAPITAL EFFICIENCY IN DISTRIBUTION CENTERS

Work Group Discussion

by

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The following points were made by the discussion group on "Research to Improve Capital Efficiency in Distribution Centers."

1. There is a need to update technology in terms of optimizing utilization of data processing systems in warehouse operations. The major point made was that analyses should be made of the total system rather than components of the system, and that attempts should be made to allocate merchandise immediately in terms of shipping destination rather than double handling by putting it on racks and then taking it out. In other words, a strong attempt should be made to streamline the system.
2. Publications are needed on improving supervisory methods in the operation of a warehouse.
3. Concern was raised relative to the question, "Should merchandise be distributed from the warehouse in the first place, or what options and opportunities exist for improved utilization of direct store deliveries?"
4. Concern was raised regarding analyses of shipping produce directly from field to stores and essentially bypassing warehouses.
5. There is a need to analyze the establishment of consolidation warehouses and direct shipments to stores but in so doing, consideration also needs to be given to the impact of shorter shipments on availability of backroom storage space at the retail level.
6. Additional experience is needed regarding analyzing the "state of the arts" of automated warehouse operations. Presently, it is rather difficult to assess the overall benefits and further analysis is needed including addressing optimum utilization of industrial engineering techniques.