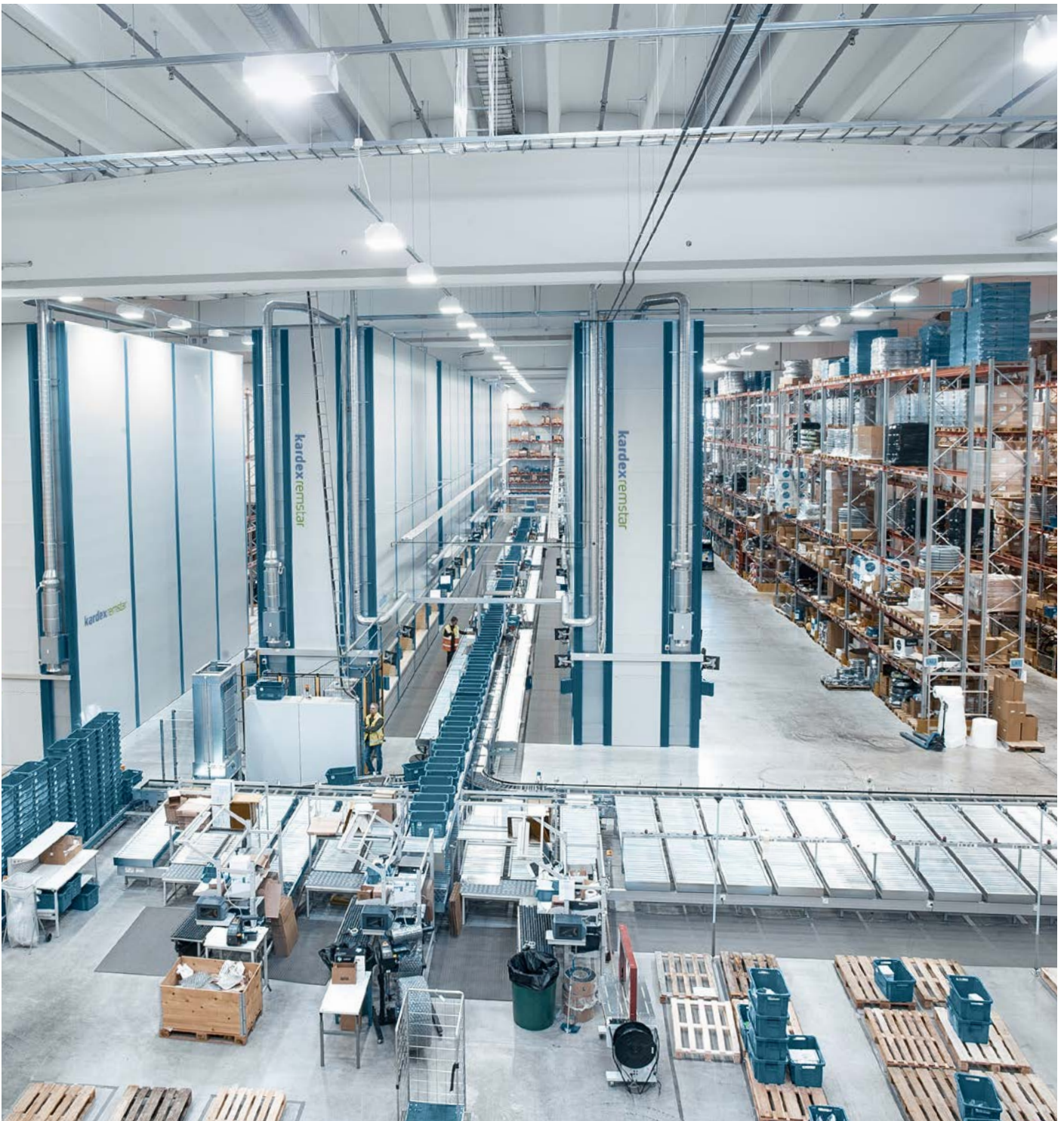


How-to Guide

18 Warehouse Organization Ideas





Introduction

Improve your disorganized warehouse

Organization is key to becoming (or sustaining) a successful business. The warehouse should be considered the foundation to your business. If you're currently operating a disorganized warehouse and need some help prioritizing your next steps, you've come to the right place. Start by making small changes, because you'll see a big impact with an immediate return. So how do you get started on your warehouse organization journey?

There are several warehouse organization ideas to review and consider, but they fall into three major categories. In no particular order:

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Consider this a checklist to help you navigate the organization process. Take one suggestion at a time and review how things are currently working. Is there room for improvement? An opportunity to tame the disorganization of your warehouse? Let's take a look.

Warehouse layout

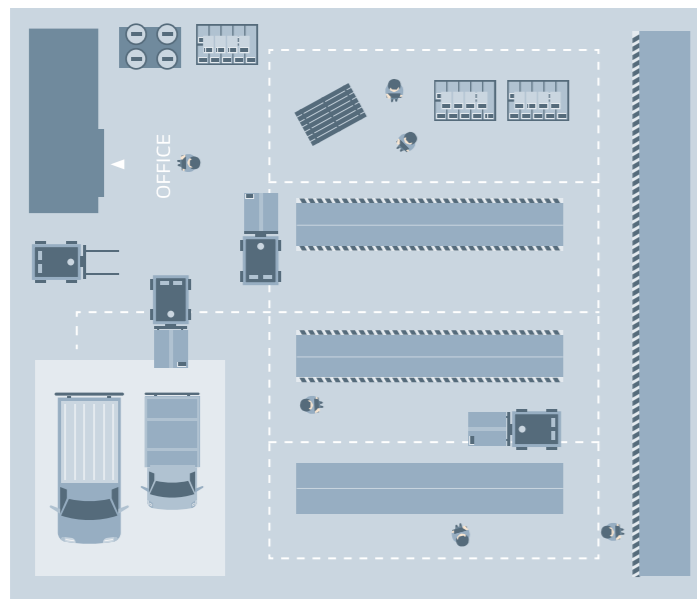
It can be daunting to even consider an overhaul on your warehouse layout. Organizing your space doesn't have to start with a clean slate. It simply means you can organize some of your current processes to help you and your staff complete day to day tasks more efficiently.

#1 Organize floorplan for optimum process flow

In the design phase of your warehouse you can set things straight from the start. If you're well established, keep in mind, organization doesn't have to be an overhaul. This can be a long-term goal if you find things don't flow properly in your warehouse.

Now, take a step back and consider your current warehouse layout. An organized workspace should provide a safe environment for your employees and be highly efficient. The flow should be set up in the order of operations. From receiving to store, then packaging to shipping.

Poll your staff who work in the space daily. Enable them to speak up during this process improvement. Keeping your employees safe and happy is highly beneficial to their productivity and your overall success.



#2 Stay organized with labels and signage

Labeling inventory and work zones throughout your warehouse will ensure organization and facility flow is maintained long term. Labels will ensure employees know where to find things and/or where they belong. This can be especially beneficial for new employees or in facilities that utilize temp labor often.

In addition, consider adding signage to any hazards or ceiling restrictions to ensure employee safety. Also be sure to maintain or update signage regularly.



#3 Provide maps

Help your employees navigate the warehouse by providing maps. While labels and signage clearly communicate what they need to know, maps can be especially beneficial for new or seasonal employees with less experience in the facility. The faster people get to where they need to go, the quicker they get the job done.

#4 Review storage capacity

Now it's time to review your storage capacity, which is the maximum amount something can hold. Using simple math, multiply height x width x depth = storage capacity, in cubic feet.

If you've opted for traditional rack and shelving in your warehouse, how are they spaced out? Are they evenly spaced, leaving room at the top of your products? If so, you're paying to store air! Learn more about how to maximize storage capacity by implementing automated storage [methods](#).

Inventory Management

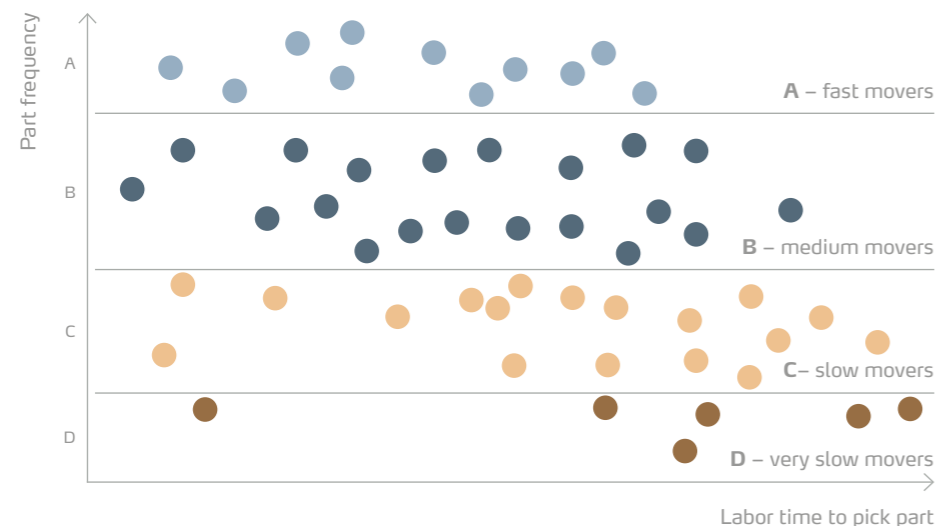
Inventory management accounts for just about everything physically in your warehouse. Without a system in place to keep track of your assets, it can be difficult for your employees to do their jobs. Categorizing inventory and using proper storage methods maximizes your existing facility and frees up previously wasted space to increase capacity and improve efficiencies.

#5 Classify inventory

Start by classifying your inventory to ensure you're organizing even your slowest moving items accordingly. Profiling your stock keeping units or SKUs should be supported by data. Take inventory of what is currently in your warehouse (size, shape, quantity) and how often it moves or frequency of picking. This will help you organize your inventory into categories: A (fast), B (medium), C (slow) and D (very slow) movers. Once this is charted (see below), cross reference your documented SKU velocity with the time it takes to pick those items, this is the cost to pick your inventory.

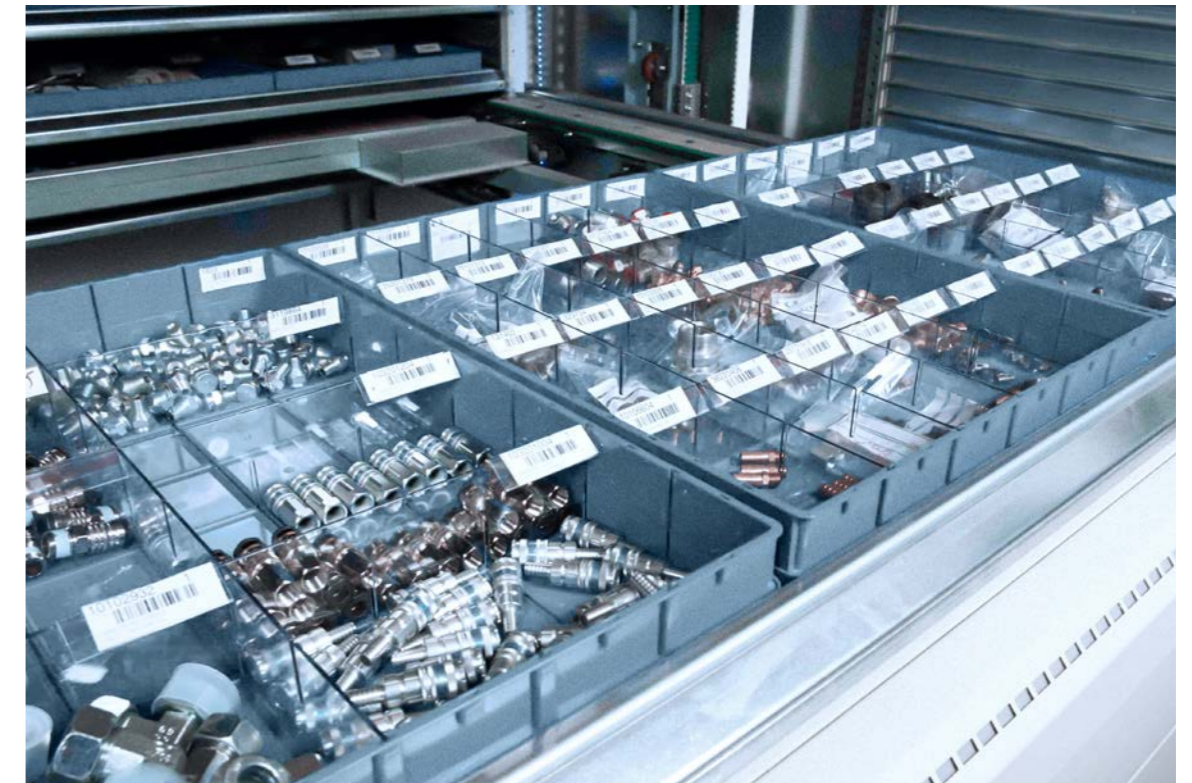
If you apply the Pareto Principle (80/20 rule), you could imagine it makes the most sense to focus on the 20% of your inventory being picked 80% of the time. If that's the case, you'd be missing the improvement opportunity from the remaining 80% of your slower moving inventory. Take a closer look at classifying your inventory [here](#).

Classify inventory



#6 Compartmentalize inventory with totes, bins and dividers

Storage devices promote organization of even the smallest items. Whether you need to store nuts and bolts or pre-assembled kits, it is guaranteed there is a tote or bin to keep your items in order. Add labels and you can cross that off your checklist too! Read more about totes, bins and dividers and why they are important [here](#).



#7 Slotting

Don't try to slot your inventory until after you've classified, compartmentalized and labeled it. Slotting can't be done without data either. To increase productivity, slot your inventory first by velocity. Slot your A and B movers in the area or zone with the easiest access. C and D movers can find their place further away from the shipping area, without suffering a dip in productivity. Your employees will thank you if you reduce their walking distances to the shipping zone.

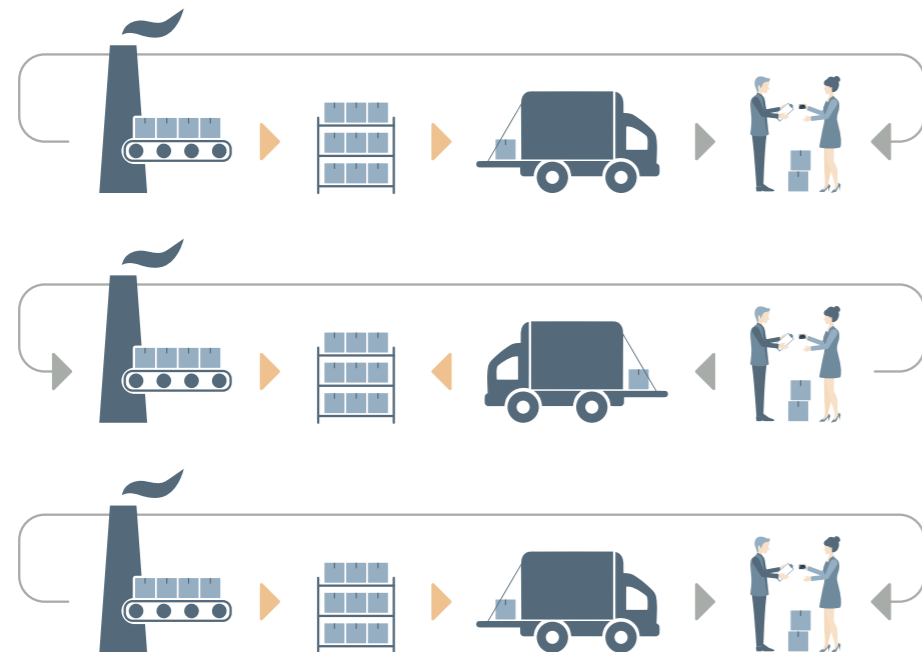
Next, slot your SKUs by zone or technology. You'll need the information about inventory, size, shape and weight here. Sometimes there are limitations based on what you need to store and what storage methods you're using. [Find out more](#) about slotting inventory by zone/technology.

#8 Implement an efficient receiving process

Do you have boxes piling up next to the receiving door? Review your process for receiving inventory. The inventory coming in the door is just as important as the inventory you're shipping out. Designate an employee to manage receiving inventory as they will be your quality gate. Did you receive the correct quantity and was the shipment in good condition? They should process the shipment accordingly and immediately store the items in your perfectly labeled storage system.

#9 Document your returns handling procedures

In addition to your receiving process, don't forget to factor in the returns handling process. While this might be covered with receiving, outline all of the steps for employees to ensure returns are taken care of appropriately. If returns go missing, this is money out of your pocket. Keep your warehouse efficient with a documented process.



#10 Automate storage for maximum capacity

Are you using traditional racks and shelving, automation, or a combination of both? It's important to talk to an expert to determine if there's opportunity to improve what you're already using. ASRS will protect your inventory from damage and theft. Utilizing the vertical height in your facility, ASRS maximizes storage capacity in 85% less floor space. Operating on the goods-to-person principle, ASRS delivers items directly to an operator at an ergonomic workstation. Learn more about ASRS technologies [here](#).



#11 Lean your inventory

Lean your inventory to align with just in time (JIT) practices. Only keep what is essential to prevent overstocking inventory. Of course, it will be help to have some safety stock on hand but use data to determine appropriate quantities. This will keep your warehouse operation highly efficient and deliver the service your customers expect.

#12 Organize Safety Stock

Don't forget to leave room for safety stock. This is extra inventory you have on hand in buffer storage to avoid shortages. To ensure you always have adequate inventory levels to accommodate unpredictable spikes, designate a location for this safety stock. This reduces the likelihood of this inventory being misplaced.

#13 Implement cycle counting

No one likes big year end physical inventory. Keep track of your inventory regularly with cycle counting. Whether you cycle count weekly, monthly or even quarterly, if you keep track of your inventory throughout the year you can eliminate the need for a costly year end inventory count. This helps maintain accurate inventory levels and supports your organization practices on a continuous basis.

#14 Adopt a warehouse management system

Warehouse Management Systems (WMS) provide support to many of these warehouse organization ideas. With data from your WMS, you can properly classify and slot your inventory, determine proper storage methods, track inventory movement and more. The sooner you implement a WMS, the more access you'll have to this information going forward and historically over time which optimizes the functionality of your warehouse.

Maintaining an organized warehouse requires visibility into real-time inventory tracking, which a WMS provides. From inventory levels and locations to SKU movement and operator statistics, a WMS can provide insight to support your business objectives.



Clean workspaces

Don't let all of your hard work organizing your warehouse go to waste by taking the "set it and forget it" approach. A clean workspace prevents damage to inventory and increases productivity. It keeps your employees healthy and safe too. Routine cleaning procedures will ensure your warehouse operates at maximum efficiency.

#15 Clean regularly

Whether you create a checklist for your employees to execute at the end of their shift, for example, sweeping, cleaning worksurfaces, etc. or you hire a service to clean your facility, don't forget this step. Keeping the warehouse clean from dust and dirt or larger hazards such as spills ensures employee safety. This will also prevent damage to your inventory or potential loss of product.

#16 Train staff to maintain organization

Once you've updated your disorganized warehouse to a new and improved facility, train your staff to maintain it. Set expectations and regularly check with your employees to ensure the new layout is sustainable. The labels, signage and maps you've created will support this process.



#17 Perform regular maintenance

It's in your best interest to adhere to manufacturer's maintenance schedules. Prioritizing maintenance, keeps your facility in working order, reducing or eliminating unplanned downtime. When your equipment works properly, your employees remain productive. Often, purchasing the extended warranty for maintenance is worth the investment.



#18 Keep aisles clear for moving vehicles

Keep aisles free and clear for moving vehicles, such as forklifts, to keep employees and equipment safe. Optimize aisle space for forklifts to travel easily without wasting valuable floor space. Reducing clutter also allows for easy access to stored SKUs.

This is a lot to review, so don't forget to start small. Pick one or two things which you can implement immediately for the quickest return. The most important thing to keep in mind after organizing the warehouse is to review your processes and procedures regularly. Did your changes have a positive impact? When it comes to facility flow or labels and signage, small adjustments can make a world of a difference. Organizing your warehouse will set you up for an efficient and successful business today and in the future!