

Updating your warehouse for e-commerce

WHITEPAPER



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at your side



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E-commerce is now ubiquitous, used by consumers around the globe. In Australia, 75% of consumers shopped online in 2018, according to Australia Post's most recent Inside Australian Online Shopping Industry Report.

Online shopping accounted for \$27.5 billion spent in 2018, or 10% of overall retail spend. These numbers are only expected to increase in time.

Here's what that means for retailers: If you're not online already, getting there should be a priority.

To be sure, updating your business so it's compatible with e-commerce is not a small endeavour. There's a lot that goes into bringing your business online, including having a user-friendly website, a secure ordering platform and enough inventory to fulfill orders as they come through.

A critical aspect of transforming your business into a robust e-commerce operation is storage. Maintaining enough inventory to cover each order placed in a timely manner is essential. This can only be done with sufficient warehouse space, and an organisation system that supports efficiency and productivity.

This whitepaper provides some advice that any business making the move to an e-commerce format can apply to their warehousing strategies:



Start with a strategic organisation system

Your empty warehouse is a blank slate. Before you fill it with inventory, have a plan for where everything will belong. There's some strategy that must go into this plan.

Here are a few things to consider:

MOST POPULAR ITEMS

Some items will have a high turnover rate, which means they should be more accessible to the pickers and packers staffing the warehouse. Identify your most frequently purchased SKUs, and position them in the most convenient slots for pickers - areas closest to your packing station.

The process of picking and packing the most popular items in your warehouse should be as quick and efficient as possible. Workers should



not have to walk long distances across the building to access these items or to bring them to the packing station.

LESS FREQUENTLY ORDERED ITEMS

SKUs with lower order frequency should be located out of the way of the more frequently purchased items in your warehouse. Pickers shouldn't have to regularly walk past these items on their way to more popular items.

COMMONLY PAIRED ITEMS

Use data from past orders to determine which items are commonly purchased together. Arrange these items close to one another so pickers don't have to walk far to complete these orders.

SEASONAL ITEMS

At the end of a specific season, you'll likely have items left over that will still be good next year. Holiday ornaments or bathing suits, for example, have no expiration date, but they are typically ordered during specific times of the year.

Have a section of your warehouse dedicated to seasonal items that won't lose their value over time. This will keep them out of the way of pickers during the off season, but keep them conveniently close when that time of year rolls around again.

Before you decide where to put which items, divide your warehouse into sections and create a map. Depending on the size and layout of your warehouse, you'll probably divide it into:

- ▲ Floors
- ▲ Bays
- ▲ Shelves and aisles
- ▲ Slots on the shelves

To ensure everyone knows exactly where each slot is, and what inventory is located where, you'll need signs and maps at a minimum. Even better: a digital warehouse management system (WMS) that uses identification numbers to direct pickers to the exact location of each item they need.

When creating labels for aisles, shelves, slots and bays, carefully consider which information will be most helpful. Colour coding systems may help workers navigate the warehouse more easily. Images of items printed on slot signs make picking items intuitive and less prone to human error.



Stock up on packing and shipping supplies

For every order, you'll need packing containers, protective packaging materials and shipping labels.

There are a few considerations to make when organising shipping supplies:

CONTAINER SIZES AND PROTECTIVE PACKAGING VOLUME

Have a variety of shipping containers that allow workers to put together differently-sized orders. Some customers may only purchase one item, while others will fill their carts with many. You'll want boxes, packets or other containers that can accommodate multiple order sizes.

Understanding how your typical customer shops is an important aspect of this. By reviewing past order data, you should be able to get a good idea of how common small vs. large orders are. Stock your packing station with an appropriate amount of each size container.



If you don't have the right variety of shipping container sizes, you'll likely run into resource constraints. For example, if you receive ample small-sized orders, but only have large boxes, you'll run through your protective packaging very quickly. Conversely, if all you have are small boxes when large orders are placed, you'll have to divide single orders into multiple shipments.

You'll also need sufficient protective packaging to fill the excess space in each box. Again, use past order data to learn which packaging materials you'll rely on most.

SHIPPING LABEL STRATEGY

No order can go out without a shipping label. The most convenient way to dispense shipping labels is with an easy-to-access printer, and a WMS that records order information and organises it so labels can be printed accurately and quickly.

Just like your shipping containers and protective packaging, ensure you have sufficient stock of labels. This is one resource you don't want to unexpectedly run out of: without shipping labels, the flow of your warehouse will come to a standstill.

Also, consider the printer you're using. [Mobile label printers](#) are most convenient for warehouse workers, though the biggest concern should be quality. It's essential that printed labels are legible and scannable.

PACKING STATION LOCATION

The location of your packing station plays a huge role in how efficient your warehouse is. The goal is to make fulfilling each order as streamlined as possible, and that means minimising the number of steps workers must take to complete each one.

Position your packing station out of the way of the paths that pickers will take when locating inventory for orders. Likewise, keep it out of the way of incoming or outgoing shipments.

At the same time, this station should be conveniently located near a shipping staging area, where containers ready to depart are easy to access and load into a truck.



Invest in a good Warehouse Management System (WMS)

So far, we've reviewed the importance of having a well-thought-out physical layout and organisation system for your warehouse. While it's possible to implement each of these without advanced technologies, manual processes have numerous drawbacks.

One of the biggest challenges warehouses face is human error in manual process: in a survey of 200 small-medium-sized retailers from Stitch, 62.3% of respondents indicated this was by far the most frequent cause of inventory and fulfillment issues - second was shipping delays from suppliers, noted by 15% of respondents.

The best way to avoid mistakes caused by human error is by integrating digital systems that



help you keep track of inventory, processes and customer information.

A good WMS can track inventory levels, guide pickers to products, improve space utilisation, increase productivity and print accurate shipping labels. Here's how:

TRACK INVENTORY LEVELS

When items arrive at the warehouse, they're scanned into the WMS. From there, the system knows details about every step each item takes, from where it's shelved to when it goes out. The WMS will then track levels of particular items and can alert you when stock is low.

GUIDE PICKERS TO PRODUCTS

When an order is placed, pickers will retrieve the products from their various locations throughout the warehouse. A WMS will guide workers to each slot and can even tell them the most efficient path through the building. This not only saves time, but also makes the job much simpler.

IMPROVE SPACE UTILISATION

When receiving goods, a WMS will indicate the best position for each item. This will help to keep things well organised and maximise your space.

INCREASE PRODUCTIVITY

There's always something that needs to be done at a warehouse. A WMS can manage these activities and queue them up so workers can easily view how to prioritise their tasks. Additionally, the system can use data to predict order volume on any given day, giving managers guidance on how to plan their workers' schedules.

PRINT ACCURATE SHIPPING LABELS

Your WMS will store immense amounts of data, including shipping information. It can help you



put together the information you need for inventory labels as well as shipping labels, ensuring they're accurate every time. Plus, when paired with a mobile printer, workers can print these labels immediately when they're needed.

Warehouse management systems are complex software and can benefit your organisation in numerous ways. Ultimately, the primary benefit of a WMS is that it introduces automation and digital systems to your warehouse. They can then be integrated into your other systems throughout the business, creating a highly efficient operation that can save you time and money.

Mobile printers for e-commerce warehouses complement WMS by making it fast and simple to print high-quality labels, documents, signs and [more](#). Check out the selection of mobile printers [available at Brother to find the right machine for your warehouse](#).



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