



Certified Store and Inventory
Manager Sample Material
VS-1447

Vskills Certifications

Vskills Reading Material



1. WAREHOUSING

Warehouses are crucial components of most modern supply chains. They are likely to be involved in various stages of the sourcing, production and distribution of goods, from the handling of raw materials and work-in-progress through to finished products.

1.1. Introduction

Warehouses are an integral part of the supply chains in which they operate, and therefore recent trends, such as increasing market volatility, product range proliferation and shortening customer lead times, all have an impact on the roles that warehouses are required to perform. Warehouses need to be designed and operated in line with the specific requirements of the supply chain as a whole. They are therefore justified where they are part of the least-cost supply chain that can be designed to meet the service levels that need to be provided to the customers.

A distribution centre for a set of products is a warehouse or other specialized building, often with refrigeration or air conditioning, which is stocked with products /goods to be re-distributed to retailers, wholesalers or directly to the consumers. A distribution centre is a primary part, of the order processing element, of the entire order fulfillment process.

One of the key benefits of a distribution centre is the structure of supply network set up which allows a single location to stock a vast number of products. Some organizations operate both retail distribution and direct-to-consumer distribution out of a single facility, sharing space, equipment, labour resources and inventory as applicable. A typical way in which a retail distribution network operates is by setting up centres throughout a commercial market where each centre will then serve a number of stores. Large distribution centres for companies such as Wal-Mart serve 50-125 stores. How it works is? Supplier's ship truckload of products to the distribution centre and the distribution centre then stores the product until needed by the retail location and then ship the product quantity as required.

1.2. Benefits of Warehousing

The various benefits of having a warehouse are,

Consolidation

One of the economic benefits of warehousing is shipment consolidation. With the given arrangement, the consolidating warehouse receives and consolidates materials from a number of manufacturing units destined for a specific customer in a single transportation shipment. The principal benefit of a warehouse is the realization of the lowest possible transportation rate and reduced congestion at a customer's receiving dock which helps in logistical flow of several small shipments to a specific market area. Another benefit of consolidation warehousing is that it may be used by a single firm, or multiple firms may join together and use a for-hire consolidation service. Thus, each individual manufacturer or shipper enjoys lower total distribution cost than could be realized on a direct shipment basis individually.

Breaking the bulk

Breaking the bulk is a warehouse operation similar to consolidation in which no storage function is performed. A break bulk operation receives combined customer orders from manufacturers and

ships them to individual customers. This function involves sorting or splitting of individual orders in a warehouse in order to arrange for local delivery since long-distance transportation movement of a large shipment involves lower transportation costs and less difficulty in tracking.

Processing (Postponement)

Another advantage of a warehouse is that it can also be used to postpone, or delay, production by performing processing and light manufacturing activities. A warehouse performing packaging or labeling activities have the capability to allow postponement of final production until actual demand is known. Postponement allows minimization of the risk as the final packaging is not completed until an order for a specific label and package has been received. Also, the required level of total inventory can be reduced by using the basic product for a variety of labeling and packaging configurations.

Stockpiling

An economic benefit of stockpiling arises from the need of seasonal storage. Stockpiling helps in maintaining inventory buffer, which allows production efficiencies within the constraints imposed by material sources and the customer.

Service Benefits of Warehousing

The various service benefits are,

Spot stocking - Under spot stocking a selected amount of a firm's product line is placed in a warehouse to fill customer orders during a critical marketing period. Instead of holding inventory in warehouse facilities on a year-round basis or shipping directly from manufacturing plants, delivery time can be substantially reduced by advanced inventory commitment to strategic markets. The utilization of warehouse facilities for stock spotting helps in placing the inventories in a variety of markets adjacent to key customers just preceding to a maximum period of seasonal sales.

Assortment - Assortment operation helps to stock product combinations in anticipation of customer orders. The assortments may require multiple products from different manufacturers or special assortments as specified by customers.

The basic difference between stock spotting and complete line assortment is the degree and duration of warehouse utilization.

- ✓ Stock spotting typically involves a narrow product assortment and place stocks in a large number of small warehouses dedicated to specific markets for a limited time period where on the other hand distribution assortment usually involves a broad product line, which is limited to a few strategic locations, and is functional year-round.
- ✓ The combined assortments also allow larger shipment quantities, which helps reduce the overall transportation cost.

Mixing - It involves truckloads of products being shipped from manufacturing plants to warehouses. In mixing situation each large shipment enjoys the lowest possible transportation rate such that upon arrival at the warehouse, factory shipments are unloaded and the preferred combination of each product for each customer or market is selected.

Production support - The function of a production support warehouse is to supply processed materials, components, and subassemblies into the assembly plant in time yet economically. Safety stocks on items purchased from outside vendors may be justified because of long lead times or significant variations in usage.

Market presence - Market presence factor is based on the belief that local warehouses can be more responsive to customer needs and offer faster delivery than more distant warehouses. This will enhance market share and potentially increase profitability.

1.3. Functions of Warehouses

The prime objective of most warehouses is to facilitate the movement of goods through the supply chain to the end consumer. It is often necessary to hold inventory, when

- ✓ The demand for the product is continual
- ✓ The supply lead time is greater than the demand lead time

Inventory is therefore often beneficial to smooth variations between supply and demand.

There are two types of storage actions performed,

Planned Storage: Planned storage is the storage required as planned to meet the regular customer demand. The inventory received in the warehouse requires storage for a certain period of time where the duration of storage may vary.

Extended Storage: Extended storage involves storage of inventory in excess of normal warehouse operation. Some of the reasons for extended storage requirements are seasonal demand, erratic demand, discounts, speculative purchases, product conditioning, etc.

- ✓ In order to meet the erratic or seasonality in demand an additional storage of goods in terms of safety stocks could be required.
- ✓ Some products such as food items may be stored for conditioning purposes.
- ✓ Sometimes a firm may buy bulk quantities to avail the discounts that are available or to purchase when the price is low. This is speculative purchases as the goods are bought at a higher quantity due to lower price or due to expectation of higher price in the future.
- ✓ Sometimes due to promotional campaigns such as sales promotion, additional stock may be required to be kept to meet the expected higher demand for the product.

Smooth Movement of Goods

Movement of goods involves inbound activity i.e., unloading of goods brought to warehouse, transfer to storage by transferring the goods from the inbound area to the storage area, order selection involves selection of good in the storage as per order to be shipped and transferring it to shipment area and outbound activity involving checking and loading the goods for shipment.

Managing Information

It helps in keeping a track of information regarding goods that have arrived at the warehouse, stored and shipped out of the warehouse. All the required information relating to the warehouse is

stored. All the data is captured by the information system in the warehouse is then passed on to the higher management in order to take better decisions.

Protection of Goods

Warehouse provides protection to goods from loss or damage due to heat, rain, dust, wind etc. It requires special arrangements for different types of products as per their respective nature. Warehouses help in cutting down losses due to spoilage and wastage during storage.

Bearing the Risk

Warehouses aids in taking over the risks incidental to storage of goods. When the goods are received in a warehouse then it is the responsibility of, these goods passes on to the warehouse-keeper. The risk of loss or damage to goods in storage is thus borne by the warehouse keeper. The warehouse is bound to return the goods in good condition and is responsible for any loss, theft or damage etc. Therefore, they take all precautions to prevent any kind of mishap.

Warehouse Financing

For goods deposited in any warehouse, the depositor gets a receipt, which acts as a proof about the deposit of goods. The warehouses can also issue a document in favour of the owner of the goods, which is called warehouse-keeper's warrant. This warrant is a document of title and can be transferred by simple endorsement and delivery. The businessmen can also obtain loans from banks and other financial institutions by keeping this warrant as security. In some cases, warehouses also give advances of money to the depositors for a short period keeping their goods as security.

Processing

There are certain commodities which are not consumed in the form they are produced. It requires some processing to make them consumable. Sometimes warehouses also undertake these activities on behalf of the owners.

Grading and Branding

Warehouses also perform the functions of grading and branding of goods on behalf of the manufacturer, wholesaler or the importer of goods. It also provides facilities for mixing, blending and packaging of goods for the convenience of handling and sale.

Other Functions

Warehouse functions also includes

- ✓ Inventory holding point - It is the holding of critical parts in case of breakdown or acting as a repository (eg for archive records or personal effects).
- ✓ Consolidation centre - The warehouse may perform the function of bringing a number of product lines together for a specific customer need.
- ✓ Sortation centre - It is specific to parcel carrier depots, where goods are brought to the warehouse for the purposes of sorting the goods to a specific region or customer.
- ✓ Assembly facility - The warehouse may thus be used as the final assembly point for the product, involving activities such as kitting, testing and labeling.
- ✓ Returned goods centre - The handling of returned goods can also be taken.

- ✓ Receiving - It involves the physical unloading of incoming transport, checking against purchase orders and recording the incoming goods into the computer system
- ✓ Reserve storage - Goods are normally taken to the reserve or back-up storage area, which is the largest space user in many warehouses.
- ✓ Order picking - If only small quantities of a product are stored in a warehouse, then the reserve and picking stock may be combined, and goods picked from this consolidated area.
- ✓ Collation and added value services - Goods need to be collated into complete customer orders ready for dispatch.
- ✓ Marshalling and dispatch - Goods are marshalled together to form vehicle loads in the dispatch area and are then loaded on to outbound vehicles for onward dispatch.

V Skills

Certifications

► Accounting, Banking & Finance

- Certified GST Professional
- Certified AML-KYC Compliance Officer
- Certified Business Accountant
- Certified BASEL III Professional
- Certified GAAP Accounting Standards Professional
- Certified Treasury Markets Professional

► Big Data

- Certified Hadoop and Mapreduce Professional

► Cloud Computing

- Certified Cloud Computing Professional

► Design

- Certified Interior Designer

► Digital Media

- Certified Social Media Marketing Professional
- Certified Inbound Marketing Professional
- Certified Digital Marketing Professional

► Foreign Trade

- Certified Export Import (Foreign Trade) Professional

► Health, Nutrition and Well Being

- Certified Fitness Instructor

► Hospitality

- Certified Restaurant Team Member (Hospitality)

► Human Resources

- Certified HR Compensation Manager
- Certified HR Staffing Manager
- Certified Human Resources Manager
- Certified Performance Appraisal Manager

► Office Skills

- Certified Data Entry Operator
- Certified Office Administrator

► Project Management

- Certified Master in Project Management
- Certified Scrum Specialist

► Real Estate

- Certified Real Estate Consultant

► Marketing

- Certified Marketing Manager

► Quality

- Certified Six Sigma Green Belt Professional
- Certified Six Sigma Black Belt Professional
- Certified TQM Professional

► Logistics & Supply Chain Management

- Certified International Logistics Professional
- Certified Logistics & SCM Professional
- Certified Supply Chain Management Professional

► Legal

- Certified IPR & Legal Manager
- Certified Labour Law Analyst
- Certified Business Law Analyst
- Certified Corporate Law Analyst

► Information Technology

- Certified Angular JS Professional
- Certified Basic Network Support Professional
- Certified Business Intelligence Professional
- Certified Core Java Developer
- Certified E-commerce Professional
- Certified IT Support Professional
- Certified PHP Professional
- Certified Selenium Professional

► Mobile Application Development

- Certified Android Apps Developer
- Certified iPhone Apps Developer

► Security

- Certified Ethical Hacking and Security Professional
- Certified Network Security Professional

► Management

- Certified Corporate Governance Professional
- Certified Corporate Social Responsibility Professional
- Certified Leadership Skills Professional

► Life Skills

- Certified Business Communication Specialist
- Certified Public Relations Officer

► Media

- Certified Advertising Manager
- Certified Advertising Sales Professional

► Sales, BPO

- Certified Sales Manager
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& many more job related certifications

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