

Design of Zero Investment Warehouses for CPG client

About the company

The client is one of India's largest CPG company. Distribution operations carried out through 20+ field warehouses. Product portfolio of 700+ high volume SKUs sold across the subcontinent

Business Objectives

Design of several field warehouses with minimal capital investment run on standardized system-driven manually executed processes

Business Situation

- Due to the absence of standard operations procedures, warehouses practiced indigenous processes for stock keeping and movements
- Operations were manually managed with high person dependence
- Most warehouses had poor hygiene conditions resulting in low stock traceability resulting in low fill rates

The solution

- Warehouse Design: Warehouses were designed for ground storage. Storage zones were defined based on the receipt lot size of the different product group / velocity clusters. Slotting of SKUs based on velocity and other product attributes improved the operational efficiency and employee productivity.
- Process Definition: SAP WM driven paper-based processes were defined. Non-value add activities and movements were eliminated. Stock traceability and turnaround times improved dramatically.
- Resource Optimization: Based on the re-engineered warehouse design, the resource requirement was re-assessed for existing and new roles.
- Implementation: Implementation involved infra re-arrangement, stock alignment and process implementation along with trainings and hyper care for each location that resulted in faster business adoption

Business Benefits

- Localization of templated process brought incremental maturity to processes in warehouses pan-India
- Modularity of design process ensured fast turnaround of design of warehouses