

Warehouse Area Estimation for Auto Spares OEM

About the company

The client is a major auto spares distributor based in India. The company supplies spares for trucks and buses.

Business objectives

To estimate the size of warehouse considering the expected volumes of year 2018 including functional areas.

Business complexities

- Limited scope for expansion available
- ~13,000 part portfolio to be managed
- Need to have different kinds of functional areas like quality inspection, pre-packaging, kitting, final packaging, weighing, staging, etc.
- Limited information availability on dimensions and weight of each part packaging

Project highlights

- Future area estimation was done on the basis of expected business growth rates and current storage practices
- Given the growing business volumes, it was imperative that either the warehouse space be increased or by the use of more efficient storage practices, the area requirement be further optimized without any increase in warehouse area
- At 98% service level, the area requirement for warehouse was likely to get increased by 77% in next 3 years

Value delivered to the client

It was estimated that

- For 92% service level in 2015, area needs to be increased by 39%
- For 98% service level in 2017, the area requirement for warehouse is likely to get increased by 77%