

# Location Management System Improved Warehouse Readiness for WMS Implementation



## SITUATION

The customer had no proper system to track and trace inventory within the warehouse and faced challenges in executing orders on time.

## IMPACT

Inventory traceability issues, stock mismatches, higher turnaround time and stock obsolescence.

## RESOLUTION

We redesigned the warehouse layout and processes for efficient storage and retrieval of stocks and implemented the system on ground for easy adaptation of the WMS system.

## The Customer

The customer is an integrated paper recycling-manufacturing-converting company. The core competence of the group includes Recycling of paper waste; Production of hygienic tissue soft rolls; and Converting jumbo tissue rolls to final consumer products such as napkins, paper towels and toilet paper.



## The Need

The customer faced major challenges in locating inventory, accurately account and faster transact in warehouses, be it Raw Materials, Finished Goods or MRO spares.

- The complexities of warehouse operations were very high such as – MRP spares were spread in 11 different buildings close to 15000+ SKUs and 20,000+ bin locations from the smallest nut size to big paper m/c drums of room size
- RM bulk items were stored in open yards & rest packing materials in closed warehouse facility
- FG hard rolls were stored basis customer orders in warehouse complex, the same running into a few thousands of square feet

These were heavy operations but the processes were manual, paper based and person dependent. The customer was looking for a system (both physical and IT integrated) that could help in resolving the above issues.

## The Solution

We designed and implemented the Location Management System as a warehouse readiness exercise before the WMS IT system implementation. This helped the customer in replicating both physical and IT systems as a mirror image.

The solution involved Warehouse Layout and Processes redesign:

- Conducted a feasibility study for WMS implementation for all warehouses basis the current warehouse infrastructure and process maturity
- For the suitable warehouse, we scientifically estimated the space requirement by thorough analysis of the stock movement based on transaction and master data
- Designed and developed the storage strategies, storage methods, handling principles and rules for RACK and Ground Storage, Fixed bin storage for MRO items and dynamic bin storage for FG and RM items etc.
- Designed the new layout for warehouses in CAD drawings clearly depicting the storage bins and aisles with unique numbering system
- Redesigned the warehouse processes with identified improvements considering user pain points
- Processes such as HHT and Bar code based operations were incorporated for easy stock identification and to improve the handling accuracy
- Developed the data masters for WM system considering the storage location, zones, sections and bins

- Item grouping was done against bin section for storage, basis the velocity of stock movement, packaging and handling requirements
- Ensured the revised warehouse layout is physically on ground like bin marking and aisle painting and stock rearrangement
- Tallied the physical v/s books stocks and identified the differences & discrepancies like excess, unaccounted stocks, non-moving stocks, expired or damaged stocks
- Designed and recommended the roadmap and strategy for implementing the WMS system

## Business Benefits

- Increase in space utilization
- Faster stock traceability and execution
- Increase in manpower productivity and efficiency
- Adherence to freshness principles
- Increase in customer service levels
- Enhanced stock and activity visibility
- Increase in inventory control and accuracy
- Reduced turnaround time
- More disciplined processes

### About ITC Infotech Business Consulting Group

The Business Consulting Group (BCG) at ITC Infotech is a converging point for business & IT solutions. We aim to transform business performance, bringing a strategic perspective on process improvement and IT enablement. Our team blends domain experts and consultants, bringing unique capabilities to discover and resolve business concerns of the day.

Our expertise spans Consumer Goods, Retail, Process Industry, Logistics & Transportation, across key business functions such as product development, production, supply chain management, sales and marketing management, field force management, and customer relationship management.

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