A Guide To Warehouse Reports In 2020

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Apart from goods, warehouses hold tonnes of data that is used to ensure optimal efficiency and profitability. E-commerce is forcing companies to become more agile with each passing day. This reflects the need for data-driven warehousing to meet ever-expanding customer demands. In 2019, the global sales figure for e-commerce was USD 3.53 trillion, and it is expected to hit a whopping USD 6.54 trillion by 2022. Therefore, the number of warehouses, products stored, and overall volume is bound to increase.

The increased turnovers and fierce competition will make it necessary to run warehouses at optimum utilization levels. Warehouse reports play a crucial role in supporting the supply chain. In this article, we will learn about three main reports used by all industries in detail. They are Bulk Picking Report (Picklist) Empty Bin Report and Inventory On Hand Report. They aid in operations and strategic decision making by providing real-time information. Reporting also impacts on efficiency as it helps define best practices.

At the end of this article, I expect that the readers will be able to understand these warehouse reports and use them effectively. I will also cover tech innovations used in

the industries for your ready reference. Buckle up to learn about warehouse reports in the below sections.

What Is Meant By Warehouse Reports

We can use the following definition to serve our broad audience:

A warehouse report is an official document declaring the presence and state of an item along with a log of interactions meant to represent ownership transfers.

There are some key indicators that these reports define:

- Whether the item is available or not
- Where is it currently stored (Area, Rack Number, Shelf Number)
- The shape, size, brand/make, and color marking on the item/ its box.
- Weight of the products
- Single item or in packs of multiple similar/dissimilar products (Product Bundling)
- The number of items available in the warehouse/bulk storage area
- The personnel assigned to transfer it
- From where is the item sourced and whom it is transferred
- Duration since it is sitting as inventory
- Cost, quality, and usability
- Order details

Why Do We Need Warehouse Reports

No matter if it's your kid's report card or your company's financial statements, all activities in life are accompanied by analysis. It is one of the basic forms of human behavior. To learn from past actions, to improve our efforts and safeguard against problems, is an evolutionary trait that is applied to warehousing too. The warehouse reports aid both operations and improvisation. Generally, the warehouse management system generates these reports unless they are manually prepared.

You might have noticed that the data mentioned above is essential if you are operating beyond say 20-30 orders daily. If you don't have this data, managing orders becomes confusing, and operations turn into chaos. Moreover, how can you decide the picking strategy or handle peak demand if you don't know about your current position? Reports help in both real-time decision making and strategic planning in the future. They also help in finding inefficiencies in the existing processes.

Three Warehouse Reports Explained With Their Suitability Based On Business Size

Here, I am going to limit the discussion with three significant reports that even your firm is using in one form or the other. Picklists are among the essential documents that will enable your staff to pick an item from your warehouse without any mismanagement. Empty Bin Report simply tells us about the available space so that it is appropriately utilized. Inventory On-Hand Report is another fundamental document that directs stock replenishment and availability of goods for sales. The three work hand in hand as they form the basis of utilizing your warehouse.
Let us have a more in-depth look at the trio:

Picklists

Do you know that labor alone contributes to a stunning [65%](#) of the total warehousing costs? And a majority of this labor cost involves the cost of picking. Adding to it, [46%](#) warehouses work with pallets along with smaller goods carrying units, including single pieces as compared to a 9% that use only pallets. In simple words, if you aren't operating through automation, your workers may have to pick products with multiple variations in their shape and size dispersed in the storage facility. The orders received from the market aren't predetermined while their delivery date is always fixed. Many e-commerce sites guarantee the same day and next day deliveries, thus squeezing out most of the time available to complete picking.

This being said, picklists are built in accordance to the number of orders received. I am listing down the eight popular models and their suitability.

Simple Methods

These methods are followed by businesses that ship no more than two dozen items a day. They come convenient when you don't have a huge storage area, too many orders daily, and an army of staff members. Perhaps, when they scale up, switching to more complex yet compelling models is the only solution.

1. Discrete Order Picking

It goes by the simple mantra: 'One order, one picker at a time.' The picker is assigned only one order upon receipt, and they will pick it individually. This doesn't require any

prior scheduling. On the negative side, it is labor-intensive and yet ineffective when it comes to utilizing human resources. Too much of the time is spent in only retrieving one order, and even if the same item is required after one hour, the process is done all over again.

2. Zone Picking

In this method, pickers are assigned a specific zone (area) inside the facility. These zones are dedicated to particular SKUs. As the orders are received, one personnel goes to each zone to collect the merchandise from pickers of that zone. After collecting all the merchandise, the lot is handed over to the packing station. However, the scheduling is done only one time per shift. So, if the orders are received after the cutoff time of the shift, they have to wait until the schedule of the next shift. This also makes its suitability limited to the firms processing a maximum of two dozen orders a day.

3. Batch Picking

A lot of our readers will agree that the majority of their revenue is generated from a small percentage of products they offer. Pareto's principle is applied to pick these products efficiently. Here, the SKUs that sell in large volumes. The apparent benefits include a reduction in travel time of pickers and essential SKUs. After one batch is delivered to the packing station, you can repeat the process.

4. Cluster Picking

In this method, the picklist contains multiple orders, and the worker shall gather them at once. All merchandise is then forwarded to the packing station, where it is sorted again to pick items of respective orders. Using the cluster technique helps reduce the movement in the warehouse, but it takes a toll while separating the merchandize. Also, it can drive your workers frenzy during sudden or unprecedented peak demands if they aren't adequately trained.

5. Wave Picking

Wave picking is discrete picking with a minor difference: predefined scheduling. Here, the schedule acts as a cushion since it renders the required gap between the two consecutive pickings for minimizing repetitive labor. Also, it virtually ramps up the number of orders processed as it limits time spent in moving around the storage areas. It can entertain a larger quantity than its discrete counterpart.

Hybrid Models

To contain the limitations of these methods, businesses came up with hybrid models that combine the techniques as mentioned earlier. The resultant models are relatively complex, but add far higher value in terms of efficiency and accuracy. Needless to say that they are also resilient to the changes to the demand fluctuations.

1. Zone-Batch Picking

In this model, the items in all zones are picked in batches. This reduces the complexity at each level and distributes workload intelligently. The rate of gathering products and their availability at the packing stations also increases. I would also mention that warehouse reports tend to become more defined and play a vital role in successful operations.

2. Zone-Wave Picking

Here, the zone-vise orders are collected on single order per picker at a time basis with scheduling. The workers are assigned specific zones, and they have to pick the products at definite time intervals. However, when the volumes increase, companies prefer to create batches based on orders and not on periods.

3. Zone-Batch-Wave Picking

This is the most sophisticated model as this includes the benefits of all three Zone, Batch, and Wave methods. This increases the complexity of the operations as the restrictions of each model are interweaved. The pickers for each zone are fixed. They source the merchandise in batches as per predefined schedules. The worker has to retrieve multiple SKUs within a single schedule throughout their shifts. This method is suitable for large warehouses with a vast number of SKUs. Advanced technologies are thus required to assist in such operations.

Empty Bin Report

This is one of the basic requirements of operating a full-scale business. We cannot rely merely on visual inspection when it comes to tracking empty bins. Moreover, the superfast supply chains also make it imperative to know which containers are empty and which ones will get emptied in the near future. This data is required for smooth planning and capacity estimation. What it also means is that upon receiving deliveries, your staff doesn't panic or find empty bins on a war-basis. Remember about the labor cost? Workers moving around to find empty containers hurts your pocket without you noticing it.

The empty bin report contains the location of the empty bins in terms of zone, rack, and shelf. This streamlines every process involved in replenishing inventory and subsequent fetching too. This helps you in efficiently utilizing the empty spaces in your storage center. Notably, the 3PL warehouses benefit from these reports as they work under the constant pressure of high inventory turnovers. Reduced time for searching and clearing space also translates to higher human resource utilization. Strategically, it can help in transferring slow-moving SKUs to comparatively less accessible areas to make room for fast-moving SKUs.

"Eighty-five percent of the reasons for failure are deficiencies in the systems and process rather than the employee. The role of management is to change the process rather than badgering individuals to do better." ~ W. Edwards Deming

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Inventory On-Hand Report

How does a business decide what items to list on the e-commerce platforms and which orders to accept? Well, unless you are a dropshipper, you already have those merchandise in your inventory. While counting stock manually is essential, it is done periodically for apparent reasons. That data cannot be used for order fulfillment. Hence, you will need an on-hand inventory report that provides you with real-time information.

If you don't have it, significant setbacks like overselling and underselling occur. They have incredibly adverse effects on your reputation in the market. These reports act as actionable insights to proliferation and damage to the goods. Meeting seasonal demands and product bundling also requires an estimation of the current stock levels. What I find most crucial in terms of inventory management is that it helps in making decisions regarding the stock clearances.

Modern Technologies That Are Aiding Warehouse Operations And Building Reports

Warehouse reports cannot be generated using excel sheets in case you are big enough to need them. When you start working with multiple retail sites and ship orders through different logistics partners, spreadsheets can become extremely messy. Also, we cannot rely on writing down any of these reports and directly hand them over to workers. This can derail your operations severely.

Since the late 2000s, businesses have moved towards mobile apps and over the cloud software solutions. Combining them with the IR 4.0 ready technology will boost every aspect of supply chain management in the coming days.

RFIDs and Barcodes

RFID (Radio Frequency Identification) has emerged as one of the most successful wireless communication technologies for industries. Preparing any of these reports on the basis of manual entries is not feasible because of two major reasons: Firstly, this reduces the speed of counting while adding to the data entry work. The second reason is slower processing of orders due to manual paperwork. Barcodes come handy as affordable alternatives.

I want to stress out another functional aspect of using them apart from these benefits. They assist in real-time operations as you can assign carts to collect orders. As the wagon passes through the warehouse, its position is traced. On returning, the packing station is kept ready for the process. Their utility for both on-going operations and analysis have made them an industry standard.

Mobile Apps and SaaS Software Packages:

Mobile phones have replaced both desktops and laptop computers in all spheres of life, and workplaces are no exception to it. Modern warehouse management software solutions provide mobile apps so that your staff can use it on the go. This decimates the need for any paperwork and revs up the pace of operations. They also ensure that the warehouse reports submitted are accurate, and the data reflects throughout the system. Integration with SaaS (Software as a Service) solutions adds to the utility. Also, they are quite affordable as compared to legacy software despite providing better convenience.

Voice/Light Guided Semi-Automation:

Voice and light guided systems are often used alongside mobile apps as they allow the users to interact with the storage facility intuitively. The voice-guided systems will allow the workers to hear the instructions using headphones. The light guided instruction method works on color recognition. However, it is not recommended to use it as in low volume, it isn't required, and in higher volumes, it will frustrate the workers. The motive of using both of them is to ensure that reports are interpreted with virtually zero errors.

IoT-based Full Automation:

The Internet of Things is fast capturing ground due to its disruptive benefits. Major online retailers like Amazon and Walmart have aggressively adopted IoT. Automating the processes with the help of robotics and connected devices can radically change the operating conditions. The number of workers required also drops to a bare minimum as the placing and retrieval of all products is entirely automated. Only the support staff and maintenance staff is required.

Metrics Used In Warehouse Reports

Every warehouse report provides vital data that is used to serve business processes. The key metrics used in the warehouse reports are explained in the below portions.

- **Perfect Order Rate**: It is the rate at which the items are shipped as per the schedule without any mistake.
- **Picking Accuracy**: The number of items picked correctly against total items is known as picking accuracy.
- **Average Order Processing Time**: The total time required to process all orders when divided with the total number of orders gives average order processing time.

Benefits Of Using Warehouse Reports For All Business Sizes

After going through all of these technicalities, I think you would want to know about the benefits of warehouse reports. I am quickly putting them down for your ready reference:

- Continuous process improvement
- Efficient workload distribution
- Healthier vendor-supplier relationships
- Better grip over inventory levels
- Higher client satisfaction
- Reduction in operating expenses and bottlenecks
- Better transparency of operations
- Firm implementation of safety norms
- Dependable business intelligence
- Development of warehouse best practices
- Formation of SOPs (Standard Operating Procedures)

Summing Up

Closed-loop feedback is becoming vital in every aspect of running a business. Earlier, warehouses operated in different market conditions. Today, the requirements for agility and efficiency are taking a toll on the margins. The only solution to this situation is to integrate the processes through extensive use of data-driven decision making. The products stored are changing rapidly as the product life cycles continue to shorten, and this will add to the pressure on the supply chain ecosystem. Therefore, be it storage facilities for small scale businesses or large enterprises, warehouse reports will become catalysts to ensuring profitability.

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