

6. Performance of Warehouse in Terms of Fostering Entrepreneurship in the Storage Industry

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Abstract:

As an aim of starting up a new business, the entrepreneurs who work in the field of warehouse business help in the storage industry. The emergence of such a new technological assist can uplift the warehouse in the storage industry into the new world. Storage space has been increasingly popular in recent years, with facilities developing in retail parks and city centers in addition to the conventional out-of-town lock-up garages, so you will not be alone if you establish a warehouse storage business. Managing inventory, running a warehouse, maintaining performance efficiency, and continuously enhancing customer happiness and experience were all difficult tasks for e-business. These issues are worsened in the distribution of fruits and vegetables due to the logistical monitoring, inventory management, and management of storage space challenges. These all problems would sweep away in the rise of entrepreneurs in the field storage industry.

Keywords: Warehouse, Entrepreneurs, Inventory, Management, Transportation, etc.

6.1 Introduction:

The banking industry is an old sector. Banks originated from ancient warehouses whose deposit receipts were used as private currency. There is a crucial link between warehousing and banking. Banks have consistently developed from warehouses throughout history.

Before the advent of modern banking, grain silos in ancient Egypt and depositories of barley and silver in ancient Mesopotamia began to resemble banks. As in recent days after the Covid situation, the warehouse industry had been an uprising pathway of growth due to the level of people suffering during the pandemic.

And farmers keep on struggling a lot. As there are no proper warehouse facilities for storing the food grains and other agricultural products when there is a slight increase in the rate of yield. Farmers also suffer when the natural climate changes and floods the rains and spoils the agricultural products. Keeping this in mind government has taken an initiative for the proper storage of agricultural products through the construction of warehouses.

Many private companies came forward for the establishment of new warehouses, the government also provides licenses under the Warehouse Development and Regulatory Authority (WDRA).

As nowadays new entrepreneurs aspire in the warehouse field of storing goods. This paves a way for the vast storage of goods in a safer way un-affecting from the external factors that are affecting the storage of goods in the warehouse.

6.2 Warehouse:

The warehouse is a storage facility developed and called god owns according to the size and area of storage or weightage of storage. Mostly the warehouses do not satisfy the customer needs and preferences in case of surplus goods are being stored in government or public warehouses the goods stored have also been damaged right away directly by the factors influencing the damages in the storage of goods in the warehouse.

The infrastructure is not so regularly maintained and proper checks are not so easily happening in India as in rural areas. Food and agricultural products are damaged due to the factors of improper storage, improper handling, and improper precautions in case of emergencies like a fire, flood, etc lastly the infrastructural.

There are 1902 warehouses of 105.5 lakh MT capacity that have been registered with WDRA since inception. Out of which 274 warehouses are of CWC, 194 of SWC, 1164 are Private Warehouses, 261 are PACS/FPO and 9 are Cold Storages (The W (D&R) Act, 2007).

There should be an increase in the warehouse as being competing with the growing no of population, based on the needs of food products, and based on the increase in the yield of agricultural products.

Nowadays after the Covid pandemic situation, due to an increase in unemployment activities, new entrepreneurs have emerged in the field of storing goods in warehouses. The new entrepreneurs have made a pathway for the olden flaws that have been mostly existed. Normally, entrepreneurs are persons who innovate something or find a solution for an existing problem that exists.

As they make new things happen on the normal things and try to innovate something better than the normal thinking by other businesspeople. They also try to solve problems that are existed in the market, that too in the case of warehouses they try to solve many problems and errors by way of modern technologies and machinery.

In areas of wastage management and material handling and zero damage packaging of goods and much more area of storage in a modern way not even leaving a single space of vacancy freely.

Entrepreneurs also made new precautionary measures like self-alarms and self-sprinkling of waters automatically in times of emergencies and high-tech warehouses fully controlled by artificial intelligence, and robotic operations supporting the storage of goods.

Entrepreneur start-ups are known as unicorns. As India's Unicorn surge 2015-2022 has been figured below

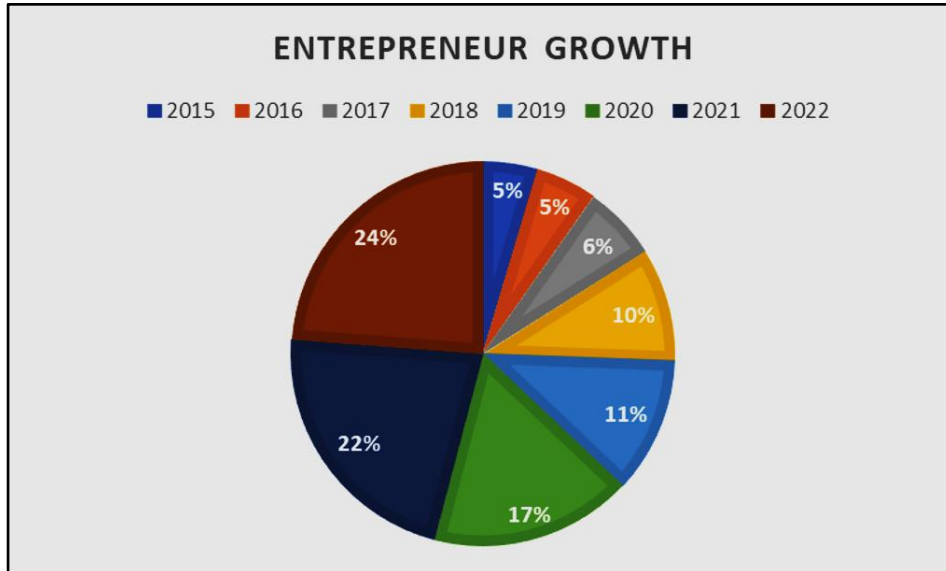


Figure 6.1: Entrepreneur Growth

As from the graph, we could understand that the entrepreneurs have made a huge amount of investment in the foreseeing years as this may be in all the fields not only in the warehouse storage industry. As of 2022, the data shows about 535 billion American dollars, and this would go higher and higher in the coming years.

Thus, the growth of new start-ups goes on increasing due to the entrepreneur's new innovations and problem-solving capability.

6.2.1 Factors for Choosing a Rental Warehouse:

Some persons prefer a rented warehouse as they do so because of the following factors are

- **Rental** expenses are regarded as the most vital component for an internet shopping firm, particularly at the outset to save money while selling items. The space must be computed using the agreed-upon square meters. Furthermore, huge warehouses may incur additional central expenses if they rent space in industrial zones or industrial estates. However, proximity to a facility for manufacturing in industrial parks should be advantageous. As a result, the expenses must be assessed and contrasted to determine their appropriateness.
- Another factor to consider when choosing a warehouse is location, particularly warehouses located in business parks or industrial parks near production sites, which benefit from lower travel costs, as well as routes to travel or supply goods to many other provinces for brand delivery to clients. Such as roads, major highways, airports, or ports, among others.
- **Wage and labour market** - If the storage facility is in a region with low labour wages, it will assist to save money. There is no need to be concerned about the quality of labour or services, especially for qualified staff.

6.2.2 Warehouse Performance Indicators:

Here is a collection of KPIs that are frequently used to analyse warehouse performance. Although the goals of each warehouse differ, several of the same KPIs are still relevant. Use them to assist keep your company on course and to raise the required alarms to help solve issues before they become serious.

Stick to measuring the things that cannot afford to go wrong when adopting KPIs; you can always add to the list later if you and the company warehouse crew are confident using them.

Inventory:

Inventory KPIs are crucial because they provide insight into how rapidly your inventory is moving overall Stock turnover, precision, and stock ratio, in addition to the cost of maintaining stock, are all comprehensive approach KPIs.

Product Availability:

Product KPIs monitor your capacity to fulfil orders placed by consumers, which is crucial for almost any supply chain. Maintaining a pulse on your product KPIs may assist your business to identify seasonal or unforeseen increases and identify the most popular products. Higher inventory proportion, higher completion rate, total combined order fill, order fill level, as well as the typical proportion of items on backorder are KPIs for inventory levels.

Product Damage:

The key to lowering such numbers is to be aware of how you're good's damage and returns are progressing. You can identify trends and lower your returns and damages by keeping track of your returns and damage. The following data should be tracked: the ratio of returns to orders placed, the cost of returns to overall sales, and the return rate (reason for return).

Order Entry:

When a client puts an order, the tracking of their products by reviews and stars will assist to increase customer happiness. Next, the order of return rates will clearly show the business where they fall short and that will enable them to come back. What is the time for managing the order? The proportion of entries that were delivered on time as well as both is included in the order entry.

Order fill and errors:

An essential component of providing excellent customer service is being aware of how accurately and promptly your orders are filled. If you wish to gauge the correctness of order paperwork, look for: the percentage of incorrect order documents; the percentage of orders that are filled within a specified period via picking operations; Order processing times: minimum, maximum, and average.

Transportation:

To increase delivery speed and accuracy, you must track your transportation KPIs. You may stay informed of any changes or abnormalities in delivery by keeping an eye on this data. KPIs for transportation may include a percentage of on-time delivery; the proportion of source to the destination by the date requested by the client; Loss and damage claims.

Always keep in mind that acquiring and interpreting data will need more time, which you might not have much of. To avoid being immobilized by an abundance of information and more labour, succeed by keeping track of only the most valuable information. The advantages of fresh insights will far surpass the few additional hours it takes to collect and evaluate the data if you choose only a few KPIs and stay with them.

6.3 Review of Literature:

To maximize material procurement and inventory management costs, it is crucial to plan for logistics. This allows for the best possible use of warehouse space. Large inventory deliveries may be stored in adequate warehouse space, which lowers ordering costs, makes delivery vehicles more efficiently used, and reduces the danger of stock-outs. (Said & El-Rayes, 2013). Optimizing warehouse design for efficient space usage requires a thorough understanding of the SKUs and pallets associated with each SKU.

The proper lift trucks and storage solutions are required for product mobility, which maximises available space. Currently, traditional warehouses are under increased pressure across the board because a typical warehouse must be adaptable and has a good chance of changing its operations when demand changes. A warehouse's main benefit is that it can adapt to seasonality and economic fluctuations. Keeping a competitive edge in the current business environment presents the biggest difficulty for warehouse operations (Burinskiene, 2011).

The greatest issue for a warehouse manager when designing a new warehouse or remodeling an existing warehouse is choosing the proper locations for thousands of items to be stored. The technique used for order picking, the size and layout of the space, the materials handling system, the characteristics of the product, variations in demand, the rate of product turnover, and the need for space are just a few of the numerous variables that might affect the storage assignment (Chan & Chan, 2011). Maximizing space usage, equipment placement, and item accessibility are all features of effective warehouse design.

For a warehouse manager, there are often four types of tactical and operational decision issues: picking rules, storage assignment policies, routing policies, and warehouse layout design. Both the structure of the building hosting the rank system as well as the structure of the choosing mechanism are structure challenges. (De Koster et al., 2007).

The profitability of the firm, logistical expenses, and customer service standards are all directly impacted by warehouse operations. A well-designed warehouse will increase customer satisfaction and deliver services more affordably.

In addition to being important from the standpoint of operation costs, warehouses are essential for the many distinct levels of customer service. About 22% of all logistics expenditures are attributable to the cost of operating the warehouse. (Baker & Canessa, 2009).

6.3.1 Global Entrepreneur:

Entrepreneurs of today go across boundaries for two reasons. One involves defence: Many businesses, including Tecsia and Inverness Medical, must start globalizing some areas of their operations as soon as they launch to remain competitive—for example, manufacturing, service delivery, capital sourcing, or talent acquisition.

Although it may seem obvious today, until a few years ago, it was common for venture investors, particularly those from the United States, to insist that the businesses they invested in concentrate on domestic markets.

The second motive is to accept the wrongdoing. Many new businesses are learning that there are international commercial opportunities, or that they may leverage distance to develop new goods or services.

Take Mary Gadamis who started Racing The Planet in 2002 to organise marathons, each 250 kilometers long and lasting seven days, in the most hazardous settings on earth. Although the firm has operations in the Gobi Desert in Mongolia, the Atacama Desert in Chile, the Sahara Desert in Egypt, and Antarctica, her staff is based out of a tiny office in Hong Kong.

The opportunity was created by distance: if the deserts were accessible, both competitors and spectators would find the races less appealing, and the race brand would suffer.

In addition to selling backpacks, emergency supplies, apparel, and other goods, Gadamis uses Racing The Planet to build a worldwide lifestyle brand and produce content for the multimedia sector, which offers video for websites and GPS navigation devices.

6.3.2 Benefits of Warehouse Management:

A storehouse is an unnoticed process at work to ensure that the consumer receives their goods on time. Any warehouse's success depends heavily on its operations, and effective management makes these procedures run smoothly.

- **Space Optimization and Reduce Overhead Costs:**

Inventory control strives to make the best possible use of space available by measuring the area and evaluating floor designs. This dictates where and when things may be stored, such as putting in-demand products and those nearing expiration at the front, the pace at which supplies can also be located, either to be delivered or bundled, and resulting in time, resource, and cost savings.

- **Labour Efficiency:**

Warehouse management ensures optimum utilization of workers by intelligently allocating them to a specific inventory based on their geographical location, availability, and talents to provide the greatest levels of production and total mitigation of undervaluation. This, in turn, reduces expenditures of time and money on labour and eliminates the possibility of manual delays.

- **Resources with Record keeping:**

Because items are categorized in rational ways, such as by need, perishability, or expiration date, warehouse management provides inventory tracking. All items have serial numbers, making them easily traceable in any given circumstance.

6.4 Supply Chain Efficiency:

Warehouse management is intended to optimise existing warehouse procedures, which might also expand to the exterior supply chain. WMS systems can diagnose any action that is creating a delay and provide solutions to simplify those processes in the future to avoid such a delay. It may also eliminate any wasteful operations first from the process to ensure optimal productivity. This eliminates the expense, time, effort, and cost.

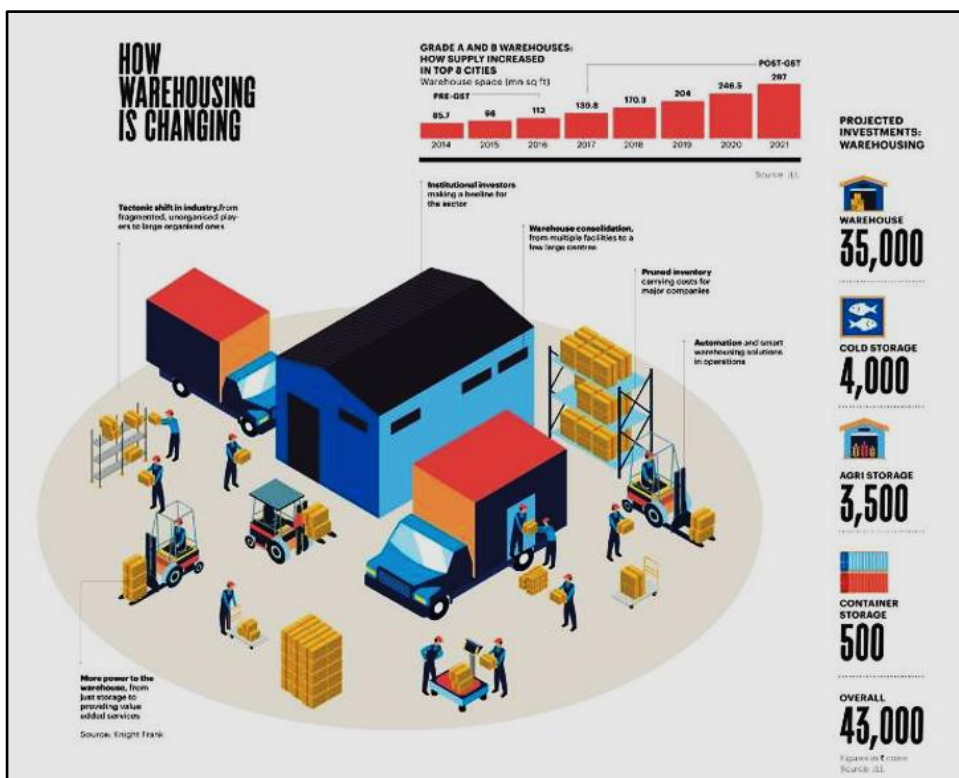


Figure 6.2: Trends in Warehousing

As we say goodbye to 2021, it is also time to prepare for the past with fresh ideas and ways to boost your company's productivity. Warehouse management is critical in every e-commerce company's supply chain. However, sellers sometimes underestimate the need of remaining current on e-Commerce warehousing developments to stay ahead of the competition.

As customers expect faster turnaround times and the strain on e-Commerce firms grows, warehouses will be required to invent innovative methods of picking, packaging, and shipping items to satisfy the demands. Implementing planning management technology is the most effective strategy to boost warehouse efficiency.

Inventory control technologies are expected to increase dramatically by 2022, with some, such as warehousing operations and post-purchase processing, reaching full maturity. As the contemporary trends for the warehouse are Blockchain technology, Hyperloop, the internet of things, cloud-based systems, self-driving vehicles and drones, transportation management systems, digital twin technology, last-mile delivery technology, cyber security, and artificially intelligent and robotic process automation.

6.5 Conclusion:

As the entrepreneur with modern equipment and growing technology advancements, the sector of warehousing has gradually increased the capacity of tons as compared to the previous reports. My opinion or suggestion in this area of the field is after the go toughing all the resources of contents, first government as taking proper steps on calculating the yield of production on the time before harvest then they can find the data of need for storage and arrange proper steps for safer storage of goods then secondly the technical and technological advancement of warehouses by using the warehouse management system and also the modern machinery should be infused into the warehouse industry thirdly the safety aspects of the warehouse must be checked so accurately without any adjustments.

The fourth point is about the infrastructural activities by the occupied area of storage without any wastage or free area in the warehouse. Lastly, the powers and opportunities for new entrepreneurs must be revised frequently after analyzing the previous things, they should feel comfortable on starting the new start-up warehouse business.

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