

Workflow: Logistics

Toolkit 5.3

Warehouse and Stock Management

target audience

Packhouse managers.

what it is

Warehouse management deals with warehouse operations, which directly affects the quality of your supply chain and your product. Although a packhouse is not really a warehouse since it is mainly a processing operation and because the actual warehousing of product is limited, a packhouse deals with large volumes throughout the process, and warehousing and stock management best practice principles can be applied to great benefit. Think of all the “warehousing” and “stock holding” moments, where fruit is held, whether in receiving bins, in de-greening chambers, and on pallets awaiting transport. Further downstream, warehousing or waiting times in ports also play a role. Citrus packhouses can also learn from other fresh or perishable produce operations, such as vegetables, large scale micro herb processing, and the cut flower industry which moves very large volumes and exports to the European Union through ports such as Rotterdam.

why it is important

The warehousing and stock management components of a packhouse operation have a direct impact on the productivity, capacity, and efficiency of the whole operation. The importance of warehouse and stock management best practice can best be explained by listing the benefits:

- Packhouse productivity and throughput.
- Reducing the lead times of incoming produce, and thereby the delays and/or waiting times of picked fruit.
- Reducing dwell times.
- Reducing waste (of input costs, product, time, and labour).
- Improved integration and communication with all stages in the packhouse.
- Improved use of technology.
- Better 5S (workplace organisation and neatness).
- Reducing inventory.
- Improving the stock taking and tracking process.

- Maintaining post-harvest fruit quality, and thereby ultimately improving customer satisfaction.

This toolkit is part of the logistics workstream because it deals with the movement and storage of product, even for short periods, within the supply chain.

success factors

The key success factors are:

- **Packhouse location and design** – Although you must live within your location and design constraints, layout and flow to optimise space and its use whenever product and materials are not moving (receiving, boxed, palletised etc.) can be improved.
- **Integration with the supply chain** – The warehousing and stock management operation is informed by both incoming and outgoing (customer fulfilment delivery) plans and performance.
- **Data** – The reliability and regularity of useful information which leads to improved decision making
- **Confirmed capacity** – A clear understanding of exactly what the warehousing capacity is within the packhouse.
- **Process mapping and identifying waste and loss** – An in-depth mapping of the warehousing components within your whole supply chain, which identifies key areas of waste and loss.
- **An inventory control system** – A sound system, with the necessary technology to manage:
 - Inventory levels.
 - Prioritising high value produce.
 - Stock turn.
 - Optimal throughput.
 - Tracking and control, e.g., accurate management and movement of de-greening bins.
 - Less reliance on manual data entry and tracking systems.
 - Accurate inventory naming and labelling systems.
- **Internal KPIs and visual scoreboards** – Your data system allows you to track your KPIs in real time and display the critical KPIs on visual scoreboards.
- **5S (workplace organisation)** – A highly organised and neat operation.
- **Maintenance** – A clear understanding of which maintenance is required for the warehousing components of your operation. This should be integrated with the overall asset care and maintenance plan (see [Workflow 8 – Maintenance and Asset Care](#)).
- **Team training** – Employees are trained in inventory and warehouse management, and the ability of teams to do structured problem solving.
- **Quality control** – Your quality control and assurance system include all factors within the warehousing and inventory management process that could compromise or promote good quality.

execution steps

See above.

assessment questions

Please Note: There is no minimum / maximum number of questions you can add

1.	Have you defined the storage/holding/dwelling/waiting capacity at every stage of the packhouse process?
2.	Is your warehousing and inventory management well informed by incoming and outgoing forecasts and data?
3.	Have you defined the key areas of waste and loss for your warehousing and inventory management processes?
4.	Do you have an effective and efficient inventory management system?
5.	Do you use technology well as part of your inventory management system?
6.	Do you communicate and display KPIs and other key information effectively?