

WAREHOUSING



CONCEPT

- ✦ Need for storage arises both for raw material as well as finished products
- ✦ **STORAGE** involves proper management for preserving goods from the time of their production or purchase till actual use.
- ✦ When this storage is done on a large scale and in a specified manner it is called **WAREHOUSING**.

BASIC FUNCTIONS PERFORMED

Movement function

Receipt of products from manufacturing plant

Transfer into the warehouse

Placement at designated place

Regrouping products

Transferring on transport vehicle



Storage function

Performed by storing products in the warehouse till delivery to ultimate consumer

BASIC REASONS FOR NEED OF WAREHOUSE

RAW MATERIALS

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graph TD; A[RAW MATERIALS] --> B[WORK-IN-PROGRESS]; B --> C[CONSUMABLE STORES AND SPARES]; C --> D[READY-MADE COMPONENTS]; D --> E[FINISHED GOODS];
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WORK-IN-PROGRESS

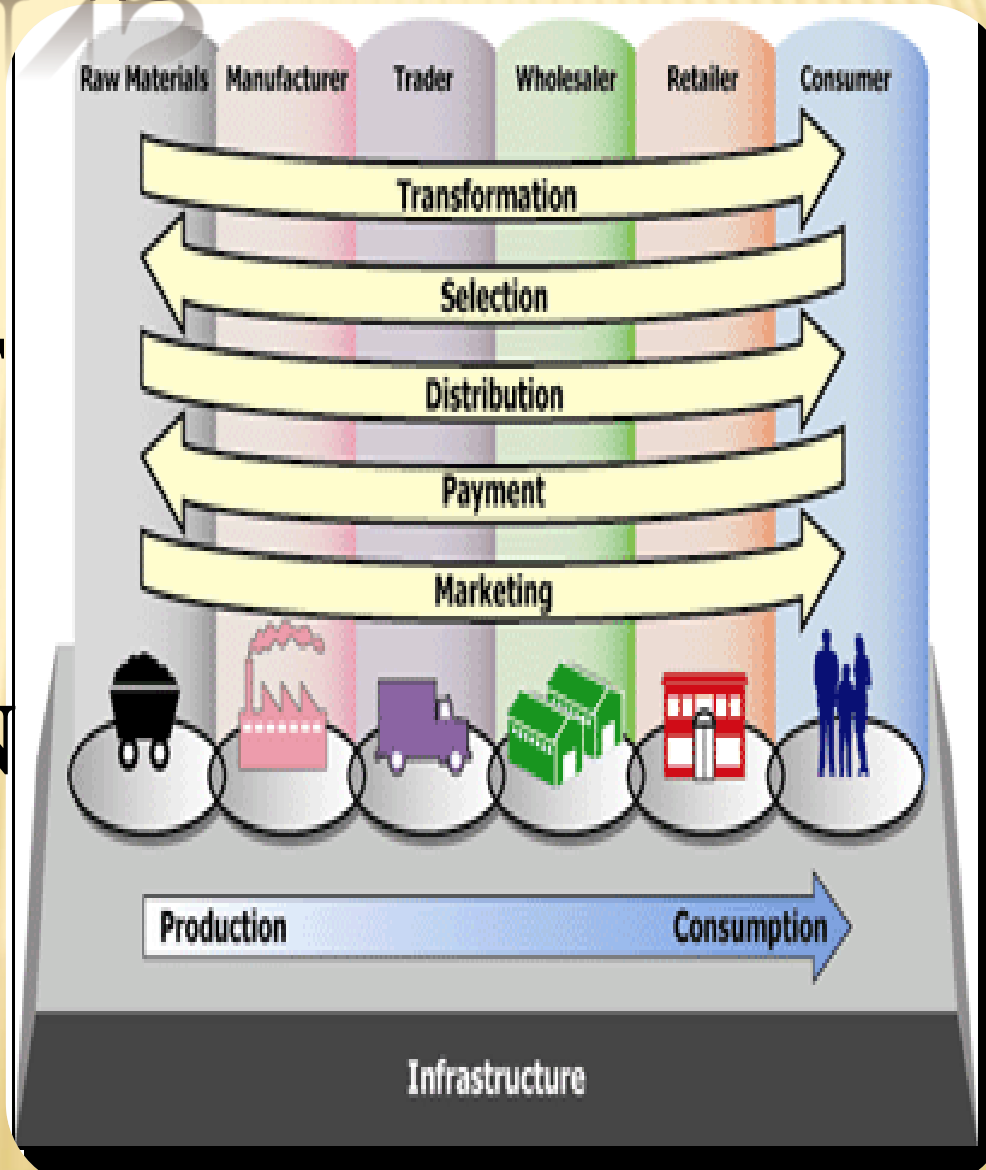
CONSUMABLE STORES AND SPARES

READY-MADE COMPONENTS

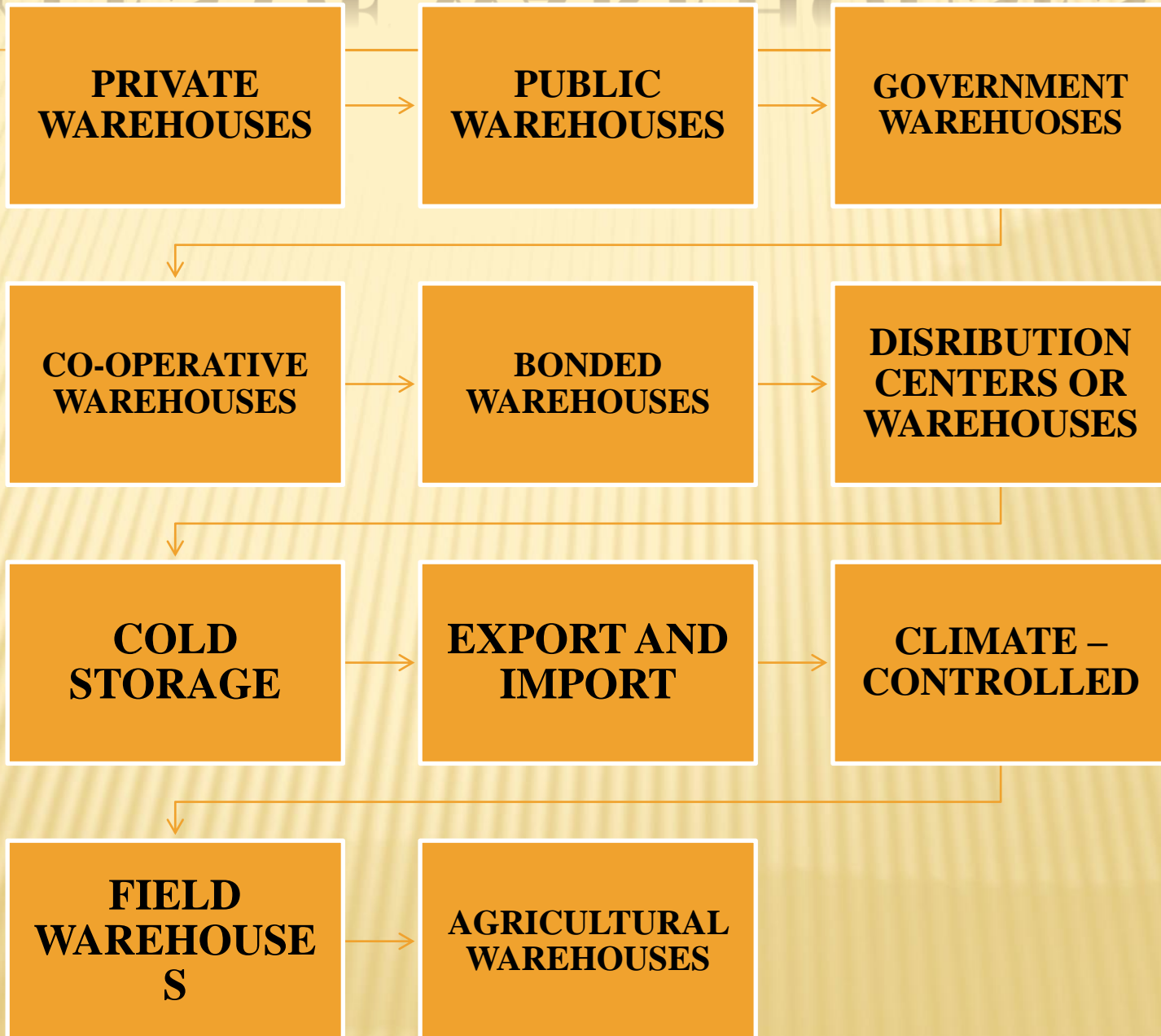
FINISHED GOODS

FUNCTIONS

- STORAGE OF GOODS
- PROTECTION OF GOODS
- RISK BEARING
- IDENTIFICATION OF GOODS
- FINANCING
- PROCESSING



TYPES OF WAREHOUSES



1. PRIVATE HOUSES

- ✘ **OPERATED** by a company for shipping and storing its own products
- ✘ **OWNED AND MANAGED-** manufacturers or traders
- ✘ **CONSTRUCTION-** Farmers near their fields, Wholesalers and Retailers near their business centre's and Manufacturers near their factories
- ✘ **COMPANIES** – Stable inventory levels and long run expectations
- ⇒ **SUITABILITY-** Firms that require special handling and storage features and want to control design and operation of the warehouse

2. PUBLIC WAREHOUSES

- × Provide storage and physical distribution services on rental basis**
- × Used by SMALL FIRMS and LARGE FIRMS**
- × Organizes to provide storage facilities to traders, manufacturers, agriculturists in return for a storage charge**
- × Licensed by Govt.**

3. GOVERNMENT WAREHOUSES

- ✘ **OWNED, MANAGED AND CONTROLLED -**
Central or State Governments or public corporations or local authorities

4. CO-OPERATIVE WAREHOUSES

- **Owned, Managed and Controlled – Co-operative societies**

5. BONDED WAREHOUSES

- ✘ **Licensed to accept imported goods for storage before payment of customs duty**

6. DISTRIBUTION CENTERS / WAREHOUSES

- ✓ **Designed to move goods**
- ✓ **Large and highly automated**

7. COLD STORAGE

- ✗ **Preserve perishability of goods against payment of a storage charge**
- ✗ **Temperature variation is controlled to degree necessary for certain sensitive items**

8. EXPORT AND IMPORT WAREHOUSES

- ✘ **LOCATION** –near ports where international trade is undertaken

9. CLIMATE-CONTROLLED WAREHOUSE

- ✘ **Handle storage of many products including need special handling conditions**

10. FIELD WAREHOUSES

11. AGRICULTURAL WAREHOUSES

- ❖ **Store agricultural produce grown in a certain area**
- ❖ **Location – Assembling or regulated markets**

Thank you