
Level 2 Certificate in International Supply Chain Logistics

Warehousing and Material Handling

Warehousing and Material Handling Vocabulary

In the Level 2 Certificate in International Supply Chain Logistics course, understanding key terms and vocabulary related to warehousing and material handling is essential. These terms are fundamental to grasping the concepts and principles that underpin effective supply chain management. Let's delve into some of the most important terms and their definitions in this field.

Warehousing

Warehousing is the process of storing goods in a facility to facilitate their movement and distribution within the supply chain. Warehousing plays a crucial role in ensuring the smooth flow of goods from production to consumption. It involves various activities such as receiving, storing, picking, packing, and shipping goods.

Inventory Management

Inventory management refers to the supervision and control of stocked goods to meet customer demand while minimizing holding costs. It involves tracking inventory levels, replenishing stock, and optimizing order quantities to ensure that products are available when needed without excess stockpiling.

Storage

Storage is the physical holding of goods in a warehouse or distribution center. It includes placing products in designated locations within the facility based on factors like size, weight, and demand. Proper storage practices are essential for efficient warehouse operations and inventory management.

Stock Keeping Unit (SKU)

A Stock Keeping Unit (SKU) is a unique code assigned to each product to identify and track it within the inventory system. SKUs help warehouse staff quickly locate items, manage stock levels, and process orders accurately. They are essential for efficient inventory management and order fulfillment.

Receiving

Receiving is the process of accepting incoming goods into the warehouse. It involves inspecting shipments for accuracy and quality, recording received items in the inventory system, and transferring them to storage locations. Effective receiving practices are critical for maintaining accurate inventory records.

Putaway

Putaway refers to the placement of goods in their designated storage locations within the warehouse. It involves selecting the appropriate storage area based on factors like product characteristics, demand, and

accessibility. Efficient putaway processes help optimize warehouse space and facilitate order picking.

Picking

Picking is the process of selecting items from storage locations to fulfill customer orders. It can be done manually by warehouse staff or automated using technologies like barcode scanners or pick-to-light systems. Efficient picking methods are essential for meeting order accuracy and delivery timelines.

Packing

Packing involves preparing goods for shipment once they have been picked from storage. It includes selecting appropriate packaging materials, securing items to prevent damage during transit, and labeling packages with shipping information. Effective packing practices ensure that orders reach customers intact and on time.

Shipping

Shipping is the final stage of the order fulfillment process, involving the transfer of packed goods to carriers for delivery to customers. It includes preparing shipping documents, coordinating transportation, and tracking shipments to ensure timely delivery. Efficient shipping operations are crucial for customer satisfaction and supply chain performance.

Cycle Counting

Cycle counting is a method of regularly auditing inventory by counting a small subset of items on a rotating basis. Unlike traditional physical inventory counts, cycle counting allows for continuous monitoring of stock levels and identification of discrepancies. It helps maintain accurate inventory records and prevent stockouts or overstocks.

Materials Handling

Materials handling refers to the movement, storage, and control of goods within a warehouse or distribution center. It includes activities such as loading, unloading, conveying, and sorting items to facilitate their storage and transportation. Efficient materials handling practices are essential for optimizing warehouse operations and minimizing costs.

Forklift

A forklift is a powered industrial truck used for lifting and transporting heavy loads within a warehouse or distribution center. Forklifts come in various types, such as counterbalance, reach, and pallet trucks, and are essential for moving goods between storage locations and loading docks. Proper forklift operation is crucial for workplace safety and productivity.

Conveyor System

A conveyor system is a mechanized handling system used to transport goods within a warehouse or production facility. It consists of belts, rollers, or chains that move items along a predefined path, reducing

manual labor and increasing efficiency. Conveyor systems are ideal for high-volume, repetitive material handling tasks.

Palletization

Palletization is the process of stacking goods on pallets for storage or transportation. It involves securely arranging items on a pallet to maximize space utilization and facilitate handling with forklifts or pallet jacks. Palletization simplifies loading and unloading operations and protects goods from damage during transit.

Order Fulfillment

Order fulfillment encompasses the entire process of receiving, processing, and delivering customer orders. It includes activities like order picking, packing, shipping, and tracking to ensure that products reach customers accurately and on time. Efficient order fulfillment is essential for customer satisfaction and repeat business.

Warehouse Management System (WMS)

A Warehouse Management System (WMS) is a software application used to manage warehouse operations efficiently. WMS systems automate tasks like inventory tracking, order processing, and labor management, enhancing visibility and control over warehouse activities. WMS solutions help optimize warehouse performance and streamline supply chain processes.

Just-in-Time (JIT) Inventory

Just-in-Time (JIT) inventory is a strategy that aims to minimize inventory holding costs by receiving goods only when needed for production or order fulfillment. JIT systems rely on accurate demand forecasting, efficient logistics, and close supplier relationships to ensure timely delivery of materials and products. JIT inventory helps reduce waste and improve efficiency in the supply chain.

Cross-Docking

Cross-docking is a logistics strategy that involves transferring goods directly from inbound to outbound vehicles with minimal or no storage in between. It allows for fast order processing and reduces inventory holding costs by streamlining the flow of goods through the distribution center. Cross-docking is suitable for high-volume, time-sensitive products with consistent demand.

Reverse Logistics

Reverse logistics refers to the process of managing the return of goods from customers to the warehouse or supplier. It includes activities like product returns, refurbishment, recycling, or disposal to recover value from returned items. Effective reverse logistics practices help reduce waste, minimize costs, and improve customer satisfaction.

Lean Manufacturing

Lean manufacturing is a production philosophy that focuses on eliminating waste and maximizing efficiency

in manufacturing processes. It aims to deliver products with the highest quality, lowest cost, and shortest lead time by continuously improving operations and reducing non-value-added activities. Lean principles can be applied to warehouse and material handling operations to streamline workflows and improve productivity.

Conclusion

Understanding the key terms and vocabulary related to warehousing and material handling is essential for success in the field of supply chain logistics. By mastering these concepts, professionals can optimize warehouse operations, improve inventory management, and enhance overall supply chain efficiency. Continuously expanding your knowledge of these terms and their practical applications will enable you to navigate the complexities of modern logistics and contribute to the success of your organization.