

IMPORTANCE OF OPERATION RESEARCH ON STOREROOM PLANNING AND DESIGNING

Mr. Pralay Poria Assistant Professor, Department of Mathematics, Sabang Sajanikanta Mahavidyalaya, Lutunia ,Sabang,Paschim Medinipur,721166,WB, India;
E-mail: pralayporia@gmail.com

Abstract:

In this Paper mainly I focused on importance of Operation Research on Storeroom Planning and Designing. In spite of the significance of customer service storehousing and price levels for many companies, a complete, systematic approach to the plan and design of storehouses does not currently exist. This paper examines the latest literature on storeroom architecture as a whole and the literature on instruments and techniques for particular analyses. The general literature findings were then checked and reflected in the Storeroom planning and designing companies. The output is a general steps structure with unique techniques and tools that can be used in each step. This is meant to help practitioners build a more systematic approach for the plan and design of Storehouse and help them further study.

Keywords: Logistic Network; storehouse operation planning; storehouse operation management; storehouse operation decision support models.

Introduction:

Storehouses are an important part of any Logistic network. They play a key role: tamping the material flows in the supply chain to accommodate the variability of variables, including seasonality and/or batching, in manufacturing and transporting. They are consolidating goods from different suppliers for joint distribution to the customers.

Challenging in the market requires continuous improvement of production-distribution network design and operation, requiring increased storehouse performance [1]. New management approaches, including tight inventory control, shorter response time and a more comprehensive range of products, are also being introduced in storehouse production systems, for example, Just-in-Time or Lean production. Instead, the widespread application of modern IT (Bar Coding, Radio Frequency Communications (RF) and storehouse Management Systems (SMS) offers new storehouse operation opportunities. This offers real-time storehousing power, simple communications with the other sections of the Logistic Network a high degree of automation.

Storehousing is a central feature of modern logisticsnetwork and plays an important role of success or failure in today's business. Although numerous companies have investigated the potential for synchronised customer delivery, this still exists in many circumstances. This could be because the supplier's delivery times cannot be cost-efficiently reduced to the customer's short lead times, and consumers must thus be served from the stock instead of the order. At decoupling points in the supply chain, it may also be useful to maintain strategic inventory, separating lean manufacturing activities (which benefit from a smooth flow) from an agile downstream response to volatile markets. The supply and distribution networks can also be so complex that goods must be consolidated at stock holding points so that Multiproduct Orders for consumers, i.e., in break-bulk or make-bulk consolidation centres, may be supplied together. Many storehouses provide inventory customers with a single or next day lead time, and they need to do this confidently at a high pace, precision and lack of damage

tolerances [6]. The operations of these storehouses are essential for high levels of service to customers [3].

Moreover to these traditional inventory holding roles, storehouses have evolved into cross docking points (where commodities go from internal to external without being stockpiled), value added service centres (e.g., customer products price and labelling), production postponements (specifically configuring or assembling goods to the demand of consumers) [2].

A variety of models for supporting storehouse operations are proposed in the literature, but the application of these models to direct storehouse operations is still very difficult. This paper aims to classify and summarise the previous research findings and the identification of potential research opportunities. The desired result guides the analyst's methodologies and tools to facilitate effective operational planning in the storehouse and a roadmap for academic researchers for future research opportunities [7]. Operational Research (OR) is one field of expertise that would contribute to this agenda. However, the capacity remains intact and The supporters have not taken part in the topic as they deserve. They have a key optimization toolbox able to rectify any "false usage pattern." This paper would serve as an incentive for future OR research to be conducted in this area. This quick correspondence would clarify how OR was still helpful and how it is always useful.

Structure: Stock Keeping Units (SKUs) are received from manufacturers, after that store the SKUs, receive orders from customers, collect SKUs, assemble them for sale and send out completed orders to customers are fundamental requirements in storehouse service. In the design and operation of a storehouse, several problems are involved in fulfilling this demand. To meet system specifications with regard to capacities, throughput, operation and at minimum costs of resources, resources such as space, labour, and devices have to be allocated to the various storehouse functions, and it should needs to be carefully implementation, run and organise of each function.

Fig. 1 (the number in parentheses denote the number of papers examined for each problem in the operations plan in this document) provides a scheme for classifying storehouse design and operations plan issues and related literature. This paper focuses on operational planning issues and discusses storehouse architecture and performance assessments in Gu et al. (2005).

Incoming shipments are taken to the storehouse, unloaded and stored at the receiving docks. Orders are collected from the Storehouse, packed and delivered by shipping docks to customers. In order that to achieve high space efficiency and promote effective material handling, the storing department organises products stored in the storehouse. Goods may be grouped into various departments of storage. The drivers of departmental organisations may include physical properties of the items ; management requirements, such as a specialised consumer storage area; or handling considerations of material for fast-picking. The products may also be grouped into pick areas within divisions. A selection zone is a group of storage places that are often organised nearby. There is a small selection zone in a specific selection zone, and pickers can select the appropriate items in one or more areas. The picker achieves a high ratio of SKU extraction time to the travel time between sites and an increasing familiarity with SKUs inside the zone thanks to the zone's small physical size. The goods are allocated to storage places in the Department or zone, and the assignment of the location of the storage has a major effect on storage, stock tracking and order collection. A random, class-based and dedicated storage can also be used in various storage strategies. The choice of storage strategy is considered a design issue and will thus be addressed in Gu et al. (2005) [4]. Therefore, the implementation of each storage strategy is an operational problem (e.g., using a particular rule to assign SKUs to storage locations for dedicated storage). Order pickup is widely regarded as the costliest storehouse process because it often takes a lot of work or a lot of money. The orders' arrangement to be collected and the material handling operations for the picking process must be regulated [5]. There are different types of methods of order picking, for example, single-order picking, sort-and-select batching, sort-after picking batching, sequential area picking in a single order, batching in a sequential, simultaneous batching zone, and batching in the concurrent location in the area. The choice of an order collection system is a strategic decision because it affects many other decisions in storehouses' plans, design and operation. For instance, if a sort-after-pick is used, a downstream sorting system is necessary.

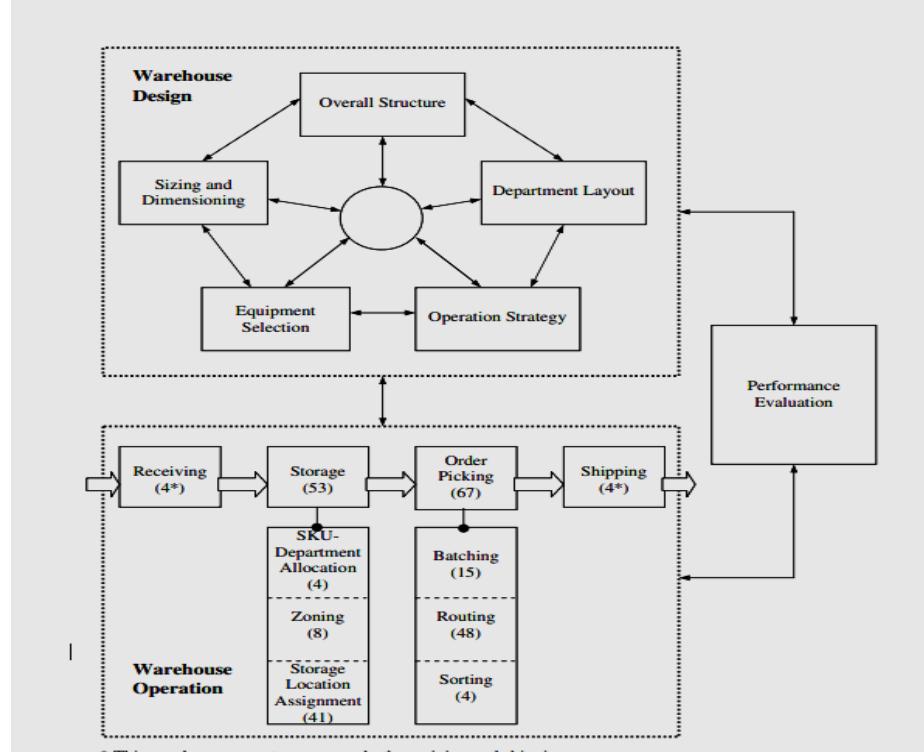


Fig-1: Structure for storehouse plan and design and operation problems.

Acquiring and Transporting: Commodities are brought into a factory and unloaded at the receiving landing. They are subsequently loaded into a carrier, leaving it through the shipping landing. The goods obtained are sent directly to the shipping jetty for docking storehouses. For conventional inventory warehouses, goods obtained are stored and then selected and delivered through shipping landing. Under these circumstances, the reception and delivery operations are more complex to administer as they are linked to the storage and picking function [10].

The fundamental decisions for transporting can be stated as -

Specified:

- (1) Configuration of storehouse landing and available tools for material handling.
- (2) Input information such as time of arrival and contents of incoming shipments.
- (3) Customer request information, such as orders and their estimated delivery time.

Decide:

- (1) Distribution and dispatch of services of material handling, such as labour and equipment for material handling.
- (2) The assignment to the landing of incoming and outgoing carriers determining the aggregate internal flows.
- (3) Timetable of the carriers' operation at each port. Assumption of the assignment of a group of carriers to a shipyard is analogous to a planning issue for the machine, where the incoming companies are planning the work.

Subject to performance criteria and constraints such as:

- (1) Policies of management, e.g., one transporting customer by landing.
- (2) Resources needed to complete all operations of transporting and acquiring.
- (3) Service levels, including overall cycle time and carriers load/unload time.
- (4) Layout or arrangement of docks and warehouse facilities for the relative location.
- (5) All landings' performance criteria.

Storage: Three essential decisions form the storage role, i.e., how much inventory the SKU should be stored at the storehouse, how often and when the SKU stock should be filled up and where the SKU should be stored in the storehouse, distributed and transferred between various storehouse areas. The first two questions refer to the issue of lot size and staggering which are in the conventional field of inventory management, respectively and are not addressed further here. This section focuses on the

issue of the allocation of SKUs in different departments and the planning of stock transfers from one department to another, the allocation of SKUs in different zoning zones and the storage location assignment in each department. The storage efficiency corresponding to holding capacity and access effectiveness corresponding to resources consumed through insert (store) and mining (order pick) processes are two main criteria for making such decisions. A literature review on various problem areas of dynamic storage is given in Table-1.

Table-1: Dynamic storage location assignment problem

Citation	Problem statement	Method
Christofides and Colloff (1972)	The set of items to be relocated and their destinations are given, and the problem is to route the relocation tour to minimize the total relocation cost.	Two-stage heuristics that is optimal in a restricted case
Muralidharan et al. (1995)	The set of high-demand items to be relocated and their destinations are given, and the problem is to route the relocation tour to minimize the total relocation cost	A nearest-neighbor heuristic and an insertion heuristic
Jaikumar and Solomon (1990)	Determine the items to be relocated and their destinations with the objective to find the minimum number of relocations that results in a throughput satisfying the throughput requirement in the following busy periods	Optimal ranking algorithm
Sadiq et al. (1996)	Determine the relocation schedule in face of the dynamically changing order structure, i.e., relocate items that are more likely to appear in the same order in clusters	Rule of thumb procedure based on cluster techniques
Roll and Rosenblatt (1987)	Using zone storage without splitting, it might happen that none of the zones has sufficient space to accommodate an incoming shipment. The problem is how to shift some stored products in a certain zone to other zones in order to free space for the incoming transport	Rule of thumb procedure

Order Picking: For example, in a storhouse, single-order picking, batching and sorting, zoning, and batching with zoning can be employed with different order picking procedures. The following basic steps are used for each pickup procedure: batching, routing, sequencing and sorting [8].

Batching:

The problem with batching is part of the order culling schedule. Orders are received and released for completion after that. The problem with a set of released orders is to divide up the loads, where each load is chosen and collected for packaging and shipping during a given time or "pick-wave" window. The time needed to choose the items in any lot shall not exceed the time window or the duration of the wave. If zone picking is used, the lots should balance pick effort across the zones to achieve high use of pickers, while reducing the time required for picking.

The batching problem can be stated as

Specified:

- (1) Setup of the storehouse.
- (2) Wave pick planning.
- (3) A series of commands to be collected during a move.

Determine:

A splitting of waves and pickers assignments.

Subject to performance criteria and constraints such as: Picker initiative, pickers' imbalances, slots, capabilities and dates of order.

Sequencing and routing:

The decision to sequence and to route for selection decides the best sequence and route of the places where such elements can be selected and/or stored. Usually, the goal is to reduce the overall cost of handling materials. This problem is a travelling salesman problem (TSP) specifically for storehouses, where an object is collected/stored. The problem with multiple candidate locations for retrieval or storage of an item, which often is encountered in practise, is more complicated and few research findings are available [10]. Due to the aisle arrangement of potential routes, the TSP in the storehouse is special. The research published covers four categories of storehouse systems :- AS/RS unit charge systems and carousel systems, traditional multi-parallel alignment systems, AS/RS man-on-board systems,

Sorting:

Sorting is essential when several orders are collected together. This can be done either during picking (sort-and-select) or after picking (sort-after-pick). The selection is very easy and is usually modelled by inflating the extraction time of products. After selection, the sorting feature is carried over with a separate downstream sorting method.

Refilling:

The incomplete refill violates a level of service in the form of incomplete orders or additional costs due to pickers re-visiting picking places [9]. For picking it is recommended that you have smaller forward areas, but more efforts are needed for replenishment to reduce travel costs. The picking and refurbishing efforts are being brokered according to Rushton et al. (2006). Flow racks that support more stocks in less space will reduce the workload of replenishment. Taljanovic and Salihbegovic (2009) were focused on wave planning and were trying to improve overall warehouse performance including refilling, picking and shipping. They have improved refuelling costs, pick time, productivity of workers and labour costs. Some of the solutions (Rushton et al. 2006), where unit load is empty or the item issued from stock, the next rolls forward and is available immediately for use, have been suggested are realtime computer systems and flow racks In order to reduce the total cost of handling of the materials of the collection and refilling, the companies Hackman and Rosenblatt (1990) proposed a knapsack based heuristic. Frazelle et al. (1994) have further considered the forward zone's size a variable in decision-making and have optimised pick-up and recharging cost by providing an SKU single-tour recharging procedure. Van den Berg et al. (1998) considered a unit charge filling problem where it is possible to fill the forward area with busy and idling times immediately. The number of refilling's during busy periods can therefore be reduced by refilling in previous idle periods. They have reduced the total estimated time associated with order collection and refilling over a busy period [5].

Picking efficiency and effectiveness and e-contentment: A good information and communication system is required to produce the customer order accurately in a certain period of time. The pick-up information required of the picker essentially consists of the pick-up points and their series, the order quantities and the selecting SKUs and their destination. In order to enhance picking processes, numbers of information systems and methods can be implemented [9].

Online ordering now requires more responsive supply chains via Internet technologies and e-commerce businesses. In e-contentment systems in which a huge number of small customer orders are required for a wide array, low pricing and good quality products in a short time, pickup workloads are improved according to Rushton et al. (2006). In order to respond more to demand, companies follow "Pull" supply chain models, where the demand of customers drives production. Online shopping leads to all product varieties being held in sufficient amount by retailers and distributors, a failure that reduces service levels and increases opportunities to lose costs. Time, cost and operational efficiency are being combined. Therefore, research should focus on such products (perishable/food) and storehouses (department/distribution), in order to ensure customer satisfaction and shorter response times [6]. This requires appropriate inventories. High service standards and shorter response times could save costs on the downstream supply network, but they press for lean or JIT philosophy in

companies. Shah and Ward (2003) suggested that lean applications can improve productivity and customer lead time.

Conclusions:

The distribution of the results between the various storehouse operations is shown in Figure 1, where the numbers in parentheses are the number of documents dealing with the issue in question. Clearly, previous research has strongly concentrated on storage and order collection. That is not surprising because they have the two most impacting storehouse functions on the storehouse's overall operational performance, including storage capacity, the quality of order collection, and room usage. In comparison, research development is not well-balanced. Some issues received much greater attention than others from the research community. For instance, 32 percent of all surveyed literature is covered by SLAP and routing problems, while less than 6 percent is accounted for by zoning. There is also little direct evidence of the academic research community's cooperation with industry. Many of the results of research in storehouse practises are not adequately communicated to industry to have a significant impact. Further communication between the two sides could help identify the real challenges in storehouse operations better and appreciate the possibilities for better operation by working closely with researchers and practitioners.

In this paper the discussed issues are operational, so decisions must be taken quite often and the effects of these decisions are usually short-lived and localised. Usually such decisions must be taken quickly without comprehensive computational tools. This encourages the use of heuristic methods, which are reliable in reasonable time to find a good solution. Furthermore, from an organizational perspective, a simple, intuitive and reliable solution method should be used in order to minimise storehouse training costs.

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