



Warehouse tips for online stores

A warehouse to be proud of

Casper Bakker

picqer

Warehouse tips for online stores

A warehouse to be proud of

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“Take control of your warehouse to unlock its full potential!”

Be proud of your warehouse

Running a warehouse might sound simple. But if you're reading this, you already know better. Operating a productive and efficient warehouse doesn't happen automatically. The products stored in your warehouse represent a significant investment. Labor costs are high, and online consumers are sensitive to even the smallest mistakes.

Luckily, it's not rocket science either. Sometimes all you need is a little nudge in the right direction. That's what I aim to provide with this book. Whether you're just starting with a warehouse or looking to improve your current operations, these tips are for you.

These insights come from years of experience assisting e-commerce warehouses. Unlike most resources on logistics, this guide focuses on small to medium-sized warehouses. It is designed for those processing 25 to 5,000 orders a day.

Good luck!

Casper

Casper Bakker
Co-founder Picqer



In this book, I occasionally reference Picqer, our warehouse management software designed for online stores. However, all the tips are universally applicable, whether or not you use Picqer.

Glossary

Here are some essential logistics terms.

ABC products A classification of products based on sales frequency (sometimes also on profit margin). A-products are the top 5% most sold items. B-products make up the next 15%, and C-products are the remaining 80% sold less frequently.

Backorder A product that has been ordered but is out of stock and will be delivered later when restocked.

Barcode A scannable code that lets a computer identify a product, order, or shipment.

Colli The number of separate packages in an order or shipment.

EAN code (GS1 code) A unique 13-digit code used mainly in retail for product identification at checkout. It can also be displayed as a barcode.

HS-code An international standard code used for customs, imports, and exports.

(Order)picker A person who retrieves products from the warehouse and usually handles packing and shipping as well.

Packing table The area and table where orders are packed.

Picking The act of retrieving ordered products from warehouse shelves.

Picklist A list of all products in an order to retrieve from the warehouse, ideally sorted by logical warehouse locations for an optimal route.

Return An order sent back by a customer due to dissatisfaction or because the wrong product was sent.

SKU Stands for Stock Keeping Unit, also known as a product code or article number. This is a unique identifier for a specific product in stock.

Free stock The number of items truly available for sale. For example, if there are 12 items on the shelf but 3 are already sold (but not yet picked), your free stock is $12 - 3 = 9$.

WMS Stands for Warehouse Management System. Software designed to manage warehouse operations. Picqer is a WMS specifically built for online stores.



Why do you need a warehouse?

Let's start at the beginning: why do you even have a warehouse? It's probably not because you love storing products. Although, driving a forklift might be reason enough...

Keeping your promises

Your website makes promises like "Ordered today, delivered tomorrow", "Discreet delivery", or "Free shipping over €20". Even a simple "In stock" is a commitment to your customer.

It's the warehouse's job to deliver on those promises by:

- Sending the **right product**,
- in the **correct packaging**,
- at the **right time**,
- to the **right customer**.

It sounds straightforward, but time is often limited. Typically, you have only a few hours between receiving an order and the carrier picking up the packages.

By the end of the day, you may have less than an hour. This is why a well-functioning warehouse is all about preparation and structure. Once the order arrives, everything should run on autopilot.

E-commerce is different

Warehousing for e-commerce is different from traditional warehousing. Online stores need to respond faster to incoming orders and customer service requests.

The average order value is lower. This results in more orders for the same revenue. These orders are also smaller, allowing for a faster pace of work.

E-commerce warehouses experience more peaks, such as Black Friday or payday weekends. Late cut-off times often mean working with part-time or student employees.

For these reasons, we recommend keeping e-commerce warehouses simpler than traditional ones. While there are similarities, the differences are significant enough to warrant a unique approach.

Recognize a good warehouse

When I visit a warehouse that consistently keeps its promises, four key characteristics always stand out:

- Organized
- Calm
- Self-sufficient
- First Time Right

These are the results of a well-run warehouse. However, they are too broad to set as direct goals. In the next chapters, I'll provide concrete tips on how you can achieve a well-functioning warehouse.

Organized

The first thing you notice in a well-run warehouse is that it's organized. Everything has its designated place, aisles are clearly marked, locations are easily accessible, and packing tables are equipped with the necessary tools and materials.

Calm

The second noticeable trait is calmness. There's minimal noise, employees work comfortably, and their tasks are routine. No one is rushing around, and you can easily interrupt someone with a question without causing stress.

Self-sufficient

It's also clear that everyone works independently. Employees don't have to wait for one another, and there's little need for discussions. Every team member knows what needs to be done and has the tools and information required to perform their tasks effectively.

First Time Right

If you spend a bit more time observing a good warehouse, you'll notice very few mistakes. There's a high First Time Right (FTR) percentage, which refers to the proportion of tasks completed correctly the first time.

Mistakes are a waste of resources, and fixing them is frustrating. **In e-commerce, errors are especially costly:** additional shipping fees, return costs, increased customer service workload, and potentially negative reviews. That's why FTR is one of the most critical metrics in a successful warehouse.

You can calculate the FTR percentage for a specific part of the process. For example, check how many products at the packing table are correct. You can also calculate it for the entire operation. For instance, measure how many orders are delivered to customers without errors on the first attempt.

Example: Calculating the FTR percentage

$100 - (100 * \text{number of faulty orders} / \text{total orders})$.

Let's say you processed 4,288 orders in a week, and 11 of them contained errors. Your FTR percentage would be:

$100 - (100 * 11 / 4288) = \mathbf{99,74\%}$.

Standardize processes

Does your warehouse ship 100 or more orders every day? Then it's likely you have multiple employees working on the floor. To consistently deliver high-quality results, it's crucial that everyone performs their tasks in the same way.

As your online store grows, you'll likely hire new employees regularly. It's important to train them well and quickly, so they can work independently as soon as possible.

When working with a team and regularly bringing in new staff, it becomes essential to standardize processes.

Standardized processes ensure that everyone works the same way and that other teams, like customer service, know what to expect from the warehouse.

Create a clear description for every process. Outline every step involved and specify who performs each one. Writing this down forces you to think carefully about how you want tasks to be handled in your warehouse.

This also helps in keeping processes simple and easy to follow, while minimizing exceptions. If a process is difficult to explain, it's likely also difficult to execute.

Make processes visible

Everyone in the warehouse should have the same knowledge and be able to work independently. Print out process descriptions and display them where they are needed. This way, everyone can easily refer to how things should be done.

Processes can change

Standardizing doesn't mean processes are set in stone. The goal is for everyone to work consistently. If you find a better way to do something, update the description and ensure everyone is informed.

Example: Process a purchase order

Follow these steps to handle an incoming shipment from a supplier.

General guidelines

- Process purchase orders in the order they were received. Always handle the oldest first.
- Complete one order at a time. Don't process multiple orders simultaneously.
- Inspect the delivery for damage. If there is any, take photos and make a note. Report it to the purchasing department.
- Clean up packaging materials to keep your workspace tidy.

At the packing table

1. Locate the purchase order in Picqer using the packing slip's order number.
2. Select "New receipt".
3. Unpack the delivery box by box.
4. Register items received:
 - a. Take a container, scan its barcode.
 - b. Take an item from the delivery, scan it, and place it in the container.
 - c. Click "Add to stock".
 - d. Repeat until the container is full, then place it on the receiving cart.
 - e. Use a new container and continue until all items are registered.

5. Once all items from the delivery are registered, finalize the receipt.

Stocking the shelves

1. If the receiving cart is full, take it to the warehouse to stock the items.
2. Open the Picqer app on the mobile scanner.
3. Scan the container to see its contents.
4. Place each item on a free stock location:
 - a. Go to a free stock location.
 - b. Remove all pieces of one item from the container, scan the item.
 - c. Scan the stock location barcode.
 - d. Click "Move stock".
 - e. Repeat for the next item.
5. When the container is empty, scan the next container.
6. Once all containers from the cart are processed, return to the receiving table and place the empty containers on the designated stack for empty containers.

STATUS PAUSE DATA SUPPLIES NETWORK



PAUSE



FEED



CANCEL

ZEBRA ZTW1

Minimize exceptions

Exceptions are prone to errors and can be time-consuming and costly. Minimize exceptions as much as possible.

Exceptions can occur in various areas, such as:

- Different shipping methods based on order value or weight.
- Orders from different webshops requiring different packaging methods.
- Exchanges where the replacement product is sent before the original product is returned.

While every webshop delivers products to customers, the additional services you offer are unique to your business. These can depend on the types of products you sell or what your competitors provide.

The key is to make deliberate choices about what services you will and won't offer. You don't need to be maximally flexible to satisfy customers. **What matters most is being clear and consistent.**

If you choose to offer a specific service, such as allowing customers to pick up orders, make it a standardized process.

Examples of choices you can define in advance:

- **Pick-up orders at your warehouse.** If yes, can customers pay with a card? Can they also exchange products in person? If this happens only five times a month, it might not be worth it.
- **Pallet shipments.** If large shipments occur only twice a year, it's often cheaper to send multiple boxes rather than arranging pallet transport. However, if it happens twice a week, standardize the process and ensure everyone knows how to arrange pallet shipments.
- **Number of box sizes.** Orders must fit well in a box, but use as few different box sizes as possible. Ensure your largest products also fit in a single box to avoid the need for taping two boxes together.

Eliminate the Know-It-All

You might know the type: that one warehouse employee who knows and can do everything. Everyone relies on them with questions. What would you do without this person?

And that's exactly the problem. If this individual is on vacation or out sick, your warehouse won't function as well. **That's why your warehouse should be so simple that everyone knows everything.**

Ensure that everyone who works in the warehouse, even occasionally, understands the processes, knows how to use the tools (both hardware and software), and can find everything they need. This approach offers several benefits:

- Processes and tools must be simple since they need to be explained to everyone.
- Your warehouse runs more smoothly with less stress when everyone can work independently.
- You gain flexibility in managing peaks and handling absences.

Occasionally, let someone from marketing or customer service work in the warehouse. It's a fun change of pace and helps them understand the overall business process. Plus, this colleague can easily step in during busy periods or when others are out.



Speed comes naturally

As a business owner or manager, you strive for efficiency. However, in a warehouse, speed is irrelevant if mistakes are being made. Errors in an e-commerce warehouse can be extremely costly. Focusing on speed too early to save costs can quickly turn your warehouse into an expensive operation.

Efficiency starts with minimizing errors. Focus on First Time Right, ensuring that tasks are done correctly the first time. Once errors are under control, you can start improving speed.

Treat every error as a task

To truly become efficient, treat every mistake as a task to address. Analyze what went wrong, resolve it, and implement measures to prevent it from happening again. This isn't a one-time exercise; it's a continuous process for every error. By doing this, you can reduce the number of errors by a factor of 10.

Are you already operating with minimal mistakes? Good job! Now it's time to focus on speed. Perhaps the layout of your warehouse isn't logical, causing pickers to walk unnecessary distances. Or maybe your packing table isn't optimized. In the following chapters, we'll dive deeper into these aspects.

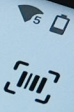
3:35 PM G



BQ590877



Kraft Photo Black/White



Stock	Free stock	Reserved	To receive
6	2	4	6

Hoofdmagazijn

Stock	Free stock	Reserved	Stock history
6	2	4	

Locations

A.6.4.1 - 0

Manage locations

Change stock

Move stock



Always know your inventory

Every online store should have real-time and automated visibility into its inventory. While maintaining such accurate inventory records might seem like a lot of work, not doing so will cost you significant time on every other task in your warehouse.

For each product, you should know precisely:

- How many units are on the shelf.
- How many are reserved for customers (for example, for orders yet to be shipped) and which orders they're reserved for.
- How many are incoming and when they'll arrive.

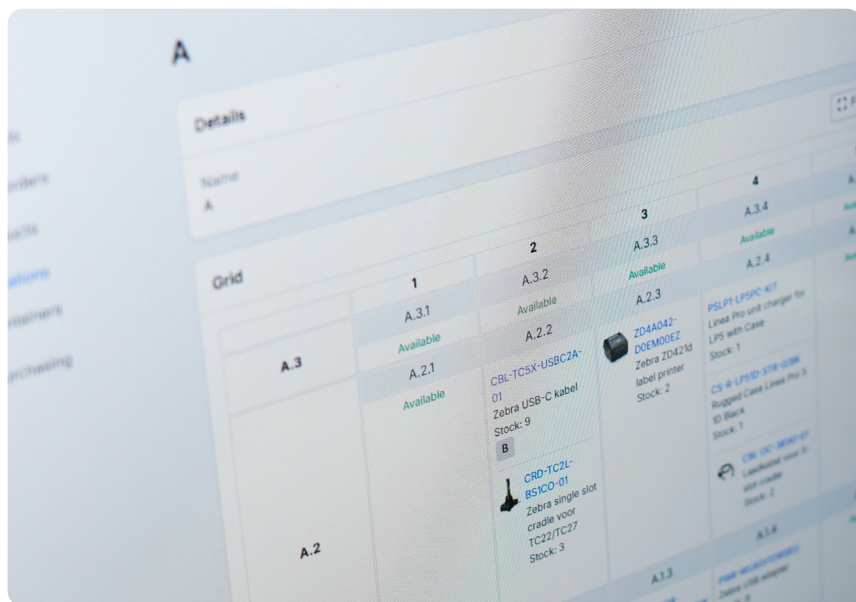
With this information, there's no need to physically check the stock in your warehouse. It allows your customer service team to work faster, saves time on purchasing, and keeps your customers proactively informed about delivery times.

Keep a history of your inventory movements. This enables smarter purchasing decisions and makes it easier to pinpoint the causes of inventory discrepancies.

Tracking inventory in Excel is not sufficient, as it doesn't provide real-time synchronization with your online store.

Many webshop software solutions can track free stock, but they often don't show how many units are still physically on the shelf or how much has already been ordered from suppliers.

Additionally, most systems don't provide historical inventory data. With software specifically designed for e-commerce warehouses, like Picqer, or a specialized webshop plugin, you gain access to these crucial features.



Never re-enter information

One of the advantages of an online store is that customers enter all their information themselves, like their address and the products they want to order. This means you should never need to re-enter any details to fulfill an order—not for a shipping label, not for an invoice. Re-entering data is a waste of time and increases the risk of errors.

Ensure that all the systems you use are integrated so data transfers automatically between them. When automating, set a clear requirement: no manual data entry.

Barcodes are a great way to avoid manual input. With them, you can scan both products and locations instead of looking them up manually. More on that later.



The packing table

Create a dedicated space for packing and shipping orders: the packing table. Keep all necessary materials within easy reach, such as boxes and tape, so there's no need to walk around to gather supplies.

Most packing tables have a work surface slightly above hip height, but lowering it a bit can sometimes be more practical. A lower surface makes it easier to place products into boxes and seal them securely.

At your packing table, you should have a computer, a barcode scanner, a label printer for shipping labels, boxes, tape, packing material, and a designated spot for quickly storing packed orders.

Additionally, your packing table should accommodate any extra services you offer, such as gift wrapping or writing personalized cards.

Clean and organized

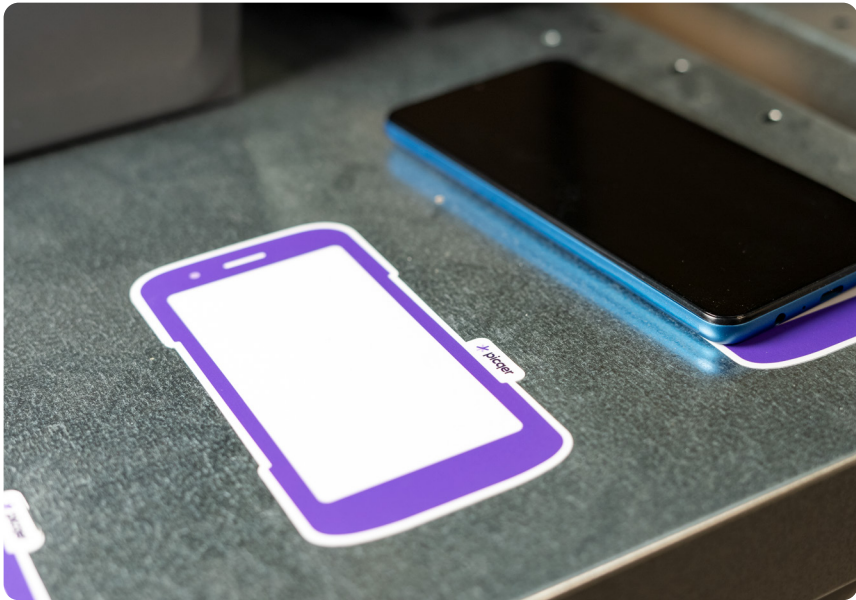
The fewer items you have, the less clutter there is to get in the way. Evaluate everything at your packing table to decide if it's essential or can be removed.

The fewer items you have, the less clutter there is to get in the way. Evaluate everything at your packing table to decide if it's essential or can be removed.

Assign a fixed place for all items and make it clear where they belong. For example, outline the shape of scissors where they should be placed, or use our packing table stickers, which you can order for free at picqer.com/stickers.

If you have multiple packing tables, ensure they are all set up the same way. This consistency makes it easy for anyone to work at any table without adjustments.

Regularly clean your packing table and its surroundings. A clean workspace sets the expectation that work is done carefully and precisely. It also reduces wear on your tools and ensures every package leaves in perfect condition.



Computer at standing height

If your warehouse relies heavily on automation, you'll frequently use a computer. Ensure every packing table has a computer at standing height. This setup allows you to quickly access information without needing to sit down.

Good tools make the difference

Don't skimp on the materials and tools you use in your warehouse. Frustrations caused by poor or subpar equipment will quickly outweigh the savings of a few euros.

Invest in fast computers, barcode scanners that perform well in low light, and efficient printers. Also, ensure you have plenty of essential supplies, such as tape dispensers, scales, and envelopes, readily available.



Packing like zombies

No matter how skilled your employees are, when things get busy and they're processing hundreds of orders, they stop reading carefully. This is why it's essential to minimize the chance of mistakes caused by overlooked details. **Ensure your team can pack and ship orders like zombies.**

If you use multiple shipping methods, let your software automatically preselect the correct option. This way, the packer only needs to press one button to generate the correct shipping label.

Using barcode scanners for every product is also a smart move. It provides an extra layer of verification to ensure the correct product and quantity are packed.

Once the products are scanned, pack the order and seal the box immediately. This guarantees that the right items are in the correct box. The more time that passes between scanning the items and sealing the box, the greater the risk of shipping errors.



Avoid making processes too small

Breaking down a large or lengthy process into excessively small sub-processes is generally not advisable. **Smaller processes might give the impression of being faster, but the entire workflow often takes longer and introduces a higher risk of errors.**

For example, processing an order could be divided into five separate sub-processes, each handled by different employees:

1

Create a batch for picking.

2

Gather products from the warehouse and place them in a bin for each order.

3

At the packing table, verify the products in each bin and print the shipping label.

4

Pack the products into a shipping box and attach the label.

5

Place the boxes in the carrier's roll container.

However, splitting the workflow like this creates several issues:

- Picking up and setting aside the order between sub-processes wastes more time than having one person handle the entire workflow.
- Each employee needs setup time to review the order and check for any special instructions.
- Products left waiting between sub-processes (intermediate stock) reduce visibility into how many orders still need to be completed today.
- Errors are more likely with intermediate stock, such as misplaced or overturned boxes.

To avoid these pitfalls, it's better to process an order in one continuous workflow handled by the same employee. This reduces overall time, minimizes errors, and provides better oversight.

Separate picking and packing

You can, however, separate the picking of products from the processes of verifying, packing, and shipping them.

The picking process happens between the warehouse shelves, while the rest takes place at the packing station. Packing stations take up a lot of space, so it's wasteful to leave them unused for extended periods. Additionally, having someone else verify the order before packing can sometimes catch mistakes, preventing errors without doubling the work.

However, be mindful of the stock waiting between these two processes. Set a maximum number of orders that can be ready for packing at any given time. If the interim stockpile becomes too large, let the pickers assist with packing to keep everything flowing efficiently.

thank you
for your order!

Think of your warehouse as a store

In a traditional warehouse, such as those used by wholesalers or importers, goods are usually delivered to businesses. In that setting, the appearance of the box matters less because the focus is on the products themselves.

In an e-commerce warehouse, however, packages are sent directly to consumers. These packages are often the only physical touchpoint the customer has with your business, so they must look neat, clean, and well-presented.

In this sense, your warehouse can be compared to how you would operate the checkout counter in a physical store.

Consider the elements of a retail experience that you could bring into your warehouse: products neatly arranged, receipts and payment slips paired together, items placed in an attractive bag, perhaps with a flyer or sample included, and then handed over to the customer.

How tidy, clean, and calm do you want your packing stations to be to ensure your warehouse delivers the right impression to your customers?

Printouts

P2024-1048

Closed

Shipped at 25-10-2024 09:08 by Marieke Romm

Products

	CBL-TC5X-USBC2A-01 Zebra USB-C kabel	Part	3 picked
	PWR-WUA5V12W0EU Zebra USB adapter	Part	3 picked
	WLMT0-T22B6ABC2-A6 Zebra TC22 SE4710 6GB/64GB	Part	3 picked

Automate as much and as early as possible

Automate everything you can, as early as possible—even if your business is still relatively small.

Small webshops often think they don't need to automate yet. Things may not be very busy, and handling tasks manually might still work fine. Unfortunately, many forget to automate later when it becomes necessary. As orders increase, the only alternatives are to hire more staff or outsource your warehouse operations.

Every warehouse has a tipping point where automation becomes essential. Most businesses realize they've reached this point just after surpassing it. For most warehouses, this is between 80 and 100 orders per day. If you continue without automation beyond this, maintaining quality becomes increasingly challenging.

Ironically, automation is easier for smaller webshops:

- It's more cost-effective and prone to fewer errors.
- You have the time to explore what works best for you before things get overwhelmingly busy.
- It enables easier scaling and allows you to handle peaks more efficiently, as automation reduces the time spent per order.

- As a small webshop with a small team, automation lets you focus your time on other valuable tasks like sales and marketing, rather than manual data entry or repetitive processes.

Use Picqer

Yes, I'm going to promote Picqer a bit, because it's simply the best software for your warehouse.

With Picqer, you can process orders 5 times faster and eliminate errors. Think of Picqer as the operating system for your warehouse: everything you do in your warehouse can be managed through Picqer.

Picqer covers all aspects of an e-commerce warehouse, including shipping orders, inventory management, location tracking, purchasing, and returns.

The ideal time to start using software like Picqer is when you're processing between 25 and 100 orders per day. Every day you delay beyond that point is a missed opportunity for efficiency and growth.

Don't print anything

If you want to work quickly and accurately in your warehouse, avoid relying on paper. Don't print orders, picklists, inventory levels, or any other operational documents.

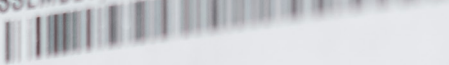
Investing in a computer or mobile scanner for everyone might seem costly, but going paperless fundamentally changes your workflow. Every update is digital and real-time, making processing and collaboration smoother while reducing errors.

Customer service can adjust orders for longer periods, products can be moved internally without being misplaced, new inventory becomes pickable faster, and orders are never forgotten.

One of the biggest risks I see is the use of "sacred papers"—a stack of printed orders with shipping labels. These orders may already be marked as shipped in the software but still need to be packed. If you lose a sheet, the associated order never gets shipped. You'll only notice this when the customer calls to complain. Losing these papers happens more often than you'd think.

The best way to prevent this is to work entirely paperless. That means nothing gets printed, except the shipping label.

ASSEMBLY



PTO1021122



Assign each product a unique code

A product code is a unique number assigned to a specific product. Using product codes simplifies communication among employees and ensures compatibility across various systems. This is commonly referred to as an SKU (Stock Keeping Unit).

Every variation in color and size should have its own code. By looking at the product code alone, you should immediately know which product it represents.

If the manufacturer or supplier has already assigned product codes, it's easiest to use those. You don't have to think about creating them yourself, and the product codes are already printed on the packaging. It also makes purchasing easier.

But you can also assign your own product codes. There's no standard way to create product codes, so you can decide how to structure them. A few helpful tips:

- Don't start with a 0.
- Use a fixed length.
- Create logical sequences.

Don't start with a 0

Never start product codes with a zero (0). Many programs, like Excel, remove leading zeros. This can result in codes like 00876 being shown as 876 in some places. By avoiding leading zeros, you prevent this problem.

Use a fixed length

For clarity and recognition, it's helpful if all product codes are the same length—for example, always 8 characters. Do you also want to use separators? Always place them in the same position, such as 872.87-771 and 325.65-355.

Create logical sequences

If you develop a good structure for your product codes, it becomes easier to assign a new product a number. Additionally, you can quickly identify the type of product by its code.

For clothing, for example, you could use this structure:

- 2 digits for the product group (12 for pants)
- 4 digits for the specific product (4322 for G-star 301 EU edition)
- 2 digits for the size (04 for Large)
- 2 letters for the color (NB for Navy Blue)

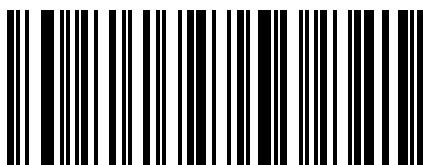
This makes the product code 12432204NB, or with separators, 12.4322.04NB, for the G-star 301 pants, EU edition, size Large in Navy Blue.

One potential risk with fixed sequences is that they might become too limited. For instance, you might initially use just one digit for a size because you currently only have seven sizes. However, in two years, you might add more sizes, and the fixed sequence no longer fits. Make sure to leave enough space for future variations.



Use barcodes

It's a shame to send the wrong product to a customer. This can largely be avoided by scanning the barcode of every product you ship. Software like Picqer will confirm whether you've picked the correct product or not. **This is the cheapest way to reduce errors.**



Barcodes, the black-and-white stripes, encode text. Often, the product code or the GS1/EAN code is embedded in the barcode. When a barcode is scanned, the scanner essentially "types" the code into your computer and presses "enter", but at lightning speed.

Webshops that don't scan barcodes often have an error margin of 1 to 4%. Common mistakes include shipping the wrong product, sending too few or too many items, or packing the wrong order altogether.

On average, it takes 30 minutes to resolve a shipping error. This includes customer service time, processing the return, and the extra shipping costs, twice.

With a 1% error margin, that's 18 seconds per order. Scanning takes less than 18 seconds per order, making it a cost-effective solution to ensure accuracy.

This emphasizes again that reducing errors should always be your priority before focusing on speed.

Most products you don't manufacture yourself already have barcodes on their packaging. Ensure your software recognizes these barcodes. If your products don't yet have barcodes, consider adding them when they arrive in your inventory or ask your supplier to include barcodes on the packaging.

Manage locations

Proper management of your inventory locations takes considerable effort, but the benefits are well worth it. **It's genuinely worth setting aside a week to number your locations.**

Location management involves mapping out the locations you have, determining how many of each type exist, how many are available, and deciding where you want specific products stored.

Location numbers

To start with location management, all your locations must have their own unique number. This works just like table numbers in restaurants. It makes communication easier, and new employees can be trained more quickly.

Here are the benefits of logical, unique location numbers:

- New employees can get started quickly. Provide them with a picklist including location numbers, and they can efficiently pick their first orders.
- Experienced pickers remain efficient even under pressure.
- Adding new products to your warehouse becomes easier. Simply place them in a free location, enter the number in your warehouse software, and you're done. Picking these new products will take as much time as picking familiar ones.
- Your warehouse setup becomes more flexible.

Guidelines

When numbering your warehouse, keep the following in mind:

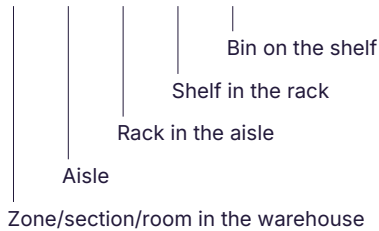
- Ensure new employees can immediately understand how your warehouse is organized. Keep it as simple as possible, so you need to explain less and they can remember more easily. It's similar to IKEA: even if you've never been there before, you can almost instantly find the right product on the shelves.
- Make the numbers as specific as possible. Ideally, assign one product code per storage location. To start faster, you could first number just the shelves or racks.
- Employees should be able to find products without prior knowledge. Avoid creating racks dedicated to specific brands.

Numbering locations

There are many ways to structure your location numbers, but for simplicity, I will cover the most logical method for a typical e-commerce warehouse.

Here's an example of how to construct a location number:

A.05.12.2.02



This is an example of how locations are often numbered, but not every component is always necessary. If your warehouse doesn't use zones, skip the first letter. The same applies to shelves and bins, if they're not used, leave out those parts of the number.

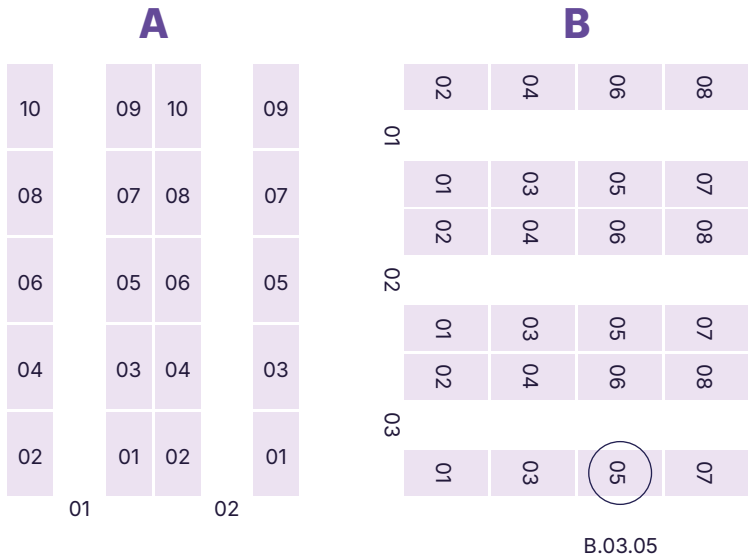
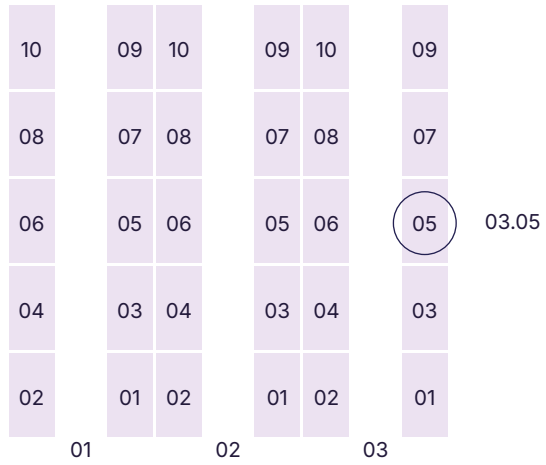
A location number should ideally provide clarity at both the macro and micro levels. Macro level: Indicates which direction to go, such as a zone or aisle. Micro level: Identifies the specific product to pick from a rack.

Extra tips

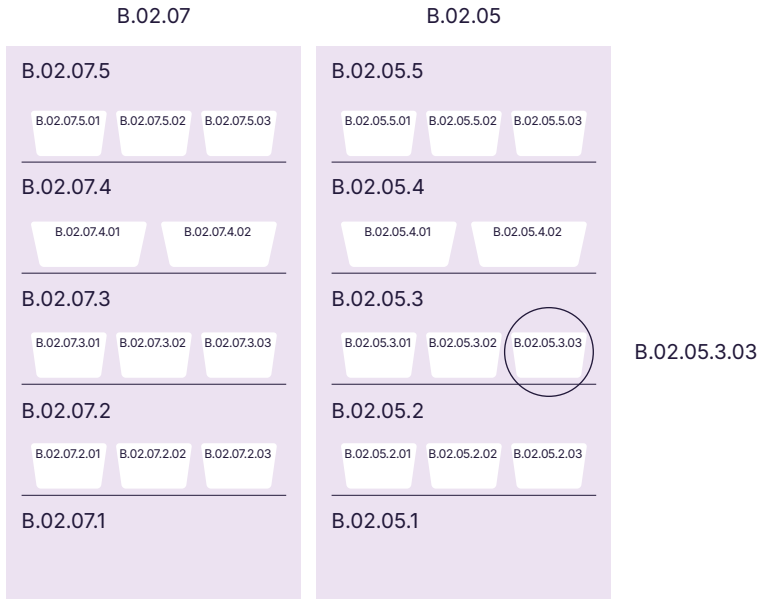
- Number aisles instead of racks, and assign rack numbers within an aisle as house numbers—odd numbers on the right and even numbers on the left. This creates an efficient picking route when locations are sorted in Excel.
- Use leading zeros to ensure each section has a consistent length. For example, "05" for an aisle number if there are more than nine aisles. Consistent lengths make numbers easier for our brains to recognize.
- Separate the components in numbers using periods or dashes. For instance, "03.05" or "03-05" instead of "0305".
- Have metal racks? Use magnets to attach location numbers. This allows you to easily rearrange racks and locations without peeling off stickers.
- Place products directly on the floor instead of racks? Mark off areas on the ground and assign numbers to these spaces.

Examples

In the examples shown here, you'll see an overhead view of a simple warehouse. Each rectangle represents a rack. There are three aisles, with odd numbers on the right and even numbers on the left. In the top example, there is only one space, so no zone letter is used. The designated location is therefore 03.05. In the bottom example, the designated location is B.03.05, as there are two different zones: A and B.



Below, you'll see a front view of two racks: B.02.07 and B.02.05. Shelves are numbered from bottom to top. Each shelf can have as many bins or slots as you need. The designated bin in this example is numbered B.02.05.3.03 because it's on shelf 3 and is bin 03.



Signs

Ensure that all locations are marked with clear signs or stickers, so pickers don't need to guess if they're at the correct spot. Additionally, make sure aisle numbers are visible while walking through the aisle.

It's smart to display the full location number. For example, show "A.05.12" for a rack instead of just "12", and "A.05.12.2.02" for a bin instead of just "2.02" or "02". This makes it easier to confirm you're at the correct location.

Start small

If you're not ready to label your entire warehouse at once, you can start small. Numbering your zones, aisles, and racks is a great initial step.

Link the location numbers in Picqer or your WMS to the correct products, and you've already made good progress. In most warehouses, this can be done in a day. It's better to start tomorrow with aisles and racks than to wait six months to number the entire warehouse at once.

Make sure to track which locations are free. For example, when products are removed from your assortment, gaps may appear in your warehouse. By managing these effectively, you'll always know where space is available.

In warehouse software like Picqer, you can categorize locations into different types. This makes it quick to find an available spot for a specific type of product. By creating layers of locations, you can also get a clear visual overview of rows and racks.

Barcodes

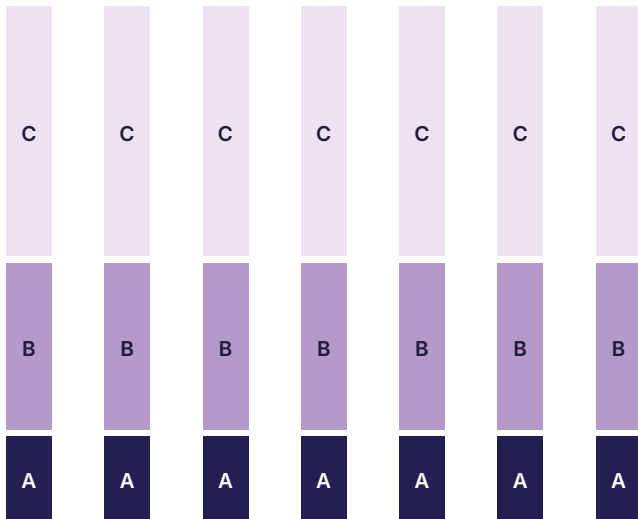
Ensure every location has a barcode. This allows you to scan locations when storing products instead of manually typing them in.



Keep similar products separate

Here's a tip that might seem unusual at first but is highly effective: don't store products that are very similar next to each other. For instance, don't place a blue short-sleeve shirt right next to a blue long-sleeve shirt. When picking orders, the differences can be hard to spot, and before you know it, you've sent the wrong product to your customer.

If you're using location numbers and following a route based on them, it doesn't matter if similar products aren't stored together. You'll go to a specific location, see just one type of blue shirt there, and know you've picked the correct product.



Packing tables

Walk less

Warehouse employees spend up to 60% of their workday walking. By organizing your warehouse more effectively, you can significantly reduce walking time. To achieve this, it's essential to identify your A, B, and C products.

The A-products are the top 5% of your best-selling items. The B-products account for the next 15%, and the C-products make up the remaining 80% that sell the least. Arrange your warehouse so that you need to walk the shortest distance for A-products. This can save a significant number of steps each day.

In the example provided, packing tables are located at the ends of the aisles, creating the shortest routes to every part of the warehouse. Place A-products near the ends, B-products in the middle, and C-products toward the back.

Distribute your best-selling products across multiple aisles rather than concentrating them in one. This makes it easier for multiple employees to pick items simultaneously without getting in each other's way.

Picqer automatically calculates your A, B, and C products each week. You'll see these results when receiving inventory, helping you place items in the most efficient locations right away.

Avoid moving products unnecessarily. Ideally, each product should be handled as little as possible. If an item shifts from a C-location to an A-location, leave the existing stock in the C-location until it's sold. Place the new inventory in the A-location. This way, your warehouse will naturally become better organized without frequent internal rearrangements.



Walk even less with batch picking

There are different methods for picking ordered products and bringing them to the packing table, each with its own advantages and disadvantages.

Picking per order

The simplest method is to pick by order. You take the oldest order, pick the products, place them in packaging, attach a shipping label, and you're done. This works well for large items like bicycles, pools, or furniture. It's also ideal for smaller warehouses, where walking distances are naturally shorter.

The main advantage of picking per order is that it minimizes the chance of errors and is easy to explain to new employees.

Batch picking

With batch picking, you collect products from multiple picklists in a single round. The larger your warehouse and the smaller the products, the more benefits you gain by picking orders in batches.

Picqer provides you with a single list of all the products for various orders, organized in a logical sequence through your warehouse. This ensures you follow an efficient route and avoid returning to shelves you've already visited.

There are two types of batches: regular and singles batches.

Regular batch

A regular batch consists of picklists with more than one product. You separate the orders while picking, for example, using a cart with individual bins. Each bin represents a picklist. If you're processing 12 orders at once, you'll need a cart with 12 separate bins.

For a regular batch, placing all products into a single bin and sorting them later takes too much time. It's often better to pick per order in such cases.

At the end of your round, you'll have 12 bins with all the products for the 12 orders. At the packing table, you can process each bin individually—packing and shipping each order one at a time.

Singles batch

A singles batch consists of picklists with one product or multiple units of the same product. During picking, you don't need to keep products separate since each product stands alone. The advantage is that with a singles batch, you can pick many orders at once, using one large cart to hold all the products.

When you scan any product at the packing table, Picqer identifies the corresponding order and automatically prints the correct shipping label.

Picqer users process between 30% and 80% of all their orders as singles batches. The remaining orders are picked either in regular batches or individually per order.

Not many software packages support singles picking. It's crucial to consider this when selecting your software, as this method will only save you time if the software effectively supports it.

Other picking methods

There are other picking methods, such as wave-picking and zone-picking. However, these methods are rarely suitable for e-commerce warehouses that handle fewer than 5,000 orders per day.

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Keep your customer informed

Customers appreciate proactive communication. For example, send an email immediately after packing their order. While many shipping carriers can also send such emails when they receive the package, this is often too late.

Imagine your customer places an order at 10:00 AM. They see that the product is in stock and promised for next-day delivery. However, by the end of the day, they still haven't received a shipping notification. If your customer service closes at 6:00 PM, you can expect the customer to call, asking if their order was shipped. Even customers who don't call may feel anxious, and that's not the experience you want to create.

If you complete the order at 2:00 PM and the package is ready for the carrier, send your customer an email right away. This prevents an expensive customer service interaction and reassures them that the package is on its way.

It's possible that a product is unexpectedly out of stock, delivery is delayed by a day, or something else occurs that you'd rather not tell the customer. Even in such cases, it's crucial to keep the customer informed immediately. The more professionally you handle these situations, the more satisfied your customer will be.



Preparation

There's a saying in the military: **"Work hard when it's calm, so you are calm when it's busy."** The idea is to ease busy periods by getting ahead during quiet times.

Most webshops experience Friday as the slowest day of the week and Monday as the busiest. While you could take things easy on Friday and enjoy the calm, those who plan wisely will use this time for preparatory work to make Monday less hectic.

I've seen warehouses that handle many orders for a specific product. During quiet periods, they pre-pack these products in shipping boxes, so during busy times, they only need to stick a shipping label on the box to dispatch the order.

Other tasks you can tackle during quiet moments to relieve pressure during busy times:

- Counting inventory.
- Replenishing pick inventory from bulk locations.
- Processing incoming purchase orders.
- Moving bestsellers to more accessible locations.

needs
improvement!

Keep improving

No one can set up a perfect warehouse in one go, so start with a solid foundation and regularly review your workflow. Identify bottlenecks and find ways to address them.

Keep improving by holding a 30-minute meeting every month with everyone who works in your warehouse. During an improvement meeting, discuss what can be done better. You don't need to name everything that's wrong, focus on the most pressing issues at the time.

Jointly decide on 2 to 3 points that cause the most mistakes or time waste. Look at how to solve these issues as simply as possible and resolve them within a week.

If you hold an improvement meeting every month, you'll keep getting better step by step.

My picklists

To invoice

Filters



Well done champ!

When new picklists come around, this is the place they will be found.

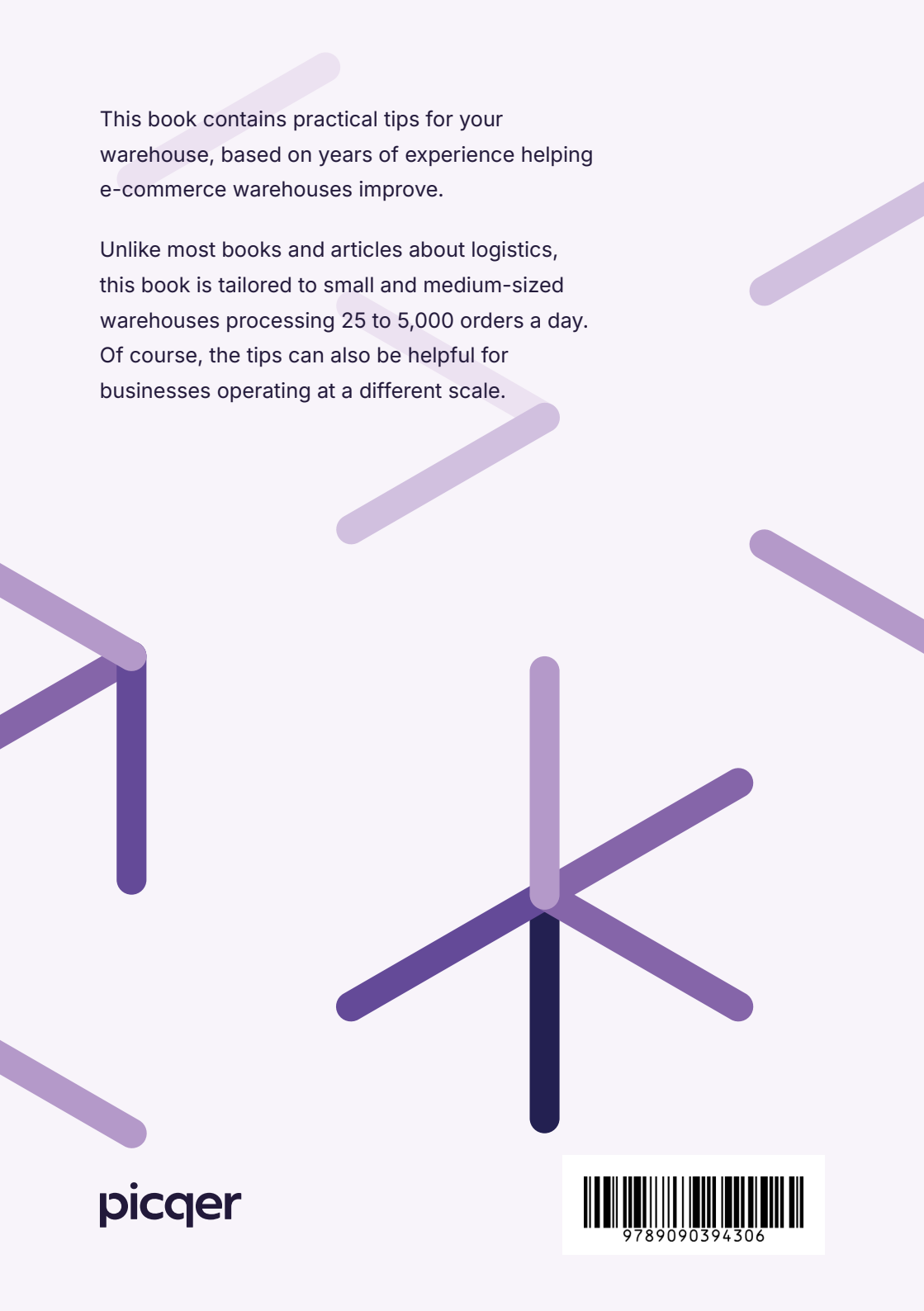
Go for it

I hope these tips help you create a calmer and more efficient warehouse. A warehouse you can be proud of. A warehouse that's built to impress and delight your customers.

Are you ready to automate your warehouse and need help? Schedule an appointment with one of my colleagues at picqer.com/follow-up.

If you have any questions after reading this book, feel free to email me at info@picqer.com.

All my best, Casper



This book contains practical tips for your warehouse, based on years of experience helping e-commerce warehouses improve.

Unlike most books and articles about logistics, this book is tailored to small and medium-sized warehouses processing 25 to 5,000 orders a day. Of course, the tips can also be helpful for businesses operating at a different scale.

picqer

