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Marketing Initiative

## Material Handling - An Essential Function in The Supply Chain Cycle

Companies need to ensure that this section is regularly maintained because it plays a vital role in managing internal and external manufacturing operations

The material handling and supply chain industry is a dynamic industry that keeps experiencing innovative technologies and emerging ideas. Several trends make an entry and the industry evolves to a new level with companies revamping operations to incorporate the new drift.

The material handling system plays a vital role in managing internal and external manufacturing operations. The material handling products aid air transportation and storage of material in a highly systematic manner which reduces the risk of handling and transporting raw material. This augments the operational efficacy, streamlines the supply chain and handles warehouse operations through optimum utilisation. It lowers the handling cost, reduces inventory and shortens delivery time. So, there are very bright prospects for MHE industry within the manufacturing sector in general.

It is better for companies to ensure that their material handling system and processes are in place for improved customer service, reduction of inventory, shorter delivery time, and lower overall handling costs in manufacturing, distribution and transportation. The global manufacturing landscape is being transformed by digital technologies such as the IoT and robotics collectively called "Fourth Industrial Revolution" or "Industry 4.0". It is important that companies should ensure that the advanced technologies related to this revolution are a part of the material handling section too. Making a few changes as per a good material handling department to your warehousing operations can bring in several benefits.

In a country like India where the manufacturing sector is coming up as a high growth sector, the material handling industry assumes increasing importance. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. Material handling is primarily related to the movement, storage protection, and control of materials and products throughout manufacturing, warehousing, distribution, consumption and disposal. Material handling also includes a host of manual, semi-automated and automated equipment and systems that support logistics and make the supply chain work.

In India, Material Handling Equipment (MHE) is one of the most important elements of manufacturing sector. The budding manufacturing industries such as chemicals, automotive, pharmaceuticals, and food and beverages augment the demand for warehouses to store and manage their products. This increasing demand for automated storage, retrieval systems along with industrial trucks in the manufacturing industry shall be a key driver for industry growth in the near future due to rising investments in installing the equipment at distribution centres as well as warehouses.

The effective material handling system gives impetus to the operational efficacy, streamlines the supply chain and handles warehouse operations through optimum utilisation. This process also helps in lowering the handling cost, reducing inventory and shortening delivery time. In India, the MHE industry has very bright prospects within the manufacturing sector.

Of late, this industry has started focussing more and more on automation, cost reduction, real time tracking of shipments, reducing environmental impact, and collection and utilisation of data to improve efficiencies. Companies are procuring certain quantity of raw materials to deliver at various locations. They then develop reports on inventory, pricing, order status, etc, through ERP system to get real time alerts. This is great to have better control on pricing, inventory and timely deliveries to customers.

Adherence to safety requirements and telematics are some of the chief drivers for new MHE solutions. Companies have realised that the main benefit of telematics is that it has led to increased safety which results in cost saving since it helps avoid accidents, injuries and damages. The other benefits of telematics are gauging maintenance, eliminating idling, keeping track of vehicles and improve routing. In countries like India, the other drivers which are leading to growth in MHE product revenues are automation, shortage of skilled labours, and enhanced focus on safety. Adherence to safety requirement helps for less breakdown time to ensure consistent supplies which leads to a business growth.

For larger volumes in procurement, an extensive reliance on strong ERP systems becomes a necessity for prompt alerts for corrective and controlling activities which make inventory available on time. This also prevents fund lock-up in excessive inventories. Close monitoring of RM prices with the help of strong ERP system is absolutely essential to protect bottom

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Figure 1: Safe Material Handling System

line. With the advent of user-friendly ERP systems, even smaller organizations can avail of its myriad benefits.

An effective ERP (enterprise resource planning) or inventory management solution is also a good option to help by generating inventory requirements so companies can reduce on-hand inventory without reducing customer service levels or increasing stockouts. What the result is that if there is lesser inventory it means space occupied is less. So in general warehousing and storage management performance improves automatically.

Companies can understand the physical features of their warehouse and what materials they need to store and then take into account its flow. The next step would be to slot the warehouse to optimize storage. Frequently picked items have to be stored near the front in order to reduce the travel time within the warehouse, and small and large items should be stored in different racks to

optimize shelf spacing. This is also to minimize the chance of losing the small items.

There are some essential aspects needed to apply good materials handling. If companies are manually handling materials and products for distribution, storage, etc, it is better to utilize workers who will serve as material handlers. They could go to the store, distribute, etc, all the goods to their proper destinations. To ensure good material handling, effective material handlers are a pre-requisite and these are people who are well-trained in the task they are to perform. This will ensure they are going to perform materials handling well for the safety of other workers and the products.

Another requirement is efficient material handling storage systems. Companies that want to apply materials handling also need to look into efficient storage systems. This refers to storage systems that are functional and automated, and

can handle materials well so that time, money and effort would be saved.

Materials handling is an extensive field if the materials that are being moved or stored are large. This process can be the cause of many warehouse accidents so care has to be taken. Companies should ensure that they are applying good materials handling process by hiring expert workers and buying efficient storage systems. ■



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