



MOULDING WAREHOUSE MANAGERS OF TOMORROW

A key trait of a competent warehouse manager is efficient & thorough planning. The tasks he performs are complex, challenging and time sensitive. Hence, he cannot play a proactive role in all aspects of operation. Nonetheless, a warehouse manager has to make sure that, at all times, warehousing efficiency is maintained. Here's defining the role and responsibilities of a warehouse manager & guidelines towards getting his priorities right...

IN most businesses, the function of marketing, sales, manufacturing and product development play the central role & attract maximum focus and attention. However, in the business of third-party logistics (3PL) services, the operations function takes the central position and the warehouse/operations/distribution centre manager, who is responsible for the day-to-day operations, plays the key role in ensuring the success of the business. He becomes the most important player and the 'buck' stops at him.

His responsibilities are spread across various functions including operations, customer care, people, facilities, technology, equipment & maintenance, security, etc. In the case of a small & medium enterprise (SME) setup, he may also take the responsibility of billing and collection. Thus, his job is complex, challenging and highly time sensitive. In such a

scenario, is it possible to do justice to his role? Of course, it is, if he is organised and focussed.

MEETING THE NEED FOR WAREHOUSE MANAGERS

According to a white paper by KPMG for the Confederation of Indian Industry (CII) on the skill gaps in the Indian logistics sector, it was estimated that 4,000 warehouse managers need to be added every year till 2015 to meet the growing demands. The white paper highlighted the inefficiency of the system to develop warehouse managers in such big numbers due to the lack of professional courses or training system. Let us identify the areas of responsibilities of a warehouse manager in detail, understand what is expected of him and then apply the 80:20 rule to arrive at his focus areas and help him get organised:

Planning

What is expected?

Firstly, daily, weekly and monthly deliverables need to be well understood, resources need to be optimally employed and plans have to be made to achieve the same. Secondly, all the deliverables need to be accounted for and mapped into the plan.

But how could someone work on a task and achieve the expected result if he is not aware of the expectations and the timelines attached to it? Of course, some day-to-day routine jobs may take place without documented planning because of its routine nature. However, considering that resources will always be in short supply and deliverables will keep on increasing, prioritising becomes very important.

What the warehouse manager does?

He should be directly involved in the yearly, quarterly and monthly planning. Two-way communication with his next level subordinates and

his seniors & peers will facilitate the planning process.

What needs to be delegated?

The weekly and daily plans could be drawn by the next level subordinates. A warehouse manager should review the weekly plans and offer inputs. Daily plan could be understood through an informal chat, which could be done at the warehouse floor.

Facilities

What is expected?

The upkeep of the facilities, in terms of hygiene meeting expected standards, is of prime importance, especially in cases of handling food or pharma products.

What the warehouse manager does?

The warehouse manager does not do anything directly. He physically visits the facility every day, observes the functioning and offers his oral feedback. If the facility is too big and the warehouse manager is unable to go through the entire facility in a day, the daily walk through could be split area-wise. However, it must be ensured that no area is left out.

What needs to be delegated?

The entire execution and correction is delegated.

People

What is expected?

In operations, the line manager is considered the 'real HR person'. While the HR in the organisation prepares the policies and takes measures to implement it, the line manager ensures that it is followed. The core areas, which line managers are responsible for include discipline, welfare, training, communication and motivation. He takes care of the manpower structuring, including the succession plans.

What the warehouse manager does?

The warehouse manager is not directly involved in the implementation. He plays an active role in terms of policy making and its implementation. But he is responsible to ensure that his operation team performs the function of a line HR manager well and the organisation 'walks the talk'. He needs to keep his eyes and ears open to

observe. He needs to use the informal chat method to interact with all the stakeholders – the 'daily walk through' is the best opportunity for him to carry out the same. He also needs to ensure that the communication from the entire operation team is the same. In addition, he uses his weekly & monthly formal review mechanism to measure the effectiveness through key performance indicators (KPIs). But in extreme situations, he may have to get directly involved.

What needs to be delegated?

The warehouse line manager is wholly responsible for the shop floor HR management.

Customer Interface

What is expected?

In most businesses, the customer is king and in 3PL businesses as well, it is the customer who calls the shots and drives growth. Each customer should feel that they are important and the logistics service provider (LSP) is focussed on his business. The deliveries should be consistent, predictable and meet the service level agreements (SLAs).

What the warehouse manager does?

The warehouse manager is the most important interface in the system and it is important that he keeps in touch with the key contacts of the customers on a regular basis. Although he is not a part of the daily execution team, he needs to be updated on the status of customer-wise service levels. He uses his daily walk through effectively to observe and question the same. He intervenes, guides and provides resources in case of a slip. It is also important that he is well informed about the customer's logistics expectations and new initiatives, as he has to ensure that they are delivered without fail. An internal structured review mechanism to discuss the delivery status and SLAs are a must. He also needs to take part and contribute in the strategic review meetings with a customer.

What needs to be delegated?

The execution is fully delegated to the next level.

Operations & Controls

What is expected?

The resources need to be adequately employed & optimised, systems and processes need to be followed, costs need to be well managed, execution has to be effective and KPIs need to be met.

What the warehouse manager does?

He actively supports the operations. He is fully involved in planning the resources – be it manpower, equipment or technology. Once the cost-benefit is understood and a decision is taken, he makes sure that the resources are made available. He uses the periodic review forums with his team to understand and analyse situations. He uses the audit route – both internal and external – to ensure the effectiveness of operations and spends time to implement audit recommendations.

What needs to be delegated?

The execution of the entire operation is delegated to the next level.

Subcontractors (Operations)

What is expected?

The subcontractors' scope is mapped well. The cost agreed is the best in the market for the given deliverables and terms of trade & SLAs are well defined. All the understanding and agreements are well documented, stamped & signed by both the parties through a legally tenable contract.

What the warehouse manager does?

A warehouse manager is fully involved in the selection of a sub contractor at every stage. He also makes sure through his network that the potential sub contractor has a good market reputation. He reviews the performance through the formal review system and directly steps in when necessary. It is his responsibility that the sub contractors are timely paid for their services.

What needs to be delegated?

Dealing with the subcontractors and getting the job done is delegated.

Administration

What is expected?

The expectation of fulfilling the administrative responsibilities is limited

to the administrative areas within the operations, which are generally related to the people, process and policies.

What the warehouse manager does?

His role is limited to support and review. At times, he may have to communicate with the organisation's administrative setup for implementation.

What needs to be delegated?

The entire administrative function could be delegated to the resource identified in the system for the purpose.

Legal & Moral Compliance

What is expected?

The operations have various legal & moral compliances to be followed. These include compliances under the Factories Act, labour, FDA (in case of a food, pharma warehouse), Weight & Measures Act, taxes and levies, health & safety, etc.

What the warehouse manager does?

He is directly and fully responsible for all the compliances under his functions. While he cannot delegate responsibilities, he may delegate the execution. He reports the status to the senior management after every review.

Business Developments

What is expected?

The product a 3PL organisation sells is its services, which are under the control of the warehouse manager. Organisations may have a separate business development team to acquire new businesses. But the warehouse manager and his operations team is expected to help in mapping the services, identifying the challenges & complexities, sharing internal execution capabilities & starting up timelines and giving inputs for costing & pricing.

What the warehouse manager does?

The warehouse manager takes part in the discussion with the customer and gets involved in the presentation process. He also gives his inputs while drafting SLAs and contracts.

What needs to be delegated?

The next level subordinates could get involved.

New Accounts Start Up

What is expected?

The operation start up for a new account is smooth and meets the agreed timelines. The SLAs are met and stabilisation of the operation takes place in reasonable time.

What the warehouse manager does?

He reviews the start up plans and supports & guides the team in mobilising the resources. Initially, he oversees the operation on a daily basis.

What needs to be delegated?

The start up planning, mobilisation and execution is delegated to the next level.

Financials & Controls

What is expected?

Most organisations have a separate function and functional head to handle finance & controls. But there are some expectations from the operations and the warehouse manager with regards to this as a majority of the expenses and revenue sources are controlled by the operations. The system works through a budgeting and review process. Most of the 3PL contracts work on a 'Cost + Margin' model.

What the warehouse manager does?

The most important requisite for a competent warehouse manager is that he is well aware of his resources, their productivities and costs. He is able to convert all transactions into numbers and help the organisation take decisions. He interacts closely with the finance function in budgeting and reviews.

What needs to be delegated?

The team is involved in giving cost inputs and, at times, interpreting the same to the finance function.

Reporting & Review

What is expected?

The expectation is that the operation function carries out its responsibilities within the agreed parameters of cost, quality & schedules. The warehouse manager is expected to put in necessary reporting and review systems so that variances can be tracked well in advance and timely corrective actions

can be taken.

What the warehouse manager does?

The warehouse manager creates systems to accurately capture and report on all parameters of the operations and on a daily, weekly and monthly basis. He spends quality time with his team in understanding and analysing the reports & works on corrective actions.

What needs to be delegated?

The data capturing and reporting is delegated

Community

What is expected?

Normally, most warehouses will be located outside the city limits due to cost and availability considerations. The warehouses located in rural areas bring in the challenge of dealing with local communities. They should get a feel that they are benefitted by the presence of the facility there and they do not become a catalyst in interrupting the operations in any way. The operations function has a direct conduit with the community because of their association with the warehouse staff and sub contractors who may come from the locality.

What the warehouse manager does?

He understands the influential powerhouses in the community and maintains the communication lines with them. He could take the position of a PR manager in such a role. He must ensure that neither he, nor his team directly or indirectly overstep the organisation's mandate.

PLANNING IS KEY

The above guidelines may not be fully applicable to all organisations. But it brings out the fact that a competent warehouse manager spends more time in planning rather than implementing it. It is impossible for a warehouse manager to directly get into all the aspects of operation. However, it is important that to become successful he uses the 80:20 rule to plan his time. ■

H Shriram, MD, ImpelPro SCM Solutions