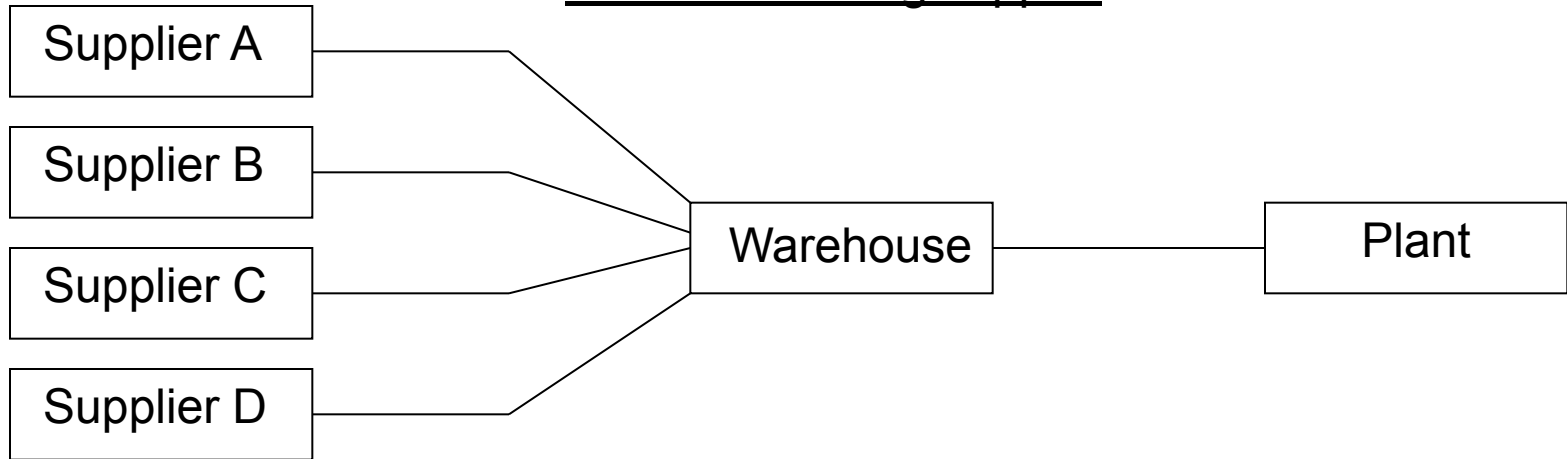


8. Warehousing

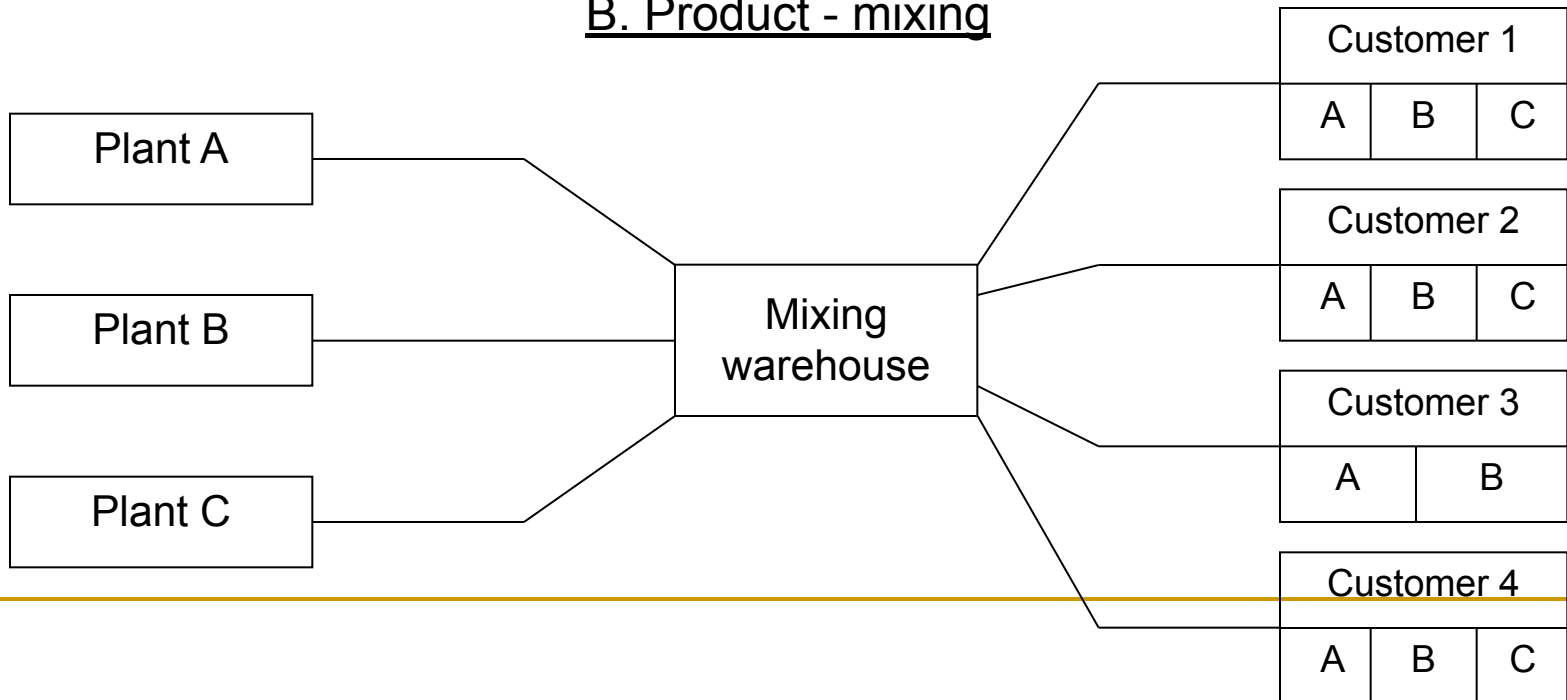
1. **Nature and Importance of Warehousing**
 2. **Types of warehousing**
 3. **Operations: Three Functions**
 4. **Public versus Private warehousing**
 5. **Facility development**
 6. **Location analysis**
-

8.1. Nature and Importance of Warehousing

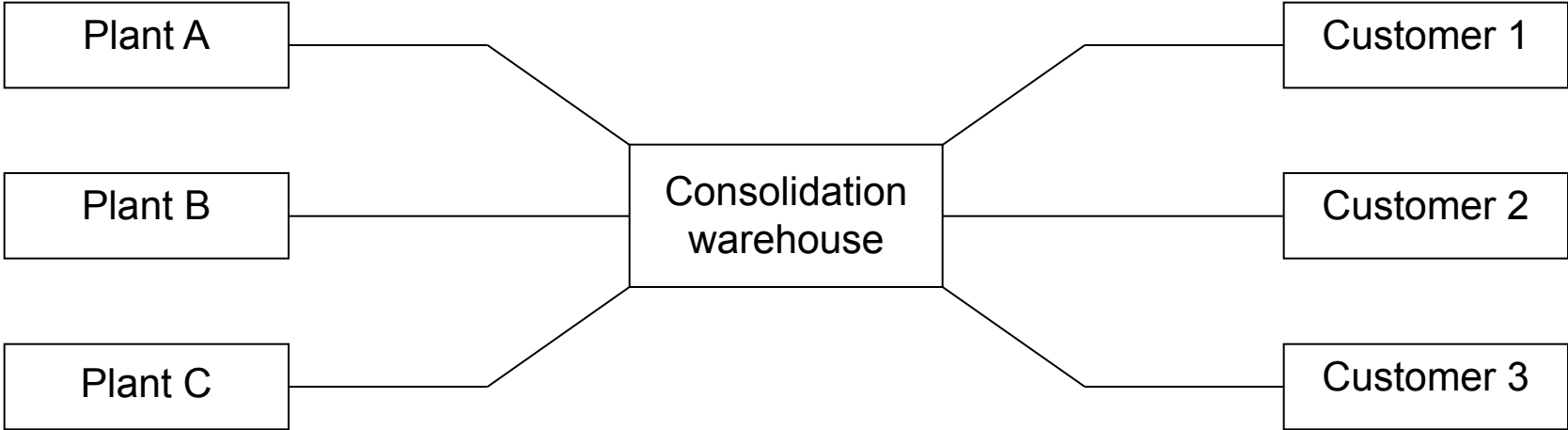
A. Manufacturing support



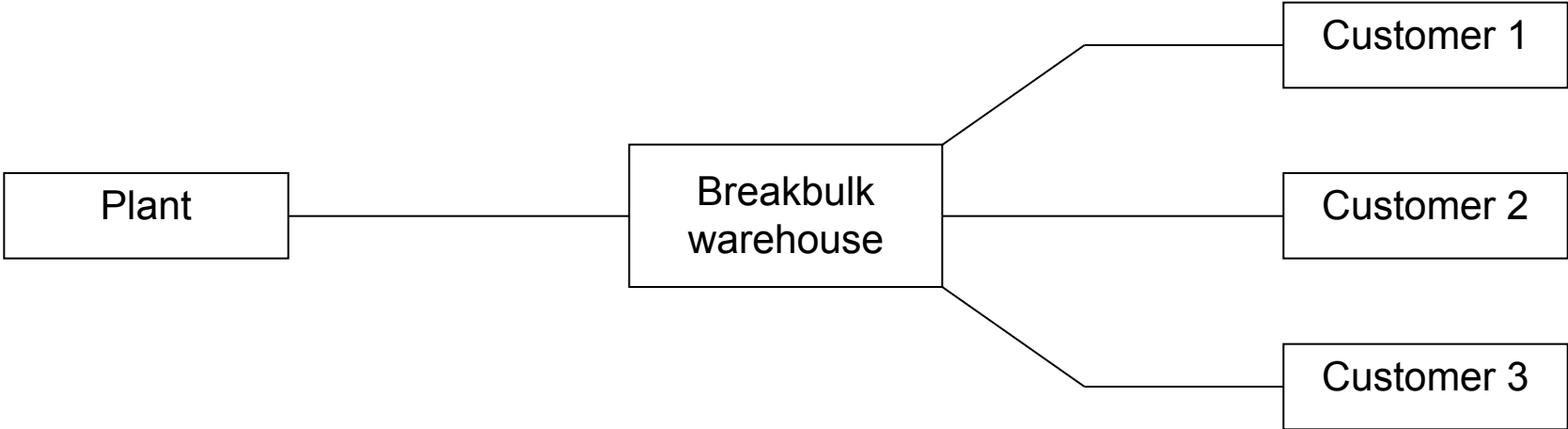
B. Product - mixing



C. Consolidation



D. Breakbulk

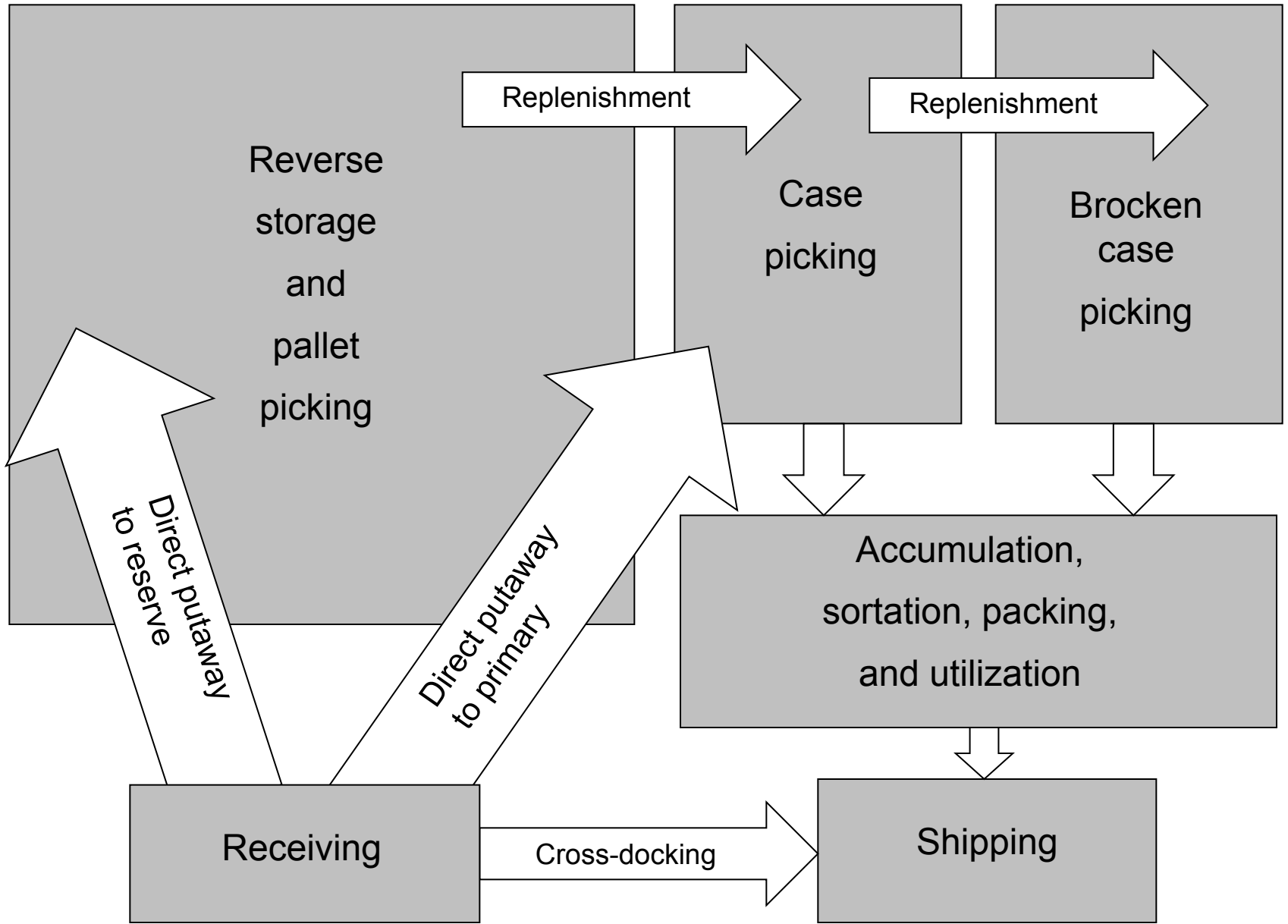


8.2. Types of warehousing

1. Direct store delivery.
 2. Cross-Docking.
 3. Contract Warehousing *is a long term mutually beneficial arrangement which provides unique and specially tailored warehousing and logistics services exclusively to one client, where vendor and client share the risks associate with the operation. There is the focus on productivity, service and efficiency, no the fee and rate structure itself .*
-

Public Warehouses

1. General Merchandise Warehouse.
 2. Refrigerated Warehouses.
 3. Bonded Warehouses.
 4. Household Goods Warehouses.
 5. Special Commodity Warehouses.
 6. Bulk Storage Warehouses.
-



8.4. Public vs. Private warehousing

1. Public warehousing

Advantages

1. conservation of capital
2. the ability to increase warehouse space to cover peak requirements
3. reduced risk
4. economies of scale
5. flexibility
6. tax advantages
7. specific knowledge of costs for storage and handling
8. potential minimization of labor disputes

Disadvantages

1. communications problems
 2. lack of the specialized services
 3. shortage of space
-

2. Private warehousing

Advantages

1. degree of control
2. flexibility
3. less costly over the long term
4. better use of human resources
5. tax benefits
6. intangible benefits

Disadvantages

1. lack of flexibility
 2. financial constraints
 3. rate of return
-