

## Lean Warehousing Increases Productivity

**New, Application-oriented Training Concept Developed by KIT in Cooperation with McKinsey Shows Methods How Companies Can Make Their Warehousing more Efficient**



*View into the model warehouse: Here, logistics staff is trained and lean management methods are transferred to logistics.*

**No matter whether components are supplied for automotive industry, books are printed, or clothes are produced: At the end of production, the goods reach a warehouse and wait for their dispatch. At this point, even leading companies often have a bottleneck that limits efficiency. A close-to-practice training course of Karlsruhe Institute of Technology and the McKinsey consulting company now helps analyze and improve processes at the warehouse. For this purpose, methods of the so-called lean management are adapted to warehousing requirements.**

“Warehousing often is neglected by the company management,” Katharina Dörr, trainer at the KIT model warehouse, knows. “While production, marketing or sales are optimized, warehousing is often considered an annoying accessory of the core business, where efficiency cannot be enhanced anyway.”

However, the training courses reveal that productivity can well be doubled or tripled. “We attach high importance to concrete practical examples at our model warehouse,” Christoph Kunert, who is also a

**Monika Landgraf**  
Chief Press Officer

Kaiserstraße 12  
76131 Karlsruhe, Germany  
Phone: +49 721 608-47414  
Fax: +49 721 608-43658  
E-mail: [presse@kit.edu](mailto:presse@kit.edu)

**For further information,  
please contact:**

Kosta Schinarakis  
PKM – Science Scout  
Phone: +49 721 608 41956  
Fax: +49 721 608 43658  
E-mail: [schinarakis@kit.edu](mailto:schinarakis@kit.edu)

trainer at the model warehouse, reports. "About 180 products are stored at the model warehouse and are to be taken from the shelves and compiled in client packages by the participants using packing lists. After every training round, the proceeding and success are analyzed and the processes are evaluated. Every working step is checked for its function in creating values added and adapted accordingly," Kunert explains. Transports, stocks, waiting times, and handling times are reduced to optimum values.

The theoretical part of the training was developed by experts of KIT in cooperation with the McKinsey consulting company. Known methods of lean management are transferred to warehousing. Knut Aliche, Head of the European Supply Chain Management Practice of McKinsey: "Transfer of lean management concepts to warehousing is associated with an average cost reduction potential of 20%. The learning-by-doing approach of the model warehouse supports companies in sustainably developing the capacity to use these potentials."

"Consistent measurement of performance and standardization of the improvements reached are important elements that make lean management so successful," says Kai Furmans, Head of the KIT Institute for Materials Handling and Logistics, where the model warehouse is located. "Sustainable improvement, however, also depends on soft factors, such as the attitude and behavior of the staff." For this reason, the training also addresses leadership issues and personnel management at a lean enterprise.

Lean management at the warehouse allows for sustainable operative improvements without high investments and, hence, is also attractive for small and medium-sized enterprises. Lean processes between incoming and outgoing goods directly enhance the productivity of the warehouse.

For more information, click

[http://www.ifl.kit.edu/projekte\\_lean\\_warehousing.php](http://www.ifl.kit.edu/projekte_lean_warehousing.php)

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**tions of research and higher education in natural sciences and engineering in Europe.**

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