

# WAREHOUSE AND INVENTORY PLANNING

## Introduction to Warehouse Management

by

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# Chapter Description

- Expected Outcomes



# Introduction to Warehouse Management

## 1.1 Types of warehouse

# Types of Warehouse

Private  
Warehouse

Public  
Warehouse

Contract  
Warehouse



# Types of warehouses

## 1. Private Warehouse

- Warehouse is owned by the firms that produce the goods or products.

## 2. Public Warehouse

- A firm that offers warehouse services to the public for a fee based on the amount of spaced used and the number of shipments into or out of the facility.

## 3. Contract Warehouse

- Companies offer to build, own and operate warehouse facilities for the benefit of clients who do not want to undertake those responsibilities themselves.



# Private Warehouses

Firm owning the  
product

Owned or lease

Operated as  
separated division  
within a company

On-site and  
off-site  
warehousing



# Public Warehouses

General  
merchandise

Refrigerated  
warehouse

Commodity  
warehouse

Bonded  
warehouse

Household goods  
or furniture  
warehouse



# Public Warehouses

- Public warehouses are classified as:
  - Common/ Normal goods,
  - Chilled/Refrigerated,
  - Special commodity,
  - Bonded,
  - Household goods and furniture.
- Material handling and technology used in warehouse is different and its based on the product and environmental characteristics.





# Public Warehouse

General merchandise - handle general commodities



Chilled/Refrigerated warehouses- handle products require special temperature



# Public Warehouse

**Commodity warehouses - handle bulk material or special handling**



**Bonded warehouses- licensed by government and to pay duties**



# Contract Warehouses

Combines private  
and public  
operations

Long-term  
relationship

Shared risks and  
lowered costs

Provide expertise,  
flexibility and  
economies of scale



# Conclusion of The Chapter

- Conclusion #1

