

Module 4

*Section C: Evaluate Warehouse Facility Layout
Decisions and Manage Performance*

Term
Capacity

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Cube utilization

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Efficiency

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Honeycombing

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Rated capacity

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Software-as-a-service (SaaS)

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Standard hours

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Standard time

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In warehousing and transportation, a measurement of the utilization of the total storage capacity of a vehicle storage bay, container, type of warehouse equipment, or entire warehouse. The intent is to minimize unused horizontal or vertical space.

1) The capability of a system to perform its expected function. 2) The capability of a worker, machine, work center, plant, or organization to produce output per time period. Capacity required represents the system capability needed to make a given product mix (assuming technology, product specification, etc.). As a planning function, both capacity available and capacity required can be measured in the short term (capacity requirements plan), intermediate term (rough-cut capacity plan), and long term (resource requirements plan). Capacity control is the execution through the I/O control report of the short-term plan. Capacity can be classified as budgeted, dedicated, demonstrated, productive, protective, rated, safety, standing, or theoretical. See: capacity available, capacity required. 3) Required mental ability to enter into a contract.

The practice of moving, in an orderly fashion, a pallet of merchandise to an area where the space is not exhausted, resulting in a vacant space not usable for the storage of other items. This is one of the hidden costs of warehousing.

A measurement (usually expressed as a percentage) of the actual output relative to the standard output expected. [This] measures how well something is performing relative to existing standards; in contrast, productivity measures output relative to a specific input (e.g., tons/labor hour). [It] is the ratio of (1) actual units produced to the standard rate of production expected in a time period, or (2) standard hours produced to actual hours worked (taking longer means less [of this]), or (3) actual dollar volume of output to a standard dollar volume in a time period. For example: (1) There is a standard of 100 pieces per hour and 780 units are produced in one eight-hour shift; [this] is $780 \div 800$ converted to a percentage, or 97.5 percent. (2) The work is measured in hours and took 8.21 hours to produce 8 standard hours; [this] is $8 \div 8.21$ converted to a percentage, or 97.5 percent. (3) The work is measured in dollars and produces \$780 with a standard of \$800; [this] is $780 \div 800$ converted to a percentage, or 97.5 percent.

A software licensing and distribution model that provides access to applications via the internet on a subscription basis. A service provider hosts the application at its data center and customers access it through a web browser. Often referred to as “on-demand” software and used by companies to avoid purchasing, implementing and maintenance costs.

The expected output capability of a resource or system. Capacity is traditionally calculated from such data as planned hours, efficiency, and utilization. [This] is equal to $\text{hours available} \times \text{efficiency} \times \text{utilization}$. Syn.: calculated capacity, effective capacity, nominal capacity, standing capacity.

The length of time that should be required to (1) set up a given machine or operation and (2) run one batch or one or more parts, assemblies, or end products through that operation. Used in determining machine requirements and labor requirements. Assumes an average worker who follows prescribed methods, and allows time for personal rest to overcome fatigue and unavoidable delays. Also frequently used as a basis for incentive pay systems and as a basis of allocating overhead in cost accounting systems. Syn.: standard hours. See: standard.

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Task interleaving

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Utilization

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Warehouse management system (WMS)

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Yard management system (YMS)

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1) A measure (usually expressed as a percentage) of how intensively a resource is being used to produce a good or service. Compares actual time used to available time. Traditionally, calculated as the ratio of direct time charged (run time plus setup time) to the clock time available. [It] is a percentage between 0 percent and 100 percent that is equal to 100 percent minus the percentage of time lost due to the unavailability of machines, tools, workers, and so forth. See: efficiency, lost time factor, productivity. 2) In the theory of constraints, activation of a resource that productively contributes to reaching the goal. Over-activation of a resource does not productively [use] a resource. See: available time.

An attempt at reducing/eliminating deadheading (i.e., driving an empty material-handling vehicle). A warehouse management system directs a material-carrying vehicle to put away materials as it goes to pick up other materials.

A system that organizes and directs the traffic of all vehicles in the parking yards located at various industrial buildings like warehouses, distribution centers, and manufacturing plants.

A computer application system designed to manage and optimize workflows and the storage of goods within a warehouse. It often interfaces with automated data capture and enterprise resource planning systems.