



*We are observing many businesses running with a throughput rate five years ahead of time. This is challenging their current warehouse infrastructure as it does not match the high volume of parcels. We will surely see a high level of investment in 2021.*

– Paul Byers, National Sales Manager at Caljan UK

### Optimizing and upgrading the warehouse to the new normal

Many retailers and 3PLs are looking forward to the pandemic coming to an end and being able to establish a baseline. Optimizing the current warehouse or fulfillment setup is a top priority to determine appropriate stock levels and strike a balance between palletized and loose cargo.

► I am sure we will see a high level of investment in 2021. This will include optimizing existing warehouses, upgrading handling equipment for floor loaded cargo, opening new warehouses and last-mile depots. Once we are on the other side of the pandemic, we may return to the global ecommerce growth rate of 15% year-on-year. This will not necessarily be driven by mature markets like Germany, the UK, and the US, rather other countries that might not have 3PLs, predicts Paul Byers.

Efficiency is essential if the handling operation is to successfully keep up with the growth in ecommerce. For the cost and time of handling each parcel to be reduced, it is vital that weak areas of the warehouse operation are identified, and manual processes automated – ensuring that the operation is ready for the future.

### Future of ecommerce for retailers and 3PLs

- In 2020, global ecommerce sales grew 27.6% for the entire year, with sales over \$4 trillion, and it is expected that retailers should prepare for future growth.
- Salesforce's State of the Connected Consumer report found that 58% of consumers expect to do more online shopping after the pandemic than before.
- A report by Narvar found that 56% of consumers tried a new retailer during the pandemic, as a response to an item being out of stock or untimely delivery.

#### FAST TRACK

- Bringing in more automation to optimize the warehouse processes will help retailers increase capacity.
- The change in online consumer behavior results in high volumes of outbound parcels and inbound parcels, which is challenging warehouse capacity.
- A top priority is investing in new equipment and optimizing the current warehouse to handle both pallets and floor loaded cargo efficiently.

# Handling Floor Loaded Cargo in a World of Pallets

Technological advancements in handling equipment have become vital in efforts to stay cost-effective. Managing delivery times is a global challenge – as consumers increasingly bypass the Shopping malls and stores and instead shop online. Switching to floor loaded cargo and deploying automation can help retailers survive in a competitive landscape that is changing rapidly.

Ecommerce continues to surge, and parcel volumes are sharply rising, in response to the pandemic and the transformation in consumer behavior. For this reason, many parts of the supply chain are running on extremely tight capacity. Warehouse facilities are challenged to get their floor loaded cargo quickly out of the door, especially when the operation is only geared towards palletized cargo.

Warehouses are struggling to handle the influx of online orders efficiently, dealing with stock destined for stores that are still under lock-down, and providing the short delivery times expected by consumers. Many brick-and-mortar stores now play a significant part in distribution, as they have taken on the role of fulfillment centers.

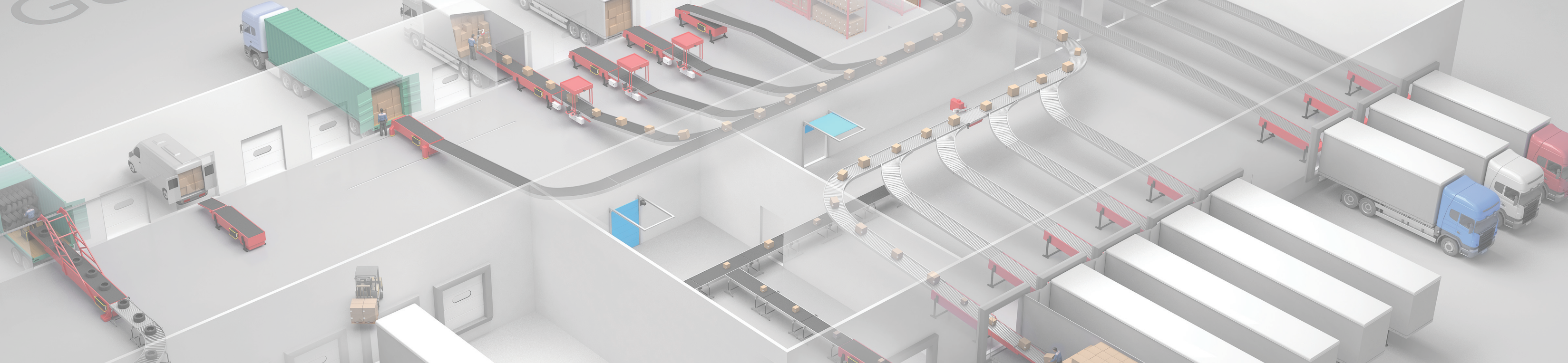
With ecommerce set to grow over the next five years, retailers must find new handling technologies to enable an effective operation that can flexibly handle different types of cargo and distribution. Implementing solutions that accommodate loose loaded cargo to optimize capacity and improve efficiency are pushed forward on the Operations and Logistics Manager's agenda.

### Moving from pallets to floor loaded cargo

Retailers are transitioning from pallets to floor-cargo and advanced conveyor technology. Transporting partial pallets is extremely inefficient from a trailer capacity perspective, as Jan Soelling-Joergensen, Sales Director at Caljan Germany, illustrates:

► The problem is if you load a trailer only with pallets, or gaylord bins there is a lot of unused space in the sides and above. That space could potentially have been used to load more cargo, meaning that you could have increased your trailer capacity and reduced your overall freight costs.

Removing pallets from the equation typically increases a 53-foot-long trailer's capacity by an extra 8,000 parcels, packages, and polybags. Transporting higher volumes of loose cargo is a more cost-efficient and environment-friendly way of shipping. It saves time on handling, requires fewer vehicles, and eliminates wrapping needed to stabilize palletized cargo. An improvement, reducing the carbon footprint of transporting goods. Cube utilization goes up, total truck trips goes down



### Connecting the loading dock with the warehouse

Using advanced handling technology such as telescopic conveyor solutions enables facilities to reduce handling between the warehouse and the loading dock. This type of equipment is often considered due to its basic utility and available special features to offer a high degree of automation and even mobility. Jan Soelling-Joergensen continues:

- ▶ If your warehouse has space limitations, you can swiftly move the equipment around to suit your specific needs. Telescopic conveyor solutions allow you to connect the loading dock with your sorting and picking area, enabling you to reduce the handling time of your floor loaded cargo drastically.

### It is also favored for its ability to help reduce the need for labor

- ▶ Telescopic conveyor solutions allow you to minimize the amount of time and labor involved in the loading process. We typically see 3-4 or more people involved in the (un)loading process, which is reduced to only one person when using telescopic conveyor solutions. explains Ron Dwyer, Regional Manager at Caljan USA.

An essential driver for choosing technologically advanced handling equipment is increasing difficulty to attract labor across the logistics and materials handling industry. Other factors include government regulations surrounding work, health, safety, and ergonomic requirements of operating handling equipment.

### Over 50% time-improvement in handling cargo

Purchasing new loading equipment is a significant capital investment. However, businesses discover that the return on investment on telescopic conveyor solutions are visible from day one of operations. The throughput of cargo immediately increases, fewer people are required, creating a faster loading process.

- ▶ You should expect a time-improvement of at least 50% from your manual operation. In November 2020, we helped a company optimize their receiving operation with two telescopic conveyors. They achieved a 62%

time-improvement. This meant that they went from spending 4 hours on unloading a trailer to only 105 minutes, reveals Ron Dwyer.

Applying new automated solutions to the handling operation, such as telescopic conveyor solutions, enables businesses to keep on top of their delivery times, increase the trailer capacity, and seamlessly handle both floor loaded cargo and pallets in the same facility.

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*In November 2020, we worked together with a customer to optimize their operation with two telescopic conveyors, and we helped them achieve a 62% time-improvement. This meant that they went from spending 4 hours unloading a trailer to only 105 minutes.*

– Ron Dwyer, Account Manager at Caljan USA

#### FAST TRACK

- The driving forces are to up-scale manual handling operations and find innovations to help deal increase capacity.
- Difficulties in attracting labor and government regulations are leading to the use of automation in materials handling equipment.
- Handling floor loaded cargo with telescopic conveyor solutions will increase trailer capacity and reduce the overall load time compared to using pallets.