

Flexible warehousing: The future of supply chain



WAREHOUSING

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India spends [13-17% of its Gross Domestic Product \(GDP\)](#) on logistics which is nearly double the logistics cost to GDP ratio in developed nations. Of this, warehousing makes up for nearly 25%. The high cost is a cumulative effect of myriad challenges - from sub-par infrastructure and a lack of synchronization between the storage capacities & the inflow of goods to the lack of skilled labour and a sluggish rate of technology adoption. Also, more than 90% of the warehouses in the country are being operated by unorganised bodies, further trammelling their options to automate the bare minimum warehousing operations.

The silver lining is that in recent years, with pivotal developments like the implementation of GST, growing support for 'Make in India' and increase in the volume of global investments and exposure, the Indian warehousing landscape is witnessing major transformations. Leading the pack is a flexible approach to warehousing, enabled by technology.

What is flexible warehousing?

Flexible Warehousing is akin to an elastic storage setup that adjusts itself according to business fluctuations and seasonal demands. Contrary to a traditional or a contract warehouse, where the entire space, labour, equipment etc. are handed over to a single company for a fixed period, flexible warehousing allows multiple companies to avail the operations & [services of the warehouse](#) dynamically as per the demands of their business. This enables shorter contracts with higher

flexibility, improved service & efficiency and remarkable cost savings.

What's driving the growth of flexible warehousing?

Flexible warehousing is swiftly emerging as an effective solution to the many challenges the country's warehousing industry is facing including high labour & operational costs, reduced availability of prime land sites, increasing growth of last-mile delivery and rapid expansion of e-commerce as a key mode of purchase. It is primarily being steered by continuous technological improvements and investments in AI, thereby facilitating the growth of leaner, accurate and agile supply chain processes.

Who Needs Flexible Warehousing Services?

The adaptability and ease of using flexible warehouses make them the right fit for small, medium, and large manufacturers alike.

In the current times, especially when the world is battling the disruptions caused by the COVID-19 pandemic across all sectors including logistics, flexible manufacturing provides a physical (warehouse) [warehouses in bangalore](#) in the cloud for all.

Benefits of flexible warehousing: World-class features at a fraction of the cost

Cost-effectiveness: With flexible warehousing, companies only pay for the space they use and share resources with others. This means that they can conveniently bring down their warehousing costs and increase their supply chain efficiency as well as profits.

Increased Flexibility: The accommodative nature of flexible warehousing enables companies to keep up with seasonal changes and business fluctuations by offering extra space during volume surge and low costs with less space during dry sales periods.

Efficient Inventory Management: Flexible warehousing allows companies to adjust their inventory according to customer demands and variations in the business cycle, promoting efficient inventory management.

Faster Time to Market: The rising consumer demand for the same or next-day delivery of products has affected the supply chains of many companies. A great number is now opting for flexible warehousing facilities that can handle products with care and facilitate speedy shipping.

Scalability: Flexible warehousing allows companies to scale up proportionally as per demand instead of spending humongous amounts on a fixed basis. This paves the way for the optimization of their resources and growth.

How to choose a flexible warehousing provider?

The warehousing market is flooded with various flexible warehousing providers, each with its unique offerings. If you are looking for one, do take note of the following features:

The future of flexible warehousing

Advancements in technology including newer, hyper-connected facilities with wireless technology and real-time inventory tracking, increased automation and mobility are set to change the face of the industry for the better. These innovations will not only enhance the quality of warehousing but also make it more lucrative.

With a growing number of companies and individuals realising the importance and potential of leaner and more agile supply chain processes, that facilitate the 'ease of doing business,' a progressive shift towards the same is being observed. In the years to come, we are likely to witness the emergence and use of smarter technologies and processes shepherding the acceleration of flexible warehousing.

[Contact us](#) today for detailed insights on how Varuna Group can support your business.

Frequently Asked Questions

What is flexible warehousing?

Why is flexible warehousing important for the future of supply chains?

How does flexible warehousing benefit businesses?

Which industries can benefit most from flexible warehousing?

