

MBA FINAL PROJECT

Feasibility study of Public Warehouse

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“I declare that report is, in entirely, my own work, that it has not previously been presented
in whole or part, for any other award, or published, in whole or part elsewhere”

Waqas Ashraf

25/08/2011

To my Parents and Brother, Thank you for your unconditional support and I'm honored and feel lucky to have u in my life, thank you to let me prove and improve myself through all my walks of life.

Preface

The MBA FINAL PROJECT made my vision to all the business dimensions including focusing each sector, wiser and thought provoking and with different strategies, analysis, techniques and parameters, which I learned. The feasibility study made my view broader to understand the business startup, polishing it and strengthening its position by applying all the knowledge and methodologies, which I learned throughout my master's degree.

To learn something one must have to work hard and for this I really struggled hard and worked smartly to find out the facts and figures from different sources of the industry and market we choose that is warehousing.

Yet somehow I successfully gather the required primary and secondary data either it was the initial step to start the project but moving on, was stuck in different scenarios, analysis and finding the actual statement and ground realities. However, I need to find all possible outcomes, surface structure and result and to overcome to these difficulties, spent my time to know how to complete the task and I am sure that this knowledge will help me in my professional career in future.

Acknowledgement

As being Muslim, we believe that every good act or thing we did is all because of our Almighty ALLAH and I am thankful to Him that He made me capable and gave me the ability to understand the things and to get the knowledge of the world. Secondly, I am thankful to my parents who allow me to join this platform to gain knowledge. Special thanks to my *Supervisor* **Mr. Ijaz Yousaf** and *Co. supervisor* **Mr. Haris Aslam** who guide me thoroughly about the tools and methods and lead me to deal how to analyze the market and industry profile and in last thankful to all sources from where I got the data about the market and industry for the project.

Executive Summary

For many companies, improved warehouse and distribution center productivity remains a goal to gratify the maximum profit and advantages not only in one dimension of the firm but for the overall improvement. At the present companies are focusing and moving towards the public warehouse facility rather than to invest and built their own warehouse. As per the market trend and requirement, the report focused to establish the public warehouse. To initiate Public Warehouse, which will provides Storage, Handling, Scanning, Housing, Stacking, other valuable services to different companies. Like a range of labor solutions including picking, packing, inventory control software and dedicated workforce. The warehouse will operate as contractual party to provide services to contractual companies. Study also draw attention how important it is and beneficial for companies to hire Public Warehouses to handle their operation this will result in reduction of cost, financial risks, Lead time and increase in efficiency and effectiveness of product. Many of today's manufacturers are turning to public warehousing for the bottom line advantages. It provides to their businesses, including flexibility, transportation consolidation, variable cost of operations, preservation of capital, channel customization, market knowledge, postponement, agility, customer intimacy and intelligence, business focus, human resources management, information technology, expertise, control and purchasing power. To justify the study it contains research methodology tools and techniques like qualitative and quantitative research including primary and secondary research and further analysis in order to bring results that are more tangible.

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Literature review

We the people consume many things on regular basis in our lives specially the variety of food items. Many of the items not produced or cultivate for all the months of the years but still we consume them regularly. We always focus on to consume rather than to think how we able to get it from all of the months of the years even though we know that these food grains are not produced throughout the year and how the farmers are able to supply these incessantly to us.

Since the production takes place during a particular season and specific areas there is a need to store these grains or other things systematically and in a proper way. People always store some items to consume in their houses but that stock should be limited and it is for our own and these households forced to function as self-sufficient economic units but there are certain places or stores where these items are stored in a large / bulk amount or quantities in a proper organized and efficient way. Even if we talk about the Stone Age, caves served as places to temporarily store goods.

Basically the storage of goods for a certain period of time in a particular place is called the warehouse. However, moving with the trends and catering all the aspects of new developed era the function of warehouse are urbanize vice versa and now it is move from the storage site to modern hub.

A warehouse is a hub in a logistics network where goods are temporarily stored or routed to a different channel in the network. The logistics functions and the warehouse are the key player in a company success therefore; facility network design is also a primary responsibility of logistical management. (*Business logistics Management: Ronald H. Ballon*) Typically, logistics facilities are manufacturing plants, warehouse, cross-dock operations and retail stores. As far as the business operations are concern the number, size and geographical relationship of the facilities used to perform logistical operations that impacts directly on the customer service capability and cost (*Supply chain and logistics Management : Donald J. Bowersox: 2007*). If the both dimensions planned according to the situation and the market demand, the company can increase its share and profitability drastically.