

# Kardex Releases New Industry Research Report: 2024 Warehousing Outlook and Trends

*Kardex releases its latest industry report, 2024 Warehousing Industry, sharing insights on the current state of order fulfillment and what lies ahead in 2024.*

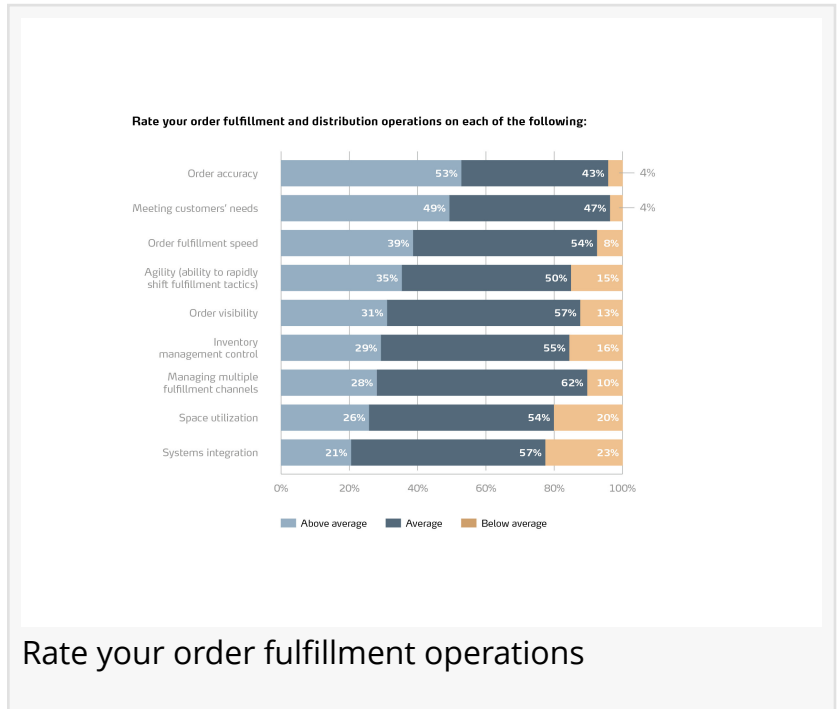
WESTBROOK, ME, UNITED STATES, February 5, 2024 /EINPresswire.com/ -- To learn more about the current and future state of the modern order fulfillment operation, Kardex commissioned [an industry survey](#) with Peerless Research Group.

According to [the survey results](#), the persistent labor shortage, ongoing supply chain interruptions, rising freight costs and the fear of running out of physical space remain as top issues in the order fulfillment and distribution operations space.

Not surprisingly, these pain points are expected to roll right over into 2024. As labor, materials and shipping costs continue to put pressure on companies' bottom lines, more of them continue to turn to technology, automation and robotics to streamline their order fulfillment processes, reduce costs and compete more effectively. They're also making better use of vertical space and using space-saving equipment like automated storage and retrieval (ASRS) systems to improve efficiency and further reduce costs.

## Current State: What's working and what's not

When asked to rate their order fulfillment and distribution operations survey respondents expressed satisfaction with order accuracy, but gave average ratings for order fulfillment speed and visibility. A staggering 74% of respondents reported space utilization issues and 71% reported inventory control issues.



## Fulfillment Bottlenecks

Primary bottlenecks in order fulfillment and distribution arise in inventory management, with a significant portion of companies citing it as their foremost bottleneck. Other critical bottlenecks include replenishment and returns management, emphasizing key areas demanding operational improvement.

## The Labor Crisis

Hiring and retaining workers remains as the number one concern for 34% of companies, underlining the fact that the “Labor Crisis” is still alive and well. The severity of employee turnover has notably escalated in recent years, with 73% of companies struggling to find sufficient labor, 70% grappling with unreliable employees, and 52% facing challenges in recruiting workers with the requisite skills.

Additionally, 20% of companies are contending with high labor rates, hindering their ability to fully staff operations. These labor-related issues compound the broader challenges, including supply chain disruptions, increased transportation costs, space constraints, and heightened customer demands for faster delivery.

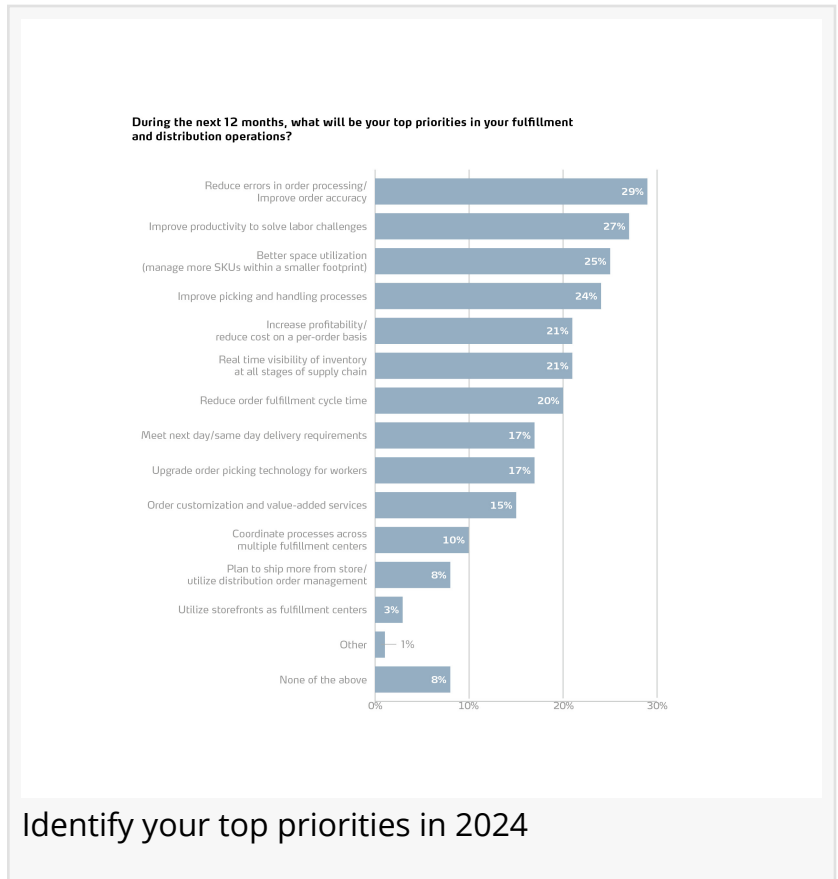
[Download the full report.](#)

## What’s Coming in 2024? Top goals for 2024

As companies look into the horizon of 2024, key objectives align with bolstering overall operational efficiency. A notable percentage are prioritizing error reduction and enhanced order accuracy, while an equivalent percentage seek higher productivity levels. Companies aim to tackle their space utilization challenges and target improvement in picking and handling processes.

Goals for the upcoming year extend to increased profitability, decreased costs per order, real-time inventory visibility throughout the supply chain, streamlined order fulfillment cycle times, and upgrades in order-picking technology. This collective focus reflects the industry's commitment to achieving both financial gains and operational excellence.

## Expected Challenges



To no one's surprise, labor reigns supreme at the top of order fulfillment and distribution center managers' challenges. It's also no surprise to see supply chain and freight costs continue to keep warehouse and distribution center managers up at night. As if that wasn't enough, customer demand for faster delivery continues to trend upwards as more consumers' e-commerce delivery time expectations continue to balloon as the "big fish" drive delivery times down.

The challenges don't end there. Companies also expect to deal with replenishment issues, higher order volumes, the need for better order accuracy and ongoing returns management pain points. For at least one respondent, "convincing corporate that we need to move into the 21st Century in warehousing" will present the biggest roadblock over the next 12 months.

Comparing these results with the current challenges that warehouse and DC operators are dealing with—hiring and retaining workers; supply chain disruptions and shortages; higher freight and transportation costs and increased customer demand for faster delivery—it's clear that companies expect many of 2023's top challenges to roll over into 2024.

So, what's the plan?

Moving into 2024, companies will tackle their order fulfillment and distribution challenges by enhancing their process capabilities, implementing or upgrading order fulfillment technologies, make staffing changes, or implementing / upgrading their order fulfillment software.

Technology and automation will continue to play an increasingly important role in the modern order fulfillment or distribution environment this year. Focused on streamlining processes, improving labor utilization, increasing throughput and improving customer satisfaction levels, organizations that make the move toward automation now will be best positioned for success in 2024.

About Kardex

Kardex is a leading intralogistics solution provider of automated storage, retrieval and material handling systems. With two entrepreneurially managed divisions, Kardex Remstar and Kardex Mlog, the Kardex mission is to provide solutions and services to increase the efficiency in storing and handling of goods and materials on a global scale.

The two divisions serve as partners over the entire life cycle of a customer's product or solution. From project analysis to realization and service, Kardex helps improve a customer's performance every step of the way. With three own production plants in Germany and one in North America Kardex ensures high quality solutions. To maintain and strengthen its competitive position within technological innovation and outstanding customer loyalty, Kardex is investing in research and development, its supply chain, the expansion of its service organization as well as in new technology via acquisitions. Kardex actively partners with global leaders who share the same values and complement the Kardex solutions including AutoStore, Rocket Solution, Intertex and Sumobox.

Kardex employs 2,000 team members across 30 countries and has installed over 140,000

industry-specific solutions worldwide.

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