

Warehouses Are Losing Up to 40% of Storage Capacity to Poor Racking Design

A new YRC audit finds warehouse layout design flaws, not space shortage, are driving up storage costs for retail chains.

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/EINPresswire.com/ -- What if the warehouse a retailer just leased is actually smaller than the invoice suggests? Empty aisles, mismatched racking heights and dead-end bays are quietly shrinking usable space long before a single pallet gets stacked. Your Retail Coach (YRC), a specialist retail and eCommerce consulting firm with 500+ businesses advised across the globe, has released findings from a structural review of warehouse racking configurations across multiple facility types. The review points to a pattern operators rarely catch on their own: capacity loss built into the racking, not the floor plan.



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Retailers keep renting more square footage instead of fixing the racking that is wasting the footage they already have.”

Nikhil, COO at Your Retail Coach

YRC's audit found that facilities lost between 20% and 40% of total storage capacity to inefficient racking configurations. Aisle widths exceeded operational necessity by as much as 35% at several sites, adding cost without adding throughput. Vertical space utilisation averaged just 58% of available height across the sample.

Pick-face inefficiency alone added an estimated 12% to labour hours per shift. Racking gaps and misaligned bay depths left close to 1 in 4 pallet positions empty on any given day.

None of this reads as bad luck. It reads as the predictable cost of scaling storage without revisiting [warehouse layout design](#) as volume changes.

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YRC created a modular structure for diagnosing and resolving the inefficiencies in the racking process without disrupting the operations.

- > Full Racking & Bay Audit: YRC uses measurements for each rack, bay depth, and aisle width by measuring SKU movement rather than calculating an average based on assumptions.
- > Vertical Capacity Mapping: During the audit, capacity usage is benchmarked to the ceiling, usually gaining an additional 15% to 25% of unused vertical capacity.
- > Warehouse Racking Configuration Redesign: The process redesigns the rack configuration to align with the reality of SKU pick rate, as opposed to configurations made in a past lease agreement.
- > SKU Velocity Zoning: Fast-moving inventory shifts closer to dispatch points, cutting travel distance for pickers.
- > Warehouse Setup Cost Modelling: YRC compares the cost of racking correction against the cost of leasing additional space.
- > Phased Implementation Plan: Changes get sequenced in stages, and daily operations continue without disruption.
- > Post-Implementation Review: A follow-up audit confirms whether recovered capacity holds under real order volumes, typically validating 18% to 30% gains.
- > Phased Implementation Schedule: Adjustments are implemented in phases, and day-to-day operations go on uninterrupted.
- > Review after Implementation: This post-implementation audit verifies that the saved capacity remains true to actual order quantities, and usually proves savings of 18% to 30%.

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The cost of renting warehouses is increasing in all significant logistics routes due to lack of industrial land and increasing pressure on speedy fulfilment. Retailers that invest in re-racking get more functional space from the available area before the expiry of the current lease agreement that will cost them more upon renewal.

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Your Retail Coach is a specialist [0000000 000 00000000000 00000000000 00000](#) serving retail chains globally, with offices in Dubai, Pune, and Nigeria. Having advised 500+ businesses across SOPs, inventory management, store design, HR systems, ERP implementation and [00000000000](#) [00000000000000](#), YRC works from the shop floor outward, building systems that hold up under real operating conditions rather than boardroom assumptions.

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