

### Autonomous warehousing and its growing importance in logistics

**Globalization has affected international trade and commerce. Every company must cope and beat the increasing international competition. Increasing international competition has forced companies to increase their operational efficiency. Warehousing, especially with trends like just-in-time (JIT) [LINK to article], have become a key focus point for every company. In the article below you can read how technological improvements have made autonomous warehousing possible.**

Digitalization has reached almost every aspect of our life. It changed how we socialize, trade, communicate and how we do logistics. New technology companies created innovative solutions to make logistics even more effective and reduce expenditure. An important driver of this development are the advancements of autonomous technology. The autonomous truck technology has been introduced in a previous NEWS article [LINK to article]. This article will look at autonomous warehousing and its importance for the improvements in logistics.

The idea to reduce expenditure is not new. Ever since companies saw logistics as a source for corporate improvement, they looked for ways to make it more efficient. One of the first technologies used was the assembly line. The first large scale application of the technology was in 1913 at the Ford Motor Company's Highland Park in Michigan (Goss, 2020). Apart from assembly lines, production and warehousing soon became more and more automated. Machines started to take the place of humans. Automation in general can help companies to achieve financial savings by reducing labor expenditure and increase productivity (Attar, 2020). The first warehousing robot was invented and patented by George Devol in 1954 (Bowles, 2020). Further technological advancements in the fields of sensorics, artificial intelligence and software engineering made the development of autonomous warehousing skyrocket in the last decade (Bowles, 2020). Because of that development, the first fully automated warehouse started operating in Shanghai (China) and is run by JD.com a Chinese e-commerce giant (Hornyak, 2018). JD.com partnered up with Mujin, a Japanese robotics start-up, which is a leader in the industry. JD.com is one of few companies using autonomous warehousing with this level of automation. Research has shown that two out of three warehouses use warehouse management system (WMS) the basis that is needed to develop fully automated warehouses (Attar, 2020). Costs and time requirements are still a substantial barrier, especially for smaller companies.

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If you want to work with a team of logistics experts, who are familiar with all the latest trends in the sector contact your OCCON consultant today. We can help you revise your current network and our tools will help you to automate large portions of your logistics and procurement processes. Ask your OCCON consultant for a demo on our Network Optimizer to optimize and estimate your logistics costs.



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### About OCCON

OCCON is an independent, owner managed logistics and procurement consulting and software company with headquarters in Ludwigshafen, Germany. The service provider supports manufacturing and trading companies of various industries in transport procurement and logistics on global scale. Via their in-house-developed eProcurement platform, NOCCO a yearly spend volume of 5 bn USD is covered.

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