



# Warehouse Capacity Planning Checklist

## 1 PHYSICAL AUDIT: CALCULATING YOUR WAREHOUSE CAPACITY

- Identify Clear Height:** Measure from the floor to the lowest hanging obstruction: sprinklers, lighting, or HVAC ducts - not the ceiling. This is the height you can actually use.
- Calculate Net Storage Area:** Subtract non-storage areas like offices, breakrooms, restrooms, and equipment charging stations from your total square footage. What's left is what you have to work with.
- Map Dead Space:** Document columns, rack uprights, fire equipment, and other obstructions that reduce your usable footprint. These add up faster than you think.
- Verify Inventory Accuracy:** Confirm your inventory counts and cube measurements are current. If your system data is stale or inaccurate, your capacity calculations won't reflect reality.

## 3 INTERNAL OPTIMIZATION: MAXIMIZING YOUR WAREHOUSE SPACE

- Vertical Check:** Can you add higher racking tiers or stack bulk goods higher to capture unused vertical cube?
- Aisle Analysis:** Are travel lanes sized correctly for your equipment, or are they consuming more space than necessary?
- Reslotting:** Move high-velocity SKUs closer to the dock to increase throughput and reduce floor congestion. Fast movers shouldn't be buried in the back.

## 2 CURRENT STATE: WHERE YOU STAND RIGHT NOW

- Total Cubic Capacity:** Multiply your net storage area by your clear height, then apply your storage utilization factor (typically 0.80–0.85 for selective pallet racking).
- Utilization Percentage:** Divide your current inventory volume by your total cubic capacity. This tells you how much runway you have left.
- Projected Utilization:** Review your inbound orders and forecast to determine when you'll reach 85% utilization. Waiting until you're already there means you're already in reactive mode.
- Identify the Danger Zone:** If you're already over 85%, you're entering the range where productivity starts to suffer. Docks slow down. Handling costs climb. Teams start playing what Warehouse on Wheels CEO John Brooks calls "freight Tetris" - the productivity killer.

## 4 EXTERNAL CAPACITY: WHEN TO ADD FLEXIBLE WAREHOUSE SPACE

- Storage Method Check:** Evaluate if you're using the most space-efficient storage mode for you and your business.
- Staging Solutions:** Determine if dock congestion is caused by early inbound arrivals, late outbound pickups, or both. Sometimes the problem isn't space but timing.
- The "Just-in-Case" Strategy:** Identify if you need backup capacity to handle inventory surges, seasonal peaks, or supply chain disruptions before they hit your dock.