



WHITE PAPER

Fewer Fulfilment Errors: Putaway Rules & Pick Lists for a Scaling Warehouse

How ERPNext's Putaway Rules decide where received stock goes, and how Pick Lists turn an order into an accurate, batch- and serial-aware picking run.

For warehouse & fulfilment leaders · 8 min read

EXECUTIVE SUMMARY

A small warehouse runs on memory. Two people know where everything is, and orders go out right because someone walks the floor and checks. Then volume grows — more SKUs, more bins, more staff, more shifts — and that memory stops scaling. Stock gets put wherever there's a gap, pickers hunt for items, wrong or expired lots ship, and returns climb. This paper looks at two ordinary but high-leverage ERPNext features that attack fulfilment errors from both ends of the flow. Putaway Rules decide where received stock should land — by capacity and priority, per item, per warehouse — so goods don't get stashed at random on the inbound side. Pick Lists organise the outbound side: they take a delivery or a manufacturing demand, suggest exactly which warehouse and, where relevant, which batch and serial to pick from, and give the floor a structured picking run instead of a guessing game. Both are real, standard ERPNext Stock documents — we ground everything here in how those documents actually behave, and where an experienced partner makes the difference.

Why fulfilment errors grow as a warehouse scales

In a small operation, accuracy is a people problem solved by people. Everyone knows the fast-movers sit by the door, the fragile stock is on the low shelves, and the old lot goes out before the new one. Nothing is written down because nothing needs to be — the whole map fits in a couple of heads.

Scale breaks that quietly. Add SKUs and the bins multiply. Add staff and shifts and the map no longer fits in anyone's head, let alone everyone's. Now receiving puts a pallet wherever there's a visible gap, and three weeks later a picker spends ten minutes finding it. An order for a batch-tracked item ships whatever lot is nearest instead of the one that should go first. A serial-tracked unit goes out but nobody recorded which serial, so the warranty trail is broken. None of these are dramatic failures — they're small, constant frictions that show up as mis-picks, short-ships, expired-stock write-offs and returns.

The fix isn't heroics or a bigger team. It's structure at the two moments that decide accuracy: the moment stock arrives (where does it go?) and the moment an order is picked (what exactly do I take, and from where?). ERPNext has a standard tool for each.

- More SKUs and bins than anyone can hold in memory — the informal floor map stops working.
- Receiving stashes stock wherever there's a gap, so picking later becomes a hunt.
- Batch-tracked items ship the wrong lot; near-expiry stock isn't sent first.
- Serial-tracked units go out without the serial recorded — the warranty/traceability trail breaks.
- Errors rarely look dramatic; they accumulate as mis-picks, short-ships, write-offs and returns.

Two control points that decide fulfilment accuracy

1

Inbound

Putaway Rules: on receipt, ERPNext suggests where each item goes, filling warehouses by priority and real free space (capacity minus current stock), UOM-aware.

2

Storage

consistent placement: fast-movers to the pick face, overflow to bulk, restricted items kept out of the wrong locations; the decision is encoded once, not re-made per shift.

3

Outbound

Pick List: a delivery or manufacturing demand becomes an Item Locations table — item, source warehouse, required and picked quantity — for a structured picking run.

4

Traceability

batch & serial: for tracked items the Pick List resolves to specific batches and serials, supports first-expiry discipline, and captures exactly what shipped.

5

Feedback

measure the trend: putaway re-handling and unaccommodated items, plus pick-list completion, returns, mis-picks and expiry write-offs, baselined and watched over time.

Putaway Rules — deciding where received stock goes

A Putaway Rule is a small, standard ERPNext document that answers one question on the inbound side: when this item is received, where should it go? Each rule ties an item to a warehouse and gives that warehouse a capacity — how much of the item it can hold — plus a priority. You can create several rules for the same item across different warehouses, and ERPNext uses them to suggest placements automatically when you receive stock.

The logic is deliberately simple and predictable. When you apply putaway on a Purchase Receipt (or a Stock Entry), ERPNext looks at the active rules for each item, works out how much free space each target warehouse actually has right now — its capacity minus current stock — and allocates the received quantity into warehouses in order of priority, filling higher-priority locations first and moving down as they fill. If a warehouse is full, it skips to the next; if the incoming quantity can't be fully placed, ERPNext tells you plainly which items and quantities couldn't be accommodated rather than silently overflowing a bin. It also respects units of measure: a rule can be written in cartons while the item's stock unit is 'Nos', and ERPNext converts using the item's conversion factor so capacity is honoured in real stock terms.

The point isn't clever optimisation — it's removing the daily judgement call. Instead of a receiver deciding on the spot where a pallet lands, the rules encode the decision once: fast-movers to the pick face, overflow to bulk storage, this item never in that cold room. Placement becomes consistent no matter who is on shift.

- One rule = item + warehouse + capacity + priority; multiple rules per item across warehouses.
- On receipt, ERPNext fills warehouses by priority, using real free space (capacity minus current stock).
- Full location? It moves to the next. Can't place everything? It lists the unaccommodated items and quantities.
- UOM-aware — a rule in cartons is converted to the item's stock unit, so capacity stays honest.

- The floor decision is made once, in the rules — not re-decided by whoever receives the pallet.

The screenshot shows the configuration page for a Putaway Rule in ERPNext. The rule is named 'Mineral water' and is currently 'Not Saved'. The configuration includes the following fields:

- Disable
- Item: Mineral water
- Item Name: Mineral water
- Warehouse: Finished Goods - UP
- Priority: 1
- Company: Unico Plastics Inc.
- Capacity: 480.000
- UOM: Carton (highlighted with a red box)
- Conversion Factor: 12
- Stock UOM: Nos
- Capacity in Stock UOM: 5,760

A Putaway Rule in ERPNext — the item, its warehouse, a capacity and priority, with a carton-to-stock-unit conversion so capacity is honoured in real stock terms.

Pick Lists — turning an order into accurate picking

A Pick List is the outbound counterpart: a standard, submittable ERPNext document that organises picking for a purpose — a Delivery to a customer, a Material Transfer, or a Material Transfer for Manufacture that feeds a work order. Instead of handing a picker a bare order and hoping, it produces a structured list of exactly what to pick and from where.

The core of it is the Item Locations table. You tell the Pick List its purpose and, optionally, a parent warehouse to pick under, then let ERPNext get the item locations: it looks at where stock actually sits and fills in, line by line, the item, the source warehouse, the quantity required and the quantity picked. A picker walks a concrete, warehouse-specific list rather than criss-crossing the floor from memory. Because the Pick List is a proper document with a status — Draft, Open, moving through to Completed — a supervisor can see at a glance what's been picked and what's outstanding, and it connects forward to the delivery or stock entry it feeds so nothing falls between documents.

There are practical touches that matter on a busy floor: a barcode scan field and a scan mode for scan-driven picking; a 'group same items' option so the same SKU spread across several order lines is picked in one go; and a manual-pick mode for when a supervisor wants to override the system's suggestion and pick specific stock by hand without ERPNext re-choosing it.

- Purposes: Delivery, Material Transfer, and Material Transfer for Manufacture (feeding a work order).
- 'Get Item Locations' fills the table with item, source warehouse, required qty and picked qty from real stock.
- A submittable document with a status (Draft -> Open -> Completed) that links forward to the delivery or stock entry.
- Barcode scan field and scan mode support scan-driven picking on the floor.

- 'Group same items' consolidates a SKU across order lines; manual-pick mode lets a supervisor override suggestions.

The screenshot displays a web application interface for a pick list. At the top, the breadcrumb path is 'Stock > Pick List > STO-PICK-2021-00002'. A search bar and user profile 'PR' are visible. The main header shows the pick list ID 'STO-PICK-2021-00002' with a 'Submitted' status. Below the header, there are several sections: 'Assigned To', 'Attachments' (with an 'Attach File' button), 'Reviews', 'Shared With', and 'Tags'. The 'Connections' section includes fields for 'Company' (Unico Plastics Inc.), 'Parent Warehouse' (All Warehouses - UP), and 'Purpose' (Material Transfer). The 'Item Locations' section features a table with the following data:

No.	Item	Warehouse	Qty	Stock Qty	Picked Qty	
1	Flask 1L	Stores - UP	1	1	1	Edit
2	Lunch box	Stores - UP	1	1	1	Edit
3	Infuser bottle 500	Stores 2 - UP	10	10	10	Edit

A submitted Pick List — the Item Locations table gives the floor exactly what to pick, from which warehouse, and how much, with picked quantity tracked per line.

Batch- and serial-aware picking — where accuracy really pays

For anyone handling batch- or serial-tracked stock — food, pharma, chemicals, electronics, anything with expiry or a warranty trail — this is where a Pick List stops being a convenience and becomes a control. Picking the wrong lot isn't just a mis-pick; it can mean shipping near-expiry stock ahead of fresh, or losing the serial-level trace you're legally or contractually required to keep.

When an item is batch- or serial-tracked, the Pick List doesn't just say 'pick five of this from that warehouse' — it resolves down to which batches and which serial numbers, drawing on ERPNext's serial-and-batch handling and honouring how the item is configured to be picked. That means the list can steer pickers toward the right lot (supporting first-expiry-style discipline for batches) and capture the exact serials that leave, so the outbound record is precise rather than approximate. ERPNext also validates the picking side — for example, flagging expired batches and checking serial-number status — so problems surface at picking time, on the document, instead of at the customer's door.

The payoff is a clean, defensible outbound record: you shipped these serials, from this batch, on this Pick List, feeding this delivery. That traceability is exactly what falls apart first when a growing warehouse is still picking from memory.

- For tracked items, the Pick List resolves to specific batches and serial numbers, not just a warehouse and quantity.
- Supports first-expiry-style discipline so near-expiry batches go out before fresh stock.
- Captures the exact serials that leave, keeping the warranty and traceability trail intact.

- Validates at picking time — flags expired batches and checks serial status — so issues surface on the document, not at the customer.
- Result: a defensible outbound record tying serials and batches to the Pick List and the delivery it feeds.

Measuring the improvement

Because both features are ordinary documents inside ERPNext's Stock module, the improvement they bring is measurable from data you're already capturing — you don't need a separate system to see whether accuracy is getting better. The honest way to do this is to baseline first and then watch the trend; the numbers will be yours, not ours.

On the inbound side, watch how often received stock lands where the rules intend versus how often it has to be moved again, and how often putaway reports items it couldn't accommodate (a signal your capacities or priorities need tuning, not that the tool failed). On the outbound side, the Pick List's own status flow and its links to deliveries let you track picking throughput and completion, while your returns, mis-pick and short-ship records — and for tracked stock, expiry write-offs — are the outcome metrics that should fall as structure replaces memory. The goal isn't a dashboard for its own sake; it's a small set of before-and-after measures that tell you the structure is doing its job.

- Baseline before you change anything, then track the trend — the figures are yours, measured from your own data.
- Inbound: how often stock lands per the rules vs. needs re-handling; how often putaway can't accommodate items.
- Outbound: picking throughput and completion via Pick List status and its links to deliveries.
- Outcome metrics: returns, mis-picks, short-ships and — for tracked stock — expiry write-offs.
- Unaccommodated-item messages are a tuning signal for capacities and priorities, not a failure.

Getting it right — and getting help

Neither feature is exotic, and both reward being set up to match how your warehouse actually works rather than switched on generically. Putaway Rules are only as good as the capacities and priorities behind them — set capacities that reflect real bin sizes, order priorities to mirror how you want stock to flow (pick face before bulk, ambient before cold), and keep them current as the layout changes. Pick Lists work best when your warehouses model real locations, your items are correctly configured for batch or serial tracking where it matters, and your team agrees on when to trust the suggested picks versus when to pick manually.

This is the seam where an experienced partner earns their fee: translating your physical floor and your fulfilment rules into ERPNext masters, warehouse structure and item settings so the automation reflects reality instead of fighting it — and doing it once, at implementation, rather than after a messy peak season. As an official ERPNext partner working with Indian businesses, we set up the Stock module — warehouses, putaway rules, item tracking and pick-list workflows — around how your goods really move, so fewer fulfilment errors is an outcome of the design, not a hope. If your warehouse is outgrowing memory, that structure is what carries you to the next stage.

KEY TAKEAWAYS

- 1 Fulfilment errors grow with scale because informal floor knowledge stops fitting in anyone's head — the fix is structure at receiving and at picking, not a bigger team.
- 2 Putaway Rules encode where received stock should go: item + warehouse + capacity + priority, filling locations by priority and real free space, and flagging what can't be accommodated.
- 3 Pick Lists turn a delivery or manufacturing demand into a structured Item Locations run — item, source warehouse, required and picked quantity — as a tracked, submittable document.
- 4 For batch- and serial-tracked stock, Pick Lists resolve to specific lots and serials, support first-expiry discipline and capture what shipped — a defensible traceability record.
- 5 Both are standard ERPNext Stock documents, so accuracy is measurable from your own data — baseline first, then watch re-handling, unaccommodated items, completion, returns and write-offs.

FAQ

What does a Putaway Rule actually do in ERPNext?

A Putaway Rule links an item to a warehouse and gives that warehouse a capacity and a priority. When you receive stock and apply putaway on a Purchase Receipt or Stock Entry, ERPNext uses the active rules to suggest where each item goes — filling higher-priority warehouses first, based on the free space each one actually has (its capacity minus current stock). If the full quantity can't be placed, ERPNext tells you which items and quantities couldn't be accommodated rather than overfilling a location.

What is a Pick List and when would I use one?

A Pick List is a standard, submittable ERPNext Stock document that organises picking for a purpose — a Delivery to a customer, a Material Transfer, or a Material Transfer for Manufacture that feeds a work order. It builds an Item Locations table showing each item, the source warehouse to pick from, the quantity required and the quantity picked, so the floor works a concrete list instead of picking from memory. Its status flow and links forward to the delivery or stock entry let a supervisor see what's picked and what's outstanding.

Can ERPNext Pick Lists handle batch- and serial-tracked items?

Yes. For items configured for batch or serial tracking, a Pick List resolves beyond just warehouse and quantity down to which batches and which serial numbers to pick, using ERPNext's serial-and-batch handling. It can steer pickers toward the right lot (supporting first-expiry-style discipline) and capture the exact serials that leave, and it validates at picking time — for example flagging expired batches and checking serial status — so problems surface on the document rather than at the customer.

Do Putaway Rules and Pick Lists need a separate app or add-on?

No. Both Putaway Rule and Pick List are standard documents in ERPNext's core Stock module — no extra app is required to use them. The value comes from configuring them to match your warehouse: realistic capacities and sensible priorities on the putaway side, and correctly modelled warehouses plus

proper batch/serial settings on the items so pick lists behave the way your floor actually works. That setup is where an experienced ERPNext partner makes the difference.

Talk to a real ERPNext expert.

Call or WhatsApp +91 62358 66111 · info@acube.co · acubeinnovations.com

