

Warehouses make push to get the most from their assets

Efficiency has long been the hallmark of a top-performing warehouse. So it should come as no surprise that with the pandemic-era disruptions receding, warehouse leaders are refocusing their attention on the basics. According to the Warehousing Education and Research Council's (WERC) 21st annual "DC Measures" report, managers are redoubling their efforts to get the most from their assets, relying on traditional asset-utilization and efficiency-based measures—like average warehouse capacity used and dock-to-stock cycle time—to evaluate their facilities' performance.

Conducted among members of the Warehousing Education and Research Council, the annual study asks respondents what metrics they use to assess their operations and how their facilities are performing against those measures. What follows is a look at the survey results:

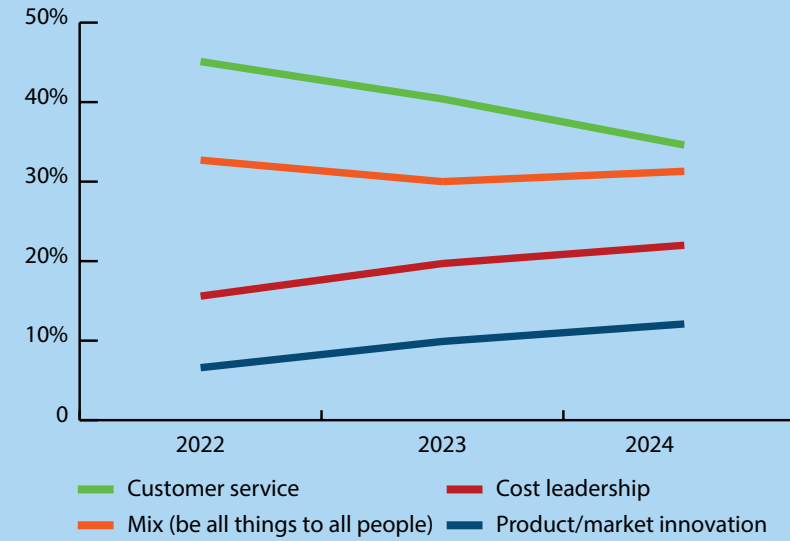
Top 12 most commonly used metrics, 2024

Metric	2024 rank	2023 rank	2022 rank	Metric	2024 rank	2023 rank	2022 rank
Average warehouse capacity used	1	6	1	On time ready to ship	8	10	4
Peak warehouse capacity used	2	5	5	Order fill rate	9	15	9
Dock-to-stock cycle time, in hours	3	11	6	% of supplier orders received damage free	10	17	7
On-time shipments	4	7	3	Lines received and put away, per hour	11	13	13
Inventory count accuracy by location	5*	16	15	Annual workforce turnover	12*	26	34
Part-time workforce to total workforce	5*	7	33	% of cross-trained employees	12*	22	36
Lines picked and shipped, per hour	7	20	19				

*Tie in ranking

While service is still top of mind, warehouse leaders appear to be shifting their focus toward operation- and capacity-based metrics. And it's likely no coincidence that in an era marked by severe DC labor shortages, two employee-based measures ("annual turnover" and "% of cross-trained employees") made their first appearance on the Top 12 list this year.

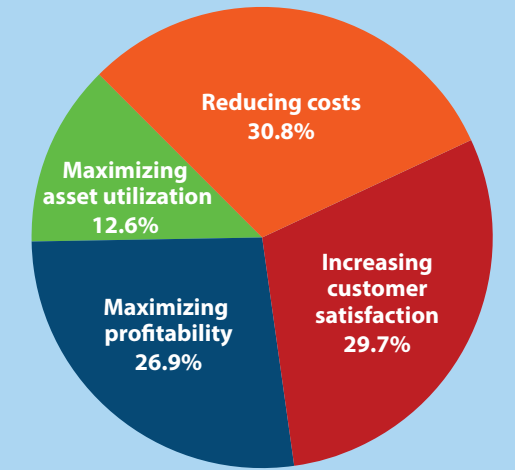
What is your business strategy?



While customer service strategies still top the list, respondents are showing increased interest in cost leadership and product/market innovation strategies, which rose 11.7% and 22%, respectively, from last year's survey.

ABOUT THE STUDY: The annual "DC Measures" study is produced by the Warehousing Education and Research Council (WERC), a professional association for warehousing and distribution logistics managers. This year's study was conducted by Joe Tillman, a WERC consultant and manager at industry technology and education company SMC³, Dr. Karl B. Manrodt, professor of logistics at Georgia College & State University, and Dr. Donnie Williams, an associate professor at the University of Arkansas. To see the full results of the 2024 survey, including performance and benchmarking data, go to <https://werc.org/metrics>.

What is your company's primary objective?



In what may be a sign of the inflationary times, the largest share of respondents identified cost reduction as their company's primary objective—an increase of 17.1% over last year's survey.

