The results of our 12th annual DC metrics survey, conducted with the Warehousing Education and Research Council, TSquared Logistics, and Georgia College and State University, are now available at www.werc.org/metrics. The survey report includes benchmarking data from more than 450 companies. Wondering where that data can take you? Here’s a roadmap.

**Step 1: Set Benchmarking Priorities**
Benchmarking must be guided by your company’s vision and strategic objectives.

<table>
<thead>
<tr>
<th>3 Strategies</th>
<th>Cost Leadership</th>
<th>Customer Focus</th>
<th>Unique Service Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on:</td>
<td>Reducing costs.</td>
<td>Satisfying customer requirements, customers may be willing to pay slightly more.</td>
<td>Product or service not duplicated or equaled by others, so that customers are willing to pay higher prices.</td>
</tr>
<tr>
<td>Example:</td>
<td>Walmart</td>
<td>Target</td>
<td>Apple</td>
</tr>
</tbody>
</table>

And a fourth strategy:

Be all things to all potential customers.

CAUTION! This strategy is hard to carry off successfully.

**Step 2: Identify Key Processes to Assess**
Decide how logistics can help meet medium- and long-term company goals (for next 2 to 5 years).

Be best in class in those areas but don’t ignore the others.

**Step 3: Collect Data**
You need both operational and managerial data. The biggest challenge in successful benchmarking is getting accurate, comparable data, whether it’s benchmarking data from other companies or your company’s own measurements.

Example: A firm claims to ship complete, on-time orders 99.8% of the time, yet customers complain orders are frequently late. The reason for the discrepancy: The supplier didn’t consider an “order” an “order” until it was complete. This meant hundreds of orders were not included in the performance metric.

**Step 4: Research and Compare Best-in-Class Performance**
Numbers only reveal so much. Dig deeper to find out how the DCs you’re measuring yourself against achieve high levels of service. Measure against internal standards, too. There are no hard-and-fast rules on how to do this. WERC’s Warehousing & Fulfillment Process Benchmark & Best Practices Guide can help. It identifies 8 warehouse processes and best practices for each. Practice, practice, practice to perfect the process.

**Step 5: Identify Performance Gaps**
Set the highest targets for the metrics that align with top company goals.

TIP: Targets should include:
Near-term goals (reasonably attainable).
Long-term goals (to mark improvement over time).

**Step 6: Develop an Improvement Roadmap**
Establish a target for each metric that needs improvement. Set priorities. Not all targets have to be best in class. Set the highest targets for the metrics that align with top company goals.

TIP: Targets should include:
Near-term goals (reasonably attainable).
Long-term goals (to mark improvement over time).

**Step 7: Close the Gaps, Improve and Refine Processes**
Now you’re ready to focus on closing performance gaps.

Need help with this step? Take a course on process improvement from WERC or a local college or university.

DON’T STOP NOW
Start all over from the top. Benchmarking is a continuous process.

To get a copy of our 2015 DC metrics survey, visit www.werc.org/metrics