

# For warehouses, it's all (or mostly) about the service

Although the pandemic-era disruptions have eased, warehouse managers today still face a host of challenges—labor shortages, changing consumer behavior, and a lingering inventory glut among them. But that doesn't mean they're letting service slide. In fact, new research suggests the opposite is true. According to our 20th annual warehouse and DC metrics study, warehouse leaders are doubling down on their efforts to ensure orders are "perfect"—that is, complete, accurate, and delivered on time, in good condition, with the correct documentation.

Conducted among DC VELOCITY's readers and members of the Warehousing Education and Research Council (WERC), 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 snapshot of the latest study's findings.

## Top 12 most commonly used metrics, 2023

Metric	2023 rank	2022 rank	2021 rank
% of orders with on-time delivery	1	8	5
Shipped complete per customer order	2	12	6
Shipped outbound orders damage-free	2	10	7
Correct documentation	4	16	8
Peak warehouse capacity used	5	5	3
Average warehouse capacity used	6	1	1

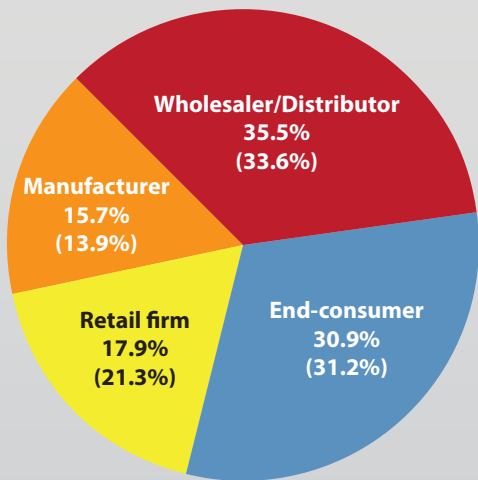
Metric	2023 rank	2022 rank	2021 rank
On-time shipments	7	3	4
Order picking accuracy (% by order)	7	2	2
Part-time workforce to total workforce	7	33	23
On time ready to ship (outbound operations)	10	4	10
Dock-to-stock cycle time, in hours	11	6	9
Overtime hours to total hours	12	32	28

While the top four measures are customer-facing metrics, the overall top-12 list includes at least one measure from each category: customer, capacity, quality, and employee. This suggests respondents are taking a more balanced approach to assessing warehouse operations than in the last few years, when capacity reigned supreme.



## Who is your customer?

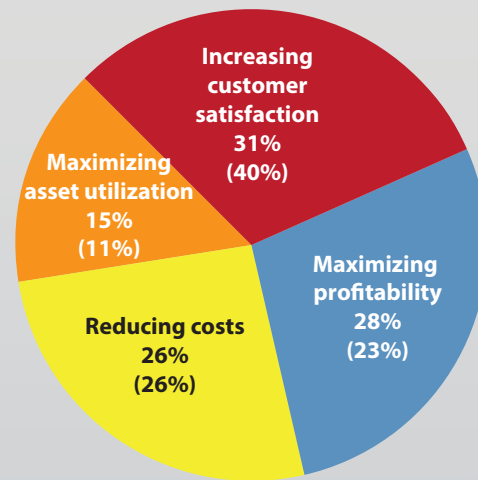
(Numbers in parentheses represent responses from last year's study)



In the past, the majority of respondents have been at or near the "tip of the supply chain"—providing products to end-consumers either directly or through a store. That trend reversed this year, as 51.2% of respondents identified their primary customer as a manufacturer or wholesaler/distributor.

## What is your company's primary objective?

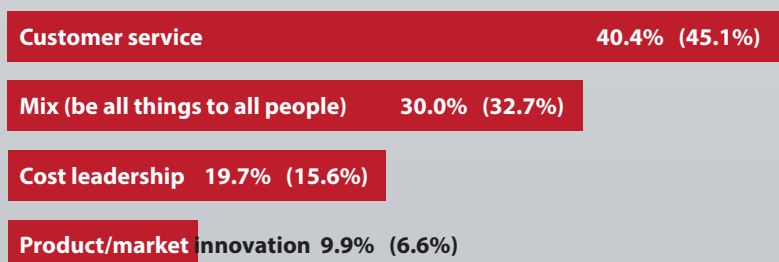
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While boosting customer satisfaction remained the top goal for nearly a third of respondents, the number of survey participants citing "maximizing profits" and "maximizing asset utilization" gained ground this year—which is perhaps not surprising, given the current economic uncertainty.

## What is your business strategy?

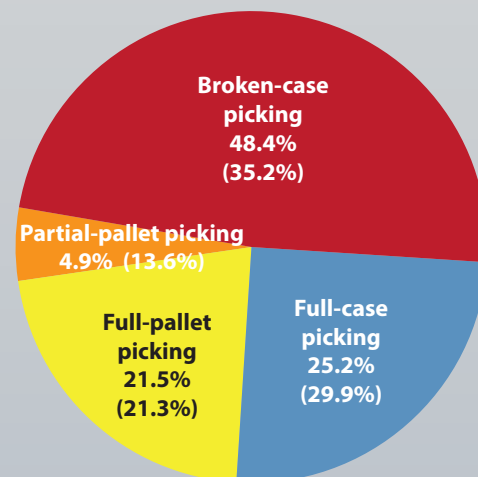
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While customer-service strategies still top the list, respondents are showing increased interest in both cost-leadership and product/market-innovation strategies, which rose 26.3% and 50.0%, respectively, over last year.

## How are orders picked in your DC?

(Numbers in parentheses represent responses from last year's study)



Broken-case picking increased by 37.5% from last year, while partial-pallet picking dropped 63.9%—a shift that likely reflects consumers' return to brick-and-mortar stores after Covid quarantine restrictions were lifted.

ABOUT THE STUDY: The annual DC metrics study is produced through a partnership between the Warehousing Education and Research Council (WERC) and DC VELOCITY. This year's survey was conducted by Joe Tillman, a WERC researcher and manager of education programs at SMC; Dr. Donnie Williams, associate professor at the University of Arkansas; and Dr. Karl Manrodt, a professor at Georgia College & State University. To see the full results of the survey, including performance and benchmarking data, go to [www.werc.org](http://www.werc.org).