



Measure What Matters

"If it can't be measured, it's not important." How many times have we heard that? Or, "if it doesn't get done, it's not a priority." Fact is, without clear visibility and reliable information to show how well the warehouse is functioning, what you know is what you hear. And what you hear is filtered by stakeholder spin. No different than the national political scene. So often, those directly responsible for warehouse performance give a rose-colored report on the state of affairs. They're naturally defending their turf.

In contrast, salespeople on the front line dealing with an angry customer and a botched order are not sympathetic to broken promises – whether or not the warehouse was directly responsible. They're in attack mode and will point fingers at whoever is convenient.

The warehouse is usually the first to blame. And why not? If there's not an efficient way to isolate the cause of a shipping error in the warehouse, there's "safety" in blaming this group first. After all, it's easy to blast the ones who last touched the shipment before it left the building without a trusted audit trail.

In getting your "house" in order and prioritizing what to measure, you might start with what you believe your customers' care about most – accurate, on-time shipments – consistently delivered with a smile. All these areas contribute to the total customer experience you're offering.

Then work upstream to your overhead picture, asking what it costs your company to provide excellent customer service. Then ask, "What should it cost?" See if you can benchmark your warehouse cost structure and productivity per person with other distributors. For example, how many order lines picked per person should you expect to achieve, on average, using manual methods? How about with the use of a warehouse management system?

As a practical matter, measuring your progress against the targets you've set for your own warehouse operation is most useful. This is because your mileage may vary depending on your processes, specific customer expectations, type of items (weight and cube), automated material handling infrastructure, etc.

Once you have enough warehouse transaction data points, you can establish some realistic productivity standards. Watch the trends and adjust your benchmarks as needed. Apply incentives if you like, both individual and group to leverage the team effect.

Measuring employee productivity in the warehouse and exposing these results across your company will help showcase the impact this group really has on customer service. Because in the end, whether you're in accounting, purchasing, order entry or the warehouse, it's the customer that really matters.

Thanks for your support!

A handwritten signature in black ink, appearing to read "Eric Allais". The signature is fluid and cursive, with a large initial "E" and "A".

Eric Allais
President & CEO