

UKWA Benchmarking opportunity

In today's rapidly changing logistics landscape, benchmarking has become an increasingly vital tool for measuring best practice, facilitating continuous improvement and driving competitive advantage for those companies engaging in the process.



Benchmarking has been gaining in popularity, especially in the last few years, as more than just a means of gathering data on how well a company performs against others, but also in identifying new ideas and new ways of improving processes to meet changing customer expectations.

While most UKWA members will already be measuring Key Performance Indicators (KPIs) with the aim of ensuring their operation is efficient, the challenge is always in evaluating the results. The best way to ensure your business is operating efficiently is to benchmark your KPIs against other similar operations, but the opportunity to do so on an industry-wide basis has not been available to the UK warehousing sector until now.

To help members operate and

compete more effectively in the domestic or home market as well as in a global environment, UKWA has teamed up with WERC, US-based Warehousing Engineering Research Council, to include UK businesses for the first time in its annual DC Measures survey for 2018.

This is a well-respected benchmarking study that has been running for 14 years. Last year's study captured 30 key operational metrics and received over 500 responses from 3rd Party Logistics Providers, Retailers and Manufacturers. The DC Measures are grouped into 5 balanced sets - customer, operational, financial, capacity/quality and employee.

By taking part in this established survey, UKWA members will be able to benchmark their own operations against peers in the UK as well as within the global industry.

Accordingly, Lynn Parnell of Logistics Partners has been working with UKWA and WERC to ensure that the DC Measures survey is relevant to the UK market and create some additional UK focussed questions on behalf of UKWA.

Why benchmark?

The Collins English Dictionary defines benchmarking as "a process in which a company compares its products and methods with those of the most successful companies in its field, to try to improve its own performance". Where KPIs only really tell you what you are currently doing; benchmarking gives you goals on what you need to do to improve and can provide several major benefits, such as:

- Ensuring you are setting reasonable performance expectations
- Identifying areas of your operation where you are under performing; enabling you to focus improvement on these areas
- Comparing your company goals with others in your sector
- Ensuring your operation is aligned to your business strategy and goals
- Identifying areas where you are out performing other organisations, allowing you to attract new customers and identify key personnel in your organisation delivering success.

In the long term, benchmarking can increase productivity, improve competitiveness and encourages a culture of learning from the best companies in the industry.



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By having an outward looking rather than an inward looking perspective, those who benchmark their businesses tend to be more future oriented and are better equipped to plan for change. Often this leads to a more efficient organisation, enjoying cost savings and increased profits.

According to UKWA CEO Peter Ward, any company looking to prosper, whether in a domestic market or in a global economy, needs to benchmark its performance. "In today's world, identifying, recognising and emulating best practice is essential to survival," he said. "Understanding strengths and weaknesses compared to peers enables you to improve performance, increase competitiveness and profitability, ultimately becoming more successful. I am delighted therefore that UKWA is able to offer this first-time opportunity for members to engage in the prestigious DC Measures 2018 survey and benefit from the valuable insights it will no doubt deliver."

Sharing critical data

Commenting on the importance of UKWA members' contribution to the DC Measures benchmarking survey, WERC CEO Michael Mikitka explains, "Performance data has no boundaries or borders and UKWA's participation in 2018 will build upon and expand the value of having a diverse data pool to analyse.

Input from UKWA's members will expand our audience and add an international component, which is essential in today's global business environment. All those taking part will benefit from an opportunity to share and collect data critical to their performance improvement initiatives - the greater and more robust participation we can garner in the survey, the more value it has for our respective members and the industry we represent."

He added, "Initiatives such as the 2018 DC Measure study between WERC and UKWA are vital for industry success and growth. It is though such collaboration that we can build on each other's strengths

and help move our global industry forward."

Providing a powerful tool for members to benchmark their warehousing operations against a proven set of global industry standards, with quantitative information for key metrics measured and qualitative analysis of industry trends and focus, the WERC- UKWA 2018 industry benchmarking report will be available free of charge to all full members participating in the survey.

For associate members and non-participating full members, the report will be available to purchase from UKWA at a special rate.

UKWA members falling into Logistics Service Providers and Logistics Users categories will be receiving an invitation by email to take part in the benchmarking survey in January 2018. Prior to the survey being launched, UKWA will be holding a webinar and circulating information to ensure all members can prepare and get the most out of participation. ■

