



UKWA DC measures 2019 User Notes

As a Logistics Service Provider or Logistics User member of UKWA you are invited to take part in the WERC 2019 DC Measures Benchmarking survey. This survey has been established for 15 years and will enable you to benchmark your operation against UK and Global companies. UKWA and WERC have been working together with Lynn Parnell of Logistics Partners to tailor the survey for the UK market.

The purpose of the study is to:

- Identify the most commonly used warehousing metrics
- Prepare benchmarking data for UKWA members, DC Velocity readers and WERC members
- Link key metrics to industry types, supply chain structure and overall strategy
- One ongoing goal of this study is to help practitioners link key measures to various demographics to help companies better compare themselves to organisations similar to their own

About the survey:

- Takes about 30 minutes to complete.
- You will need to complete all the survey in one go, as you can't save your response and return later.
- You can have a practice run through, and go through all the questions to see what to expect.
- ***Do not expect to answer all the questions, only answer the ones you measured during 2018.***
- The survey is for your 2018 results.
- The survey is a mix of quantitative and qualitative questions.
- When entering metrics only enter the number i.e. 99.3 not 99.3%, £10.50 or 24hrs.
- There are some UKWA specific questions.
- Each distinct warehouse/operation in your business can complete a separate survey.
- Everyone that completes the survey will get a free copy of the Global DC Measures 2019 report, when it is published.
- Don't forget to enter your email details at the end to get a free copy of the survey.
- If you have questions while completing the survey you can email Lynn Parnell on lynn@logisticspartners.co.uk or contact one of the WERC researchers from the links on the opening page of the survey.
- ***If you did not measure some of the metrics this year, now is a good time to implement measuring those that are relevant to your operation. You can then enter more data next year.***

5 Tips for taking the 2019 benchmarking survey

- Use the checklist below (Appendix 1) to gather metrics that you recorded last year
- Put aside 30 minutes to 1 hour to complete the survey, if this is your first time
- You just need your data, an internet connection and the email invitation with the survey link
- Do not expect to answer all the questions, just answer the ones you have data for or are appropriate for you
- Don't forget to provide your email address at the end so you receive the full report

Plus, remember:

- The more accurate the data you put in, the better the results
- You do not need to prepare for the qualitative questions, they are self explanatory
- You can't save your data, so ensure you have time to complete the survey when you start
- Only enter data for metrics you measured in 2018
- If you are unsure of a calculation for a metric you can hover your mouse over [calculation](#) and it will be displayed.

UKWA DC measures 2019 User Notes

Appendix 1 – Operational metrics checklist

Use the checklist below to gather any data you have that is appropriate for the DC Measures survey before you sit down to take the survey

Do not expect to have data for all the questions just record what you have

Q1 (% of work in your operation that is)

Customer Metrics	Definition & Calculation	2018 data
Broken case (pieces or eaches) picking		
Full case picking		
Partial pallet picking		
Full pallet picking		

Q5 (NB when taking the survey the metric questions may appear in a different order to that shown in the table below)

Customer Metrics	Definition & Calculation	2018 data
On Time Shipments* (%)	<p>The percentage of orders shipped at the planned time. (Shipped means off the dock, and in transit to its final destination).</p> <p>Note that the time to ship may be defined by the customer, or it may be determined by the shipper in order to accommodate an On-time Delivery</p> <p>Number of order shipped on time / Total number of orders shipped</p>	
Total Order Cycle Time* (in hours)	<p>The average end to end time between order placement by the customer and order receipt by the customer in hours.</p> <p>Excluding non-working days: sum of (Time order received by customer – time order placed) / Total number of orders shipped</p>	
Internal Order Cycle Time*	<p>The average internal time between when the order was received from the customer and order shipment by the supplier in hours.</p> <p>Note that order shipment is defined as off of the dock, onto the shipping conveyance and ready for transit.</p> <p>Excluding non-working days: Sum of (Time order shipment – time order received from the customer) / number of orders shipped.</p>	

UKWA DC measures 2019 User Notes

Customer Metrics	Definition & Calculation	2018 data
Backorders as a Percentage of Total Lines*	<p>The portion of total orders that are held and shipped late due to lack of availability of stock. Can be measured by lines or by PO, by units or by dollar value.</p> <p style="text-align: center;">Number of order lines held and not shipped / total number of order lines</p>	
Dock-to-stock cycle time, in hours*	<p>The dock-to-stock cycle time equals the time (typically measured in hours) required to put away goods. The cycle time begins when goods arrive from the supplier and ends when those goods are put away in the warehouse and recorded into the inventory management system.</p> <p>For a given time period:</p> <p style="text-align: center;">Sum of the cycle time in hours for all supplier receipts / Total number of supplier receipts</p>	
Lines Received and Put-away per Hour*	<p>Measures the productivity of receiving operations in lines processed and put-away per person hour</p> <p style="text-align: center;">Total lines received and put-away / Total person hours worked in the receiving operation</p>	
Percent of <i>supplier</i> orders received with correct documents*	<p>The number of orders that are processed with complete and correct documentation as a percentage of total orders</p> <p>Documentation includes packing slips, case and pallet labeling, certifications, ASN, carrier documents or other documents as required by the Purchase Order</p> <p style="text-align: center;">The number of supplier orders that are processed with complete and correct documents / the total supplier orders processed in the measurement period</p>	
Percent of <i>supplier</i> orders received damage free*	<p>The number of orders that are processed damage free as a percentage of total orders</p> <p style="text-align: center;">The number of supplier orders that are processed damage free / the total supplier orders processed in the measurement period</p>	
On Time Receipts - Supplier*	<p>Percent of orders received from a supplier on the date requested.</p> <p style="text-align: center;">Number of supplier orders received on time / total number of orders received</p>	

UKWA DC measures 2019 User Notes

Customer Metrics	Definition & Calculation	2018 data
Order Fill Rate*	<p>Measures percent of orders filled according to customer request</p> <p>NOTE: a single customer order can request multiple shipments. In this case each shipment would be tracked as a separate request.</p> <p>Number of orders filled to customer request / total number of orders filled</p>	
Lines Picked and Shipped per Person Hour*	<p>Measures the productivity of picking and shipping operations in lines per person hour</p> <p>For a given time period: Total order lines picked and shipped / Total hours worked in the picking and shipping operation</p>	
Orders Picked and Shipped per Person Hour*	<p>Measures the productivity of picking and shipping operations in orders per person hour</p> <p>For a given time period: Total orders picked / Total hours worked in the picking and shipping operation</p>	
On-Time Ready to Ship*	<p>The percentage of orders ready for shipment at the planned time</p> <p>NOTE: "ready for shipment" typically means that packaging and shipping documents are completed and ready for pickup</p> <p>Number of orders ready for shipment on time / number of total orders shipped</p>	
Distribution Cost as a Percent of Sales	<p>The cost to run distribution relative to total sales. Activities included in the operate warehousing process are: management activities, track inventory deployment, receive, inspect, and store inbound deliveries, track product availability, pick, pack, and ship product for delivery, track inventory accuracy, track third-party logistics storage and shipping performance.</p> <p>Total distribution costs/ Total sales</p>	

UKWA DC measures 2019 User Notes

Customer Metrics	Definition & Calculation	2018 data
Distribution Costs as a Percent of COGS*	<p>The cost to run distribution relative to COGS. Activities included as part of total distribution operating costs are: management activities, track inventory deployment, receive, inspect and store inbound deliveries, track product availability, pick, pack, and ship product for delivery, track inventory accuracy, track third-party logistics storage and shipping performance.</p> <p>Total distribution costs / Total COGS (based on corporate income statement)</p>	
Distribution Cost Per Unit Shipped	<p>The cost to run distribution relative to the units shipped through distribution. Distribution costs include: management activities; track inventory deployment; receive, inspect, and store inbound deliveries; track product availability; pick, pack, and ship product for delivery; track inventory accuracy; track third-party logistics storage; and shipping performance.</p> <p>Total cost of operating distribution / total units shipped</p>	
Days on Hand - Finished Goods Inventory*	<p>Average sales days of finished goods inventory on hand in plants and warehouses</p> <p>Average FG Inventory Value (\$) / Average Daily Sales \$ per month</p>	
Average Warehouse Capacity Used*	<p>The average amount of warehouse capacity used over a specific amount of time (month to month or yearly).</p> <p>Average capacity used / Average capacity available</p>	
Peak Warehouse Capacity Used*	<p>The amount of warehouse capacity used during designated peak seasons.</p> <p>Peak capacity used / capacity available</p>	
Honeycomb Percentage*	<p>Measures how well actual cube utilization within the warehouse is managed. Especially important where slots may be only partially full. An example would be if 1 unit is in a location, and it has room for 10, the utilization for that slot/bin location is 10%.</p> <p>Actual cube utilization / total warehouse cube positions available</p>	

UKWA DC measures 2019 User Notes

Customer Metrics	Definition & Calculation	2018 data
Inventory Count (Percent by Location)*	<p>Measures the accuracy (by location and units) of the physical inventory compared to the reported inventory: If the warehouse management system indicates that 10 units of part number XYZ are in slot B0029, the inventory count accuracy indicates how frequently one can go to that location and find that the physical count matches the system's.</p> <p>$1 - (\frac{\text{the sum of the number of locations containing an error}}{\text{The total number of locations counted}})$</p>	
Order Picking Accuracy*	<p>This measures the accuracy of the orders picking process where errors may be caught prior to shipment such as during packaging.</p> <p>Orders picked correctly / total orders picked.</p>	

UKWA DC measures 2019 User Notes

Q9 (NB when taking the survey the metric questions may appear in a different order to that shown in the table below)

Employee Metrics	Definition & Calculation	2018 Data
Overtime Hours to Total Hours*	<p>Measures employee overtime against total hours, includes all hours scheduled (worked and any "paid time off" if included in normal calculation of total hours "worked" for the pay period).</p> <p>Hours charged to overtime / Total hours recorded (paid and worked)</p>	
Part time workforce to Total Workforce*	<p>Measures the number of employees classified as Part Time against the total number of employees in workforce. This could also include employees that work full time hours for a short seasonal / peak period, but are classified as "Part Time".</p> <p>Number of Part Time classified employees / Total number of employees</p>	
Contract employees to Total Workforce*	<p>Measures the amount of non-employee's (contracted, 3rd party agency temporary, contingent workers) used to support the business against the total headcount in the workforce. These are the employees used to flex the workforce and support additional hours and could also be seasonal or used only part of the year.</p> <p>Number of Non-Employees (temporary - 3rd party agency - contractor - contingent workers) / Total number of workforce (employees + nonemployees)</p>	
Unplanned Absence Percentage*	<p>The number (hours) an employee is unable to work (lost work time) for an Unscheduled Absence. Planned time off is not included in this calculation (i.e. vacation, holiday, prescheduled time off for illness). This is used to measure reaction (time and flexibility) to unpredictable occurrences.</p> <p>Number of hours absent / Total number of hours worked (for an annual 12-month period)</p>	

UKWA DC measures 2019 User Notes

Employee Metrics	Definition & Calculation	2018 Data
Cross Trained Percentage*	<p>Percent of the workforce that is cross trained - number of employees with the ability and skill set (training classes completed, required certifications) to work more than 1 function / job within the company. Used to measure overflow and flexibility of workforce to handle operational peaks, or absorb unplanned absences.</p> <p>Number of employees with cross-training designations (training classes completed, additional certifications) / Total number of employees</p>	
Annual Workforce Turnover*	<p>The rate at which permanent employees are replaced (excludes casual or seasonal labor).</p> <p>Number of NEW employees at the beginning of the period/total number of employees at the beginning of the previous period</p>	

Q10 (NB when taking the survey the metric questions may appear in a different order to that shown in the table below)

Cash-To-Cash Metrics	Definition & Calculation	2018 Data
Inventory Days of Supply*	<p>Measure of quantity of inventory-on-hand, in relation to number of days for which usage which will be covered. Total gross value of inventory at standard cost before reserves for excess and obsolescence.; Only includes inventory on company books, future liabilities should not be included.</p> <p>Current (or period ending) total inventory value / (Total Annual COGS / 365)</p>	
Average Days Payable*	<p>Measure of the length of time required to pay suppliers; key element in cash-to-cash cycle time</p> <p>Average daily payables / (Total Annual COGS / 365)</p>	
Average Days Sales Outstanding*	<p>The amount of time required to convert receivables to cash. To even out seasonality, this includes a rolling monthly average of AR (This is also known as "Average Collection Period").</p> <p>Average 5 month AR / (total annual sales/365)</p>	

UKWA DC measures 2019 User Notes

Q16 (NB when taking the survey the metric questions may appear in a different order to that shown in the table below)

Perfect Order Metric	Definition & Calculation	2018 Data
Percent of Orders with On Time Delivery*	<p>The percentage of orders that arrive at their final destination at the agreed upon time</p> <p>NOTE: there are many definitions of "On-Time", and that the "time" may be a specific hour or day, or a window of time. "Agreed Upon" means that the customer and shipper have agreed to the delivery time as a general commitment or as a part of the purchase order or contract</p> <p>Number of orders delivered on time / Total number of orders shipped</p>	
Shipped Complete Per Customer Order*	<p>Measures the percentage of orders shipped completely. Meaning that all line/units ship with the order per agreement between the customer and shipper.</p> <p>Number of orders shipped with all lines & units / total number of orders shipped</p>	
Shipped Damage Free (outbound)*	<p>This measures the percentage of customer orders shipped in good and usable condition. NOTE: orders damaged in transit are not considered here.</p> <p>Number of orders shipped damage free / number total orders shipped.</p>	
Correct Documentation (ASN, Invoice, etc.)*	<p>The percent of total orders for which the customers received an accurate invoice and other required documents including ASNs, etc.</p> <p>Number of orders with correct documentation / number of total orders</p>	

Q20 (The Total number of SKUs (stock keeping units) in your company)

In 2017	
In 2018	

Q25 Total annual sales

The total annual sales of your company in £	
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