



888-363-8492

aswglobal.com

Excellence in Cross Dock Operations

Achieving “best in class” performance is a career-long pursuit in logistics and distribution because the latest accomplishment becomes the new floor for benchmarking. The same is true for Cross Dock operations, a model favored by retail and other industries that have one goal in mind: to decrease inventory levels. The traditional supply chain model typically holds larger amounts of inventory and has a cycle time of between 60 – 90 days from holding the inventory at the warehouse to the point of sale or use. With a focus on reducing inventory and increasing the velocity of merchandise through a facility, retail favors a cross dock environment which will facilitate inventory reduction and decrease inventory carrying costs.

The cross dock model focuses on the turnaround time for breaking down large shipments to smaller ones or combining shipments for delivery within thirty-six hours. The metrics for measuring cross dock models are a key indicator of whether your cross dock operation is meeting best-in-class standards.

Here are five ways to define and determine your performance against some of the strongest operations in the country.

Determine Your Drivers

Basically there are two primary drivers that influence excellence: Quality and Efficiency.

Measure and Monitor Over Extended Time Frames

Good weeks or months do not indicate excellence. Year over year data starts to define excellence as it measures sustainable performance.

Define Efficiency

Identify the key factors for measurement such as Pallets per hour (PPH) or Case per hour (CPH). Don't overlook items such as trailer utilization factors to control shipping costs. Some may want to consider cost per pallet but there are many variables that skew the results so it is not the best indicator of operational excellence although it is a popular piece of data among some managers.

Categorize Efficiency Factors

The drivers for efficiency include: Product shipped within 48 hours of receipt; Live unloads processed less than 2 hours; Percentage of loads processed within must -arrive-by-date. There are other factors that may also be included in the efficiency quotient such as Available to unload beyond commitments; and Building capacities set correctly to match throughput demands.

Define Quality

Accuracy and Damages are fundamentally the most significant indicators of quality. Stock shortages and inventory variances will clearly indicate how well the inventory is being managed.

When operational excellence is at work, here are some of the performance results that ASW has delivered.

- On time delivery 99.930%
- Receiving accuracy 99.993%
- Shipping accuracy 100%
- Available to unload rate 108%
- Stock shortages and warehouse damages .00003%

For more information, contact Paul Nonno, pnonno@aswglobal.com