

Five Practices Damaging Operational Performance in Today's Supply Chain



and recommendations to fix them

Logistics organizations are facing lower profit margins, higher customer expectations, and increased volatility across the supply chain. As a result, they are seeking new ways to trim costs, improve efficiencies, and boost customer satisfaction. Here are five common practices that may be damaging your organization's operational performance and steps you can take to stay competitive and profitable.

1 Using only your overall business strategy to guide performance improvements.



Understand how your business competes and set specific goals that align with the overall business strategy. In today's logistics space, customer service continues to be a top strategic business focus.

A WERC survey found that more than 50% of respondents identified customer service — over cost leadership, product/market innovation, or a mix — as their division's overall business strategy.¹



2 Measuring every single aspect of your operations.



Focus on performance metrics that best align with your strategic priorities to **deliver sustainable value and quality** to your customers.

Participants in the WERC survey identified their **top five metrics** for measuring performance:

1	Average Warehouse Capacity Used		Capacity
2	Order Picking Accuracy		Quality
3	Peak Warehouse Capacity Used		Capacity
4	Contract Employees to Total Workforce		Employee
5	On-time Shipments		Customer ⁴

3 Not having a dedicated effort for developing the right partner network.



Establish open communication and transparency — critical to effective collaboration and efficient issue resolution — with supply chain partners.

Tip: Assign the right member(s) of your staff to manage and maintain the organization's relationships with its supply chain partners.

4 Ignoring the performance of your industry peers.



Optimize performance through benchmarking, to identify critical gaps and gain valuable insights for improving operational processes.

5 Accepting good as "good enough."



Track, measure, and analyze both performance and improvement to help you stay the course. Evaluate key metrics on an ongoing basis to ensure they align with your business strategy.

The survey showed that best-in-class performers maintained their performance on **14** of the **34** metrics.²



Process is a key part of any company strategy — especially in the logistics industry. But with many ways to measure productivity, what you track and what you hope to achieve may differ. Aligning metrics with the overall business strategy, collaborating with partners, benchmarking against industry leaders, and staying the course can help you identify performance gaps and take steps to drive continuous improvement.

Read our [Five Practices Damaging Operational Performance in Today's Supply Chain](#) white paper to learn more.

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¹ Karl Mandrot, Joseph Tillman, and Donnie Williams, *WERC DC Measures 2018 Snapshot in Time*, Warehouse Education and Research Council (2018), Table 1, at 1.

² *Ibid.*, at 1.



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