Warehouse Management KPIs



Productivity KPIs

- Order Picking Accuracy: Measures the percentage of orders picked without errors. High accuracy ensures
 customer satisfaction and reduces returns.
- Lines Picked per Hour: Tracks the average number of product lines picked by warehouse staff per hour. Helps assess workforce productivity.
- Orders Picked per Hour: Measures how many orders a picker completes in an hour. Useful for optimizing
 picking efficiency.
- Putaway Productivity: Assesses the number of items put away per hour per employee, highlighting
 efficiency in organizing inventory.
- Receiving Productivity: Monitors the number of receipts processed per hour, helping to identify bottlenecks in receiving operations.

Efficiency KPIs

- **Dock-to-Stock Cycle Time**: Measures the time taken from receiving inventory at the dock to placing it in storage. Lower times reflect a streamlined process.
- Inventory Turnover Rate: The ratio of cost of goods sold to average inventory. A high turnover indicates
 efficient stock movement.
- Space Utilization: Percentage of warehouse space actively used for storing products. Higher utilization indicates optimal space use.
- Order Cycle Time: Time from order receipt to delivery readiness. Faster cycle times improve customer satisfaction.
- Putaway Cycle Time: Tracks the average time taken to place received goods in their assigned storage location.

Accuracy KPIs

- Inventory Accuracy: Compares the recorded stock to actual physical stock. High accuracy ensures reliable inventory records.
- Order Fulfillment Accuracy: Measures how often the correct products are picked and shipped. Essential for minimizing returns and maintaining customer trust.
- **Shipping Accuracy**: The percentage of orders shipped without errors. High shipping accuracy reduces customer complaints and returns.
- Cycle Count Accuracy: Tracks the accuracy of periodic cycle counts compared to recorded inventory. Key for identifying discrepancies early.
- Backorder Rate: Measures the percentage of orders not fulfilled at the time of the initial request due to stockouts.

Health and Safety KPIs

- Incident Rate: Tracks the frequency of accidents or injuries per time period, helping maintain a safe working
 environment.
- Safety Training Hours per Employee: Total hours of safety training per employee, reflecting a focus on a safe work environment.
- Time Lost Due to Injuries: Monitors the number of hours lost due to workplace injuries, influencing workforce productivity.
- Safety Equipment Compliance: Measures the percentage of employees following personal protective
 equipment (PPE) protocols.

Achieve excellence in Warehouse operations to reduces costs, boosts order accuracy, and accelerates fulfillment, driving overall operational efficiency and customer satisfaction

Cost Control KPIs

- Cost per Order: The total cost of processing an order, including picking, packing, and shipping costs. Lower
 costs reflect efficient operations.
- Labor Cost per Unit: Tracks labor expenses relative to the number of units handled. Helps monitor and control
 labor costs.
- Storage Cost per Unit: Measures the cost of storing a single unit of inventory. Indicates storage efficiency and
 cost control.
- Warehouse Operating Expenses: Total operational costs, including labor, utilities, and maintenance, as a percentage of total warehouse expenses.
- Return on Warehouse Assets (ROWA): Evaluates the financial performance of warehouse assets, helping assess asset utilization efficiency.

Customer Service KPIs

- Order Lead Time: Measures the total time from order receipt to product delivery. Lower lead times contribute to higher customer satisfaction.
- **On-Time Shipping Rate**: Percentage of orders shipped on or before the promised delivery date. High rates indicate reliability.
- Perfect Order Rate: The percentage of orders that are accurate, complete, undamaged, and on-time. A high
 rate signifies operational excellence.
- Order Fill Rate: Measures the percentage of customer orders filled completely from available inventory, reducing backorders and improving satisfaction.
- Customer Returns Rate: Tracks the percentage of returns due to warehouse issues like incorrect shipments or damaged goods.

Inventory Management KPIs

- Days on Hand: Average number of days inventory is held before sale. Shorter periods reflect effective turnover and reduced holding costs.
- Stock-to-Sales Ratio: Compares available stock to sales, indicating how well inventory levels match demand.
- Backorder Rate: Monitors the proportion of orders delayed due to unavailable inventory. Lower rates indicate better stock management.
- **Dead Stock Ratio**: Percentage of stock not sold or used over a specified time. Lower ratios reduce carrying costs and improve turnover.
- **Safety Stock Levels**: Monitors the balance between stockouts and excess inventory by tracking average safety stock levels relative to demand.