

# Key Activities & Milestones

---

## Distribution Executives Interest Group

*Craig Bauer, VP, Global Sourcing, Houghton Mifflin*

- *Guidelines for Shipping Container Labeling*
- Best Practice Surveys for shippers & receivers
- iDEAs Warehouse Benchmarking Program

Book Industry Study Group



Internet-Based Data Envelopment Analysis System

for System-Based Self-Assessment of Warehouse Operations



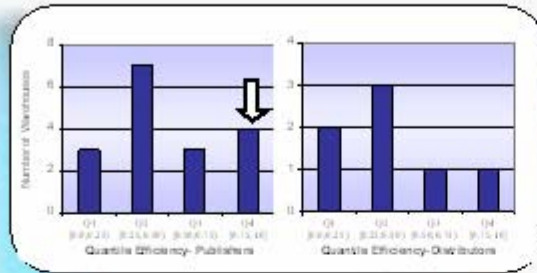
Book Industry Study Group



## A top performing Publisher Good Performance, GA

### Data Quality Index:

Of the 163 pieces of data, 128 were received. This places your warehouse in the 63% percentile for data quality.



Your performance places you in the 4th quantile with the 4th quantile indicating top performance and the 1st quantile indicating poor performance.

	Quantity	Percentile*
Investment (USD)	\$ 217,200	4%
Labor (hours/year)	190,000	60%
Space (ft2)	280,000	31%

	Quantity	Percentile*
Total lines/labor hour	24	81%
% Broken case	91%	65%

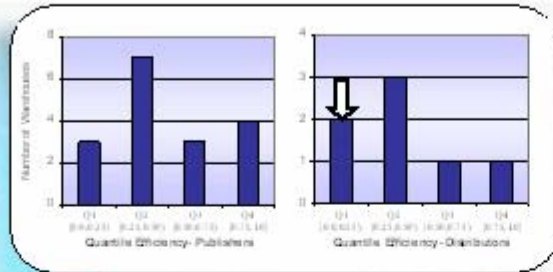
- Publisher's warehouse servicing both business clients and private customers
- The items stored are not only books, but also music products which is very common for the book industry warehouses
- Does not provide 'advance notice' services as do 80% of the book warehouses
- Investment efficient warehouse. It has the highest labor/investment ratio and the lowest investment/space ratio
- Provides a significant array of customer services. Two of the most labor intensive are value added processing and pack and hold. While it may be necessary to provide these due to customer demand, it will increase the inputs consumed by this warehouse
- Barcoding is highly correlated with inventory accuracy which is highly correlated with efficiency. However, this warehouse does not barcode items and packages as does ~90% of the BISG warehouses, and the inventory accuracy is lower than average.
- Particularly low SKU churn, meaning the number of SKUs changing from year to year is small



## Room for Improvement Distributor, Athens, GA

### Data Quality Index:

Of the 163 pieces of data, 125 were received. This places your warehouse in the 59% percentile for data quality.



Your performance places you in the 1st quartile with the 4th quartile indicating top performance and the 1st quartile indicating poor performance.

	Quantity	Percentile*
		*100% is the largest
Investment (USD)	\$ 3,720,000	90%
Labor (hours/year)	183,200	55%
Space (ft <sup>2</sup> )	275,000	33%

	Quantity	Percentile*
		*100% is the largest
Total lines/labor hour	15	35%
% Broken case	72%	24%

- Services individuals, retailers, and wholesalers with books and CDs, this distributor has a variety of customers
- This warehouse is more investment intensive than the other book industry warehouses
- The customers ordering patterns create a significant seasonal demand. Two common ways to handle this is to use temporary labor and/or have a pack and hold system. While pack and hold is an effective tool to decrease the effects of seasonality, it is also a fairly resource intensive process.
- Ships more full case lines while using a larger investment than most
- Has a high budget percentage spent in supervision, 24%, twice the operating budget for supervision of the average book industry warehouse. The average is about 11.5 %
- A high budget percentage is spent on maintenance, 24%. The average is ~10 %
- 1 inventory turnover per year, while the average is ~3. To improve warehouse operations, an increase in inventory turns may help to reduce carrying inventory and thus reduce the labor and investment necessary to carry that inventory