



### STEP 1: OPERATIONAL METRICS

Compare your desired standards of service and productivity with your actual performance.



### STEP 2: SPACE UTILIZATION

Keep 10% of locations open and available to allow for inventory movement. This may not be possible all the time but having space available to store inventory in picking and reserve locations is a key factor.



### STEP 3: LABOR USE

Direct and indirect labor represents more than 50% of your facility costs, excluding shipping. [Click here](#) for 9 key points to help you manage labor more efficiently.



### STEP 4: LAYOUT AND WORKFLOW

How well does your fulfillment center's layout serve the processes of storage, inbound receipt processing and putaway, as well as all the steps of order and returns processing? Diagram inbound product and order flow. How can you make the layout more productive?



### STEP 5: INVENTORY SYSTEMS

With [fully barcoded product](#), locations and processes, inventory accuracy can be as high as 99.98%. Consider applications to [reduce labor and improve efficiency](#) where appropriate.



### STEP 6: SLOTTING PROCEDURES

Try to provide primary pick space for one week's average unit sales for each SKU. Implement hot pick locations to reduce picker walk time. Focus on the top 10% of fast-moving SKUs to ensure they're properly slotted. Make sure you have a [dynamic, ongoing slotting process](#).



### STEP 7: PICKING PRODUCTIVITY

Picking and packing are two major expenses in an ecommerce fulfillment center. Improve picking productivity and accuracy essential to order throughput.



### STEP 8: PACKING FUNCTION

[7 areas to assess](#) that involve packing process, materials, automation and branding.



### STEP 9: PRODUCTIVITY REPORTING

Measuring and reporting on ecommerce fulfillment center productivity will help you improve performance.



### STEP 10: SET GOALS, REPORT RESULTS

Is this the appropriate time to take productivity measurement to the department level? Start tracking and measuring departmental productivity measurements.



### STEP 11: WAREHOUSE MANAGEMENT SYSTEM

When you have assessed your operations, are the solutions being considered dependent on higher functionality from your existing systems or do they require a new WMS? [Learn more here](#) about WMS and automation synergies.



### STEP 12: FROM ASSESSMENT TO ACTION

Once you've gathered and analyzed all the information, patterns will emerge and you'll have a quantifiable picture of what you do well and what needs to be improved. Develop an action plan for this year. Where can you get the biggest improvements from the smallest number of changes?