The 10 Best Warehouse Networks for 2009

Chicago Consulting develops the 10 Best Warehouse Networks for 2009. The previous best single location, Bloomington, IN moves to Henderson, KY because of growth in the Southeast.

Chicago, IL (Vocus) February 11, 2009 -- Chicago Consulting announces it has identified the 10 Best Warehouse Networks for 2009. These networks serve the US population in the shortest amount of time. They set benchmarks for companies interested in how more efficient distribution can reduce their costs. To view the list of the 10 Best Warehouse Networks for 2009, please see the attached file.

 The firm specifies the 10 Best Warehouse Networks every year based on fresh population statistics. It is widely reprinted and recognized throughout the US supply chain community. Between 2008 and 2009 these networks have seen an important change—the single best location moved from Bloomington, IN to Henderson, KY.

 "The switch from Bloomington to Henderson was driven by higher than average growth rates in the Southeast—Florida, Georgia, North and South Carolina," said Terry Harris, Managing Partner of the firm. There are a few other minor changes Harris pointed out — Palmdale, CA changed to Bakersfield, CA in networks two through five.

 The 10 Best Warehouse Networks were developed with the firm's proprietary optimizing software used to design supply chains for its clients. Population was used as a proxy for a generic company's customer pattern. "While many companies do not sell products directly to individuals, population is often a good representation of a company's customer patterns. When designing an individual company's network, it's always better to use their specific pattern," Harris said.

 Harris added, "Of course, other issues such as highway infrastructure, real estate costs, labor climate and so on are relevant as well, but cost and service are the most important criteria when designing warehouse networks. Now, carbon footprint concerns are becoming re-engineering drivers. Fortunately they are usually congruent with cost and service."

 Referring to the table Harris explained that Henderson KY is the "best" place to locate one warehouse because it provides the shortest distance to the US population and, therefore, the lowest outbound distance, and takes the least amount of time. "Some shipments from Henderson would travel 100 miles, some 200 miles and still others over 1,000 miles, but the average from Henderson is the lowest possible—804 miles or 2.27 days." Similarly if three warehouses were located in any places other than Allentown, PA; Bakersfield, CA and McKenzie, TN, the average distance would be more than the 378 miles specified above.

 When asked about the contemporary relevance of these networks Harris said that recent fuel prices have increased companies' transportation costs and that they are rethinking their warehouse networks. Harris said, "Companies are expending extraordinary efforts to rein costs, and re-engineering their warehouse networks is a high leverage area to start." He said some companies are adding locations, some decreasing them and still others are moving existing warehouses to better locations. "That the 10 Best are 'green' is an added plus," claimed Harris.

About Chicago Consulting
Chicago Consulting designs supply chains for manufacturers, distributors and retailers. It orchestrates supply chain components such as procurement, warehouse networks, inventory deployment, transportation and warehouse operations. From offices in Chicago and Shanghai the firm has applied advanced techniques to design supply chains for over 20 years. Further information can be found at www.chicago-consulting.com.

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