



Excellence Confirmed: Three Companies Recertify Warehouses Via WERC's Facility Assessment & Certification Program

In this Q&A, leaders from **Blount International**, **Cambro Manufacturing**, and **Hopewell Logistics** discuss the value of their first — and second — WERC Facility Certification.

For more than a decade, the Warehouse Education and Research Council (WERC) has offered the Facility Assessment & Certification Program — an independent, unbiased evaluation of an operation's warehousing practices as compared to industry standards. More than 80 facilities worldwide have completed the process, which includes an in-person, two-day inspection and results review with an industry experienced auditor.



On site, the assessor closely examines eight functional areas of warehouse operations, scoring each on a five-point scale. Scores are benchmarked against the WERC Warehousing & Fulfillment Process Benchmark & Best Practices Guide; facilities that meet or exceed the industry standard are awarded the WERC Facility Certification. Warehouse operators, shippers and third-party logistics (3PL) service providers also use the results

for their continuous improvement initiatives, as well as to gain credibility both internally (from executive level management) and with potential partners and customers.

In addition to the unbiased performance analysis, the assessment report includes a list of observations, or areas where potential changes might yield greater efficiencies. Many operations appreciate the opportunity to not only know where they stand within the field, but also to have a knowledgeable outsider offer a fresh perspective. Driven by a desire to continuously improve, some companies choose to recertify, inviting WERC back after three years for a fresh inspection.

In the waning months of 2019, three different operations completed a second assessment and recertification process, conducted by Steve Murray, WERC's Lead Auditor and Senior Research Associate. They included:



Visit werc.org/Certification to learn more about the assessment process.

Make the commitment. Contact WERC today at **630-990-0001** or wercoffice@werc.org



Blount International, a global manufacturer and marketer of replacement parts, equipment, and accessories for the forestry, lawn, and garden; farm, ranch, and agriculture; and concrete cutting and finishing markets. Originally assessed in 2016, Blount's North American distribution facility in Kansas City, Missouri serves as the company's primary global DC. During two full shifts (and a third, staffed by a small team dedicated solely to replenishment), 140 associates turn roughly 600,000 pounds of product daily through the 350,000-square-foot building. In addition to stocking 12,000 unique, saleable SKUs, the operation kits another 25,000 in post-manufacturing processes. **Steve Snyder, North American Distribution Manager**, talks about the WERC assessment program.



Cambro Manufacturing, a leading manufacturer and marketer of commercial food safety, serving and catering supplies and equipment. The company's 520,000-square-foot distribution center — located in City of Industry, California — spans two buildings and is staffed by 75 associates working two full shifts. With more than 35,000 pallet positions, the operation manages nearly 25,000 inbound and outbound full case and pallet pick shipments daily. The facility was originally evaluated by WERC in 2016. **Shawn Steockliene, Warehouse Operations Manager**, discusses his WERC Certification experience.



Hopewell Logistics, a third-party logistics (3PL) service provider. From their Brampton, Ontario facility, Hopewell manages the national distribution of full case, full pallet and partial pallet food and beverage products for Mondeléz to its major Canadian customers. The 638,000-square-foot facility runs two shifts five days a week, with a single shift on Saturdays. WERC first audited the facility in 2016. **Larry Hargreaves, Vice President, Dedicated Operations** and **Sean Hammond, Director of Operations** share their insights into the WERC evaluation.

WERC sat down with leaders from each organization for a conversation about the process, their experiences, and the findings. The companies also discussed the subsequent value they've gleaned from the comparative benchmarking and final reports. The following is a transcript of the Q&A, edited for length and clarity.

WERC How did you originally learn about WERC and the Facility Assessment & Certification Program?

Steve Snyder, Blount: One of my colleagues who was involved with WERC at his prior company recommended I look at WERC's assessment and certification program.

Shawn Steockliene, Cambro: The first assessment was arranged by my predecessor and our Director of Logistics. We've since had some promotions, but everyone felt the first assessment was a good experience and one we wanted to repeat.

Sean Hammond, Hopewell: When our customer, Mondeléz, asked if any of their 3PL providers would consider participating in a WERC Facility Assessment & Certification in late 2015, we volunteered.

WERC Why did you undergo a WERC Assessment previously?

Steve Snyder, Blount: I was primarily interested in the benchmarking aspect. I saw the assessment program as a chance to have an outside expert identify improvement opportunities from a fresh perspective, as well as to benchmark us against other world-class organizations.

Shawn Steockliene, Cambro: At the time, the ultimate goal was to see what we could learn from the assessment to help the operation. To help pinpoint shortfalls and gaps in processes, things of that nature.

Larry Hargreaves, Hopewell: All 3PL service providers lay claim to excellent performance, quality, governance and safety within their operations.

Larry Hargreaves, Hopewell: Customers benefit from these services, and it facilitates the growth and sustainability of the business. Ultimately, the perception of value and benefit is key, not only for retaining but also for growing clients. We selected the WERC Certification program as a vehicle to validate our value to clients, as well as to benchmark for continuous improvement. WERC's assessment program provides an independent, unbiased assessment of the quality of our services.



Blount's Kansas City Facility

WERC How did the original audit findings help you plan your short-term and long-term strategies for operational improvement?

Steve Snyder, Blount: While we scored very high on our initial assessment and achieved the Facility Certification – and we were pleased with that result – the auditor also identified around a dozen opportunities for improvement. We implemented ten; the others didn't align with our business needs or practices. Also, as part of our company's annual strategic planning for the upcoming year, I took what we learned from the WERC audit and applied it to that process back in 2016.

Sean Hammond, Hopewell: For us, we really wanted to establish a baseline and determine how we compared to others in our industry. We were pleased that the assessor didn't identify any significant issues or problems within our operations or processes, but he did give us a list of observations that could potentially drive productivity improvements. We definitely paid attention to those because we decided to pursue a recertification in another three years.



Cambro's City of Industry Facility

WERC Why did you choose to recertify?

Steve Snyder, Blount: For the same reasons as before: a fresh perspective on our operations and to compare ourselves to the rest of the warehousing industry. But also, our company made some fairly significant changes to the business between the two WERC Assessments. These included relocating some of our automated and mechanized assembly lines out of this building and adding more automation and warehouse management upgrades to it. We wanted to see how those changes impacted the results of the re-assessment, and to apply any new observations from the recertification process to our latest annual strategic planning process.

Shawn Steockliene, Cambro: Number one, to see how we did on some of the items that were discussed in the first assessment. During the original assessment we were piloting radio-frequency identification (RFID) in our process, but we ultimately canceled that project because it wasn't delivering the value we expected. However, there were other things in the final report from the first visit that we were already working on, as well as some brand-new initiatives we'd undertaken since the first visit. We wanted to see where we stood. Although we look at our own benchmarking targets daily, when you're in it every day it can be a challenge to step back and get a true, bigger picture. The WERC assessment is a strategic opportunity. Where do we stand compared to the rest of the industry? We set our expectations as high as the best out there and that's what we shoot for. So, on the second assessment, we wanted to see how we measure up against the industry standards.

Sean Hammond, Hopewell: We're currently working on converting to a new warehouse management software (WMS) platform to support Mondeléz, so not only did we want to recertify to see how we've improved since the first assessment, but

we also are interested to see how this new platform may impact our operations. The recertification added another layer of data for future analysis.

WERC What did you **expect** to learn from the recertification audit, and what did you **actually** learn from the recertification audit? Were there any surprises?

Steve Snyder, Blount: I expected to see an improvement, but we improved more than I thought. What was most valuable was discussing the observations. The auditor identified only four potential areas where we might improve this time, which validated our own thoughts. As we were working through the cost justification for potential capital investments, having WERC's evaluation was helpful.

Shawn Steockliene, Cambro: Happily, we passed the certification process! But it was also good to know that the summary was there and there wasn't much in terms of areas for improvement — no huge gaps, no surprises. We're proud to be considered world class at this point. I also think the assessment and certification process is a good exercise for our staff; it's very motivating to see your hard work pay off.

Sean Hammond, Hopewell: We expected to be at the same level — or maybe slightly ahead. But we actually improved a lot more than we anticipated.



Hopewell's Brampton Facility

WERC How did the recertification experience compare to your original audit experience?

Steve Snyder, Blount: The second time we knew what to expect. We've also done ISO certification audits, but the WERC Facility Assessment is helpful because it analyzes specific warehouse operations and processes, whereas ISO certification is focused on whether we follow and have documentation for our own listed procedures.

Shawn Steockliene, Cambro: When I went through it before, I was in a different position, so my role was different, and I wasn't sure what the expectations were. This time, I knew what to expect.



Blount's Kansas City Facility

WERC How did you prepare for the original certification and recertification? Did you use the *WERC Warehousing & Fulfillment Process Benchmark & Best Practices Guide*?

Steve Snyder, Blount: We purposely didn't want to prepare for the audit because we wanted our operations to be evaluated exactly as they are, uninfluenced by an external source. We've always strived to have a best-in-class operation, and — as it turns out — our procedures align well with the best practices identified by WERC.

Shawn Steockliene, Cambro: We took a closer look at the summary from the original audit that we had continued to use — along with a couple of other benchmarking grids — to help us keep our focus on potential changes or areas of improvement. I wanted to be prepared to discuss how things had changed since the first assessment, and to explain how we had addressed some of the observations from the first report.

Sean Hammond, Hopewell: We definitely used the WERC Benchmarking and Best Practices Guide. Also, our team worked back through our notes from the original assessment and findings report. We wanted to be sure we hadn't missed anything.



Cambro's City of Industry Facility

WERC Would you do it again? Why?

Steve Snyder, Blount: Yes, we certainly plan on doing it again. I think it's a great benchmark and validation of what we're doing. Plus, anytime I can get an opportunity to have an expert point out areas where we can improve, I'll take it.

Shawn Steockliene, Cambro: We haven't planned out that far ahead yet, so I can't say for sure, but I don't see why we wouldn't. We value the opportunity to have an unbiased review, particularly as our company changes. We also have another location in North Carolina. As we're continuously working to right-size our facilities and improve our speed to market, we might consider having WERC assess that facility next.

Sean Hammond, Hopewell: Absolutely. Our operation got a lot of value out of the exercise both times, and we certainly got a lot of recognition from Mondeléz. I believe Mondeléz is now considering having WERC assess one of their internally managed sites. Although we don't operate that facility, we see an opportunity to share with them our experience with the process — and the findings and considerations — to help them prepare for the audit. That's part of our approach with our clients; we want to have a partnership where both parties benefit from sharing best practices.

WERC Could you comment on the return on investment (ROI) your operation has received from undertaking a WERC Facility Assessment & Certification?

Steve Snyder, Blount: It's not inexpensive, however, if the final report points out just one or two things that we could potentially improve, we can quickly pay back the investment on that. And beyond the payback itself, we also use our WERC Certification as a marketing tool. We're proud of our WERC Certification, and we share it with our customers. It also ensures that our DC's value is maximized in our annual strategic planning process.

Shawn Steockliene, Cambro: The investment in the WERC Facility Assessment and Certification is absolutely worth the value that we've received from the process, not just for our operations but also for me personally. Because I can lay my head down at night and think, "Okay, I've succeeded — at least this year!" The cost of the recertification could be repaid multiple times over just by speaking with an auditor with such vast experience and who has evaluated so many different warehouses. Additionally, we shared the summary of the final report with our top-level executives, who are all manufacturing experts. We're primarily a manufacturing company, and not many manufacturers manage their own distribution. They rely on myself and my team to deliver world-class distribution warehousing. The report shows them that we do.

Sean Hammond, Hopewell: Of course, in every business, every improvement you make you want to get an ROI — and with the WERC assessment we've found that to be the case. The cost is peanuts for our size of operation. Frankly, having a totally non-biased, promotion-free, critical look at an operation pays itself in dividends. When the observations in the final report offer you an opportunity to potentially find hundreds of thousands of dollars in savings, that WERC invoice is very, very small.

WERC Would you recommend the WERC Certification process to others?

“Yes, I have in fact. We're currently considering a WERC assessment of two of our European distribution centers. — **Steve Snyder, Blount**

“Yes, because there might be an opportunity you're missing.” — **Shawn Steockliene, Cambro**

“Absolutely. It's comprehensive and well valued. Definitely worthwhile. — **Sean Hammond, Hopewell**