

INTERNATIONAL FOODSERVICE DISTRIBUTORS ASSOCIATION

## **BENCHMARKING METRICS AND DEFINITIONS FOR FOODSERVICE DISTRIBUTORS**



*Presented by*  
The IFDA Distribution Committee



# Introduction

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Measuring what you manage is critical to attaining improvement. In an industry where profit margins average less than two percent after taxes, the need to manage costs in transportation and warehousing is extremely important. Knowledge of detailed expenses is essential to understanding and controlling your operating costs.

Companies often start this process by identifying certain key activities and measurements (metrics) for internal benchmarking. This works well until attempts are made to compare these internal results with industry or another company's results. Unless the metrics are defined exactly alike, an "apples-to-apples" comparison becomes difficult, if not impossible. This has been a challenge in the foodservice distribution industry for years because there have never been common definitions available.

In early 2007, the IFDA Distribution Committee, comprised of distribution executives from several foodservice companies, began the challenging task of identifying commonly used metrics and developing consensus on common definitions. Participants in this task force include:

- Gary Cullen, Sysco Corporation
- John Crown, Pate Dawson Company
- Mike January, Ben E. Keith Foods
- Doug Karns, Martin Bros. Distributing Co.
- Dan Peckskamp, Performance Food Group
- Steve Potter, IFDA
- Craig Scott, U.S. Foodservice, Inc.
- Jerry Turner, Nicholas & Co.
- Jack Whittier, Palmer Food Services

The information that follows is the product of their efforts.

## Transportation (Delivery) Definitions

### General Terms

|                                  |   |
|----------------------------------|---|
| Alternative or Light Duty Hours: | These hours should be reported in the labor process where a light duty function or task is performed, with the payroll wages charged to the employee's original personnel classification. Example: A Driver on light duty working in the shop filing paperwork. The "alternative" hours should be reported as clerical, but the payroll wages charged to the employee's classification of Driver. |
| Backhaul                         | Picking up product at an outside location with a company driver and vehicle and delivering that product to the company distribution center for subsequent shipment to customers.  |
| Backhaul Cases                   | The total number of cases picked up during the performance of backhauls.  |
| Backhaul Driver                  | A driver whose primary responsibility is to pick up backhauls.  |
| Cube                             | Total cube (length x width x height) of all pieces shipped (delivered).   |
| Delivery Driver                  | A driver whose primary responsibility is to deliver product to customers.   |
| Driver Headcount                 | All drivers currently on payroll (shuttle, delivery, backhaul, etc.)  |
| HOS Violations                   | The number of Driving Hour violations and /or On-Duty Hour violations within any predetermined point in time (daily, weekly, monthly, etc.)   |
| Off Day Delivery                 | A delivery that occurs on a day other than normally scheduled. Example: customer is on the Master Schedule for deliveries on Tuesday and Thursday, but gets a delivery on Monday. Monday would be an off day delivery.  |
| Pieces                           | Units of outbound product shipped (delivered).  |
| Pieces Sold                      | Includes will calls and direct (warehouse) shipments that were recorded as a sale.  |
| Resignations & Terminations      | The total number of delivery employees who left the company for any reason within any predetermined point in time (weekly, monthly, annually).  |
| Short                            | Product identified on customer's invoice, but not on the truck  |
| Short / Found Later              | Product identified on customer's invoice but not delivered because driver could not find it; found later in the trip by driver.   |
| Shuttle Driver                   | A driver who shuttles trailers to a satellite drop site for locally domiciled drivers to make deliveries  |
| Stop                             | Units of delivery; equals the number of customers; example: 1 hospital with multiple departments = 1 Stop; 1 mall with 3 customers = 3 Stops.   |

Trip Each outbound truckload of product for deliveries to customers.

Weight Total weight of product. Use even pounds for delivery; 2 digits for warehouse.

### **Miles – Related**

Backhaul Miles Incremental off-route miles relating to a backhaul.

Delivery Miles Total trip miles; excludes shuttle and backhaul miles.

Shuttle Miles Total miles to and from the drop site.

Tractor Miles Total miles driven; for determining mileage route averages, miles per gallon, maintenance cost per mile.

Trip Miles All miles associated with a trip; includes shuttle and backhaul miles.

### **Hours - related**

Backhaul Hours On duty hours for incremental off-route miles and hours. Backhaul hours are used in the computation of Cases Per Man Hour (CPMH).

Delivery Hours On duty hours for trip; excludes shuttle and backhaul hours.

Support Hours Delivery (Indirect) hours. On duty hours for supervisors, clerical, and nonproductive-related support activities. Support hours are used in the computation of Cases Per Man Hour (CPMH).

Direct Hours On duty hours for drivers; excludes supervision and clerical support hours.

Hours Paid / Not Worked Includes vacation, sick, holiday, jury duty, workers comp, and FMLA (note: yard jockeys should be in the warehouse budget).

Indirect Hours On duty hours for supervision and clerical support.

Idle Hours Total hours an engine is running but wheels are not moving - normally a % of total engine hours.

Maintenance Hours On duty hours for shop personnel such as mechanics, tire changers, fuelers and washers.

Other Hours (Paid Not Worked) The total hours recorded for sickness, personal or vacation time, jury duty, etc.

Overtime Hours Overtime should include only hours in excess of the weekly work schedule (40 hours) or the daily work schedule (overtime after 8 hours) for full-time employees. Types of full-time employees are: full-time permanent and full-time temporary/contract labor.

Post-trip Hours On duty hours from time-in-gate (entering yard) to punch out time.

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| Pre-trip Hours                       | On duty hours from punch-in time to time out-of-gate (leaving yard).   |
| Shuttle Hours                        | On duty hours to and from shuttle points.  |
| Support Hours                        | On duty hours for supervision and clerical support.  |
| Trip Days                            | Number of days a truck is on the road; used for truck utilization purposes.  |
| Trip Hours                           | On duty hours for drivers; includes shuttle and backhaul hours.  |
| <b>Fuel - related</b>                |  |
| Gallons - Idling                     | Number of gallons consumed by power unit while engine running and wheels are not moving.   |
| Gallons - Power                      | Number of gallons of fuel consumed by the engine of a power unit.  |
| Gallons - Reefer                     | Number of gallons of fuel consumed by a refrigeration unit with a separate fuel tank attached to a trailer or van; (w/o tank = engine hrs. x .5)         |
| <b>Cost - related</b>                |  |
| Fixed Cost                           | Costs not impacted by miles, hours, or pieces. Examples: equipment monthly leasing charges, depreciation, tax, insurance, rent, utilities.               |
| Total Transportation (Delivery) Cost | All transportation (delivery) department costs including variable and fixed costs, licenses and taxes.   |
| Variable Cost                        | Costs that are impacted by miles, hours, or pieces; anything not fixed. Examples: fuel, labor, maintenance, etc.   |
| <b>Transportation Metrics</b>        |  |
| Cost per Stop                        | Total transportation (delivery) department expenses divided by total number of truck stops (deliveries)  |
| Cost per Piece                       | Total delivery department expenses divided by total pieces shipped (warehouse only); does not include will-calls   |
| Cost per Mile                        | Total delivery department expenses (includes all operating costs, direct and indirect hours) divided by total miles driven (backhaul, shuttle, delivery) |
| Cube Utilization                     | Cube shipped on truck divided by total cube capacity for that truck. Can be calculated on a per vehicle or an overall fleet basis.                       |

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| Driver Retention %   | Retention % is calculated by identifying the number of persons employed on the first of the year who have left during the course of the year.<br>Example: There are 30 drivers on 1/1/07; three of these drivers are terminated and replaced; all 3 were on the payroll on 1/1/07.<br>Retention rate: 3 divided by 30 = 10% turnover; 100% minus 10% turnover = 90% retention. |
| Driver Turnover %  | Turnover % is calculated by identifying the number of persons employed on the first of the year who have left during the course of the year.<br>Example: There are 30 drivers on 1/1/07; three of these drivers are terminated and replaced; all 3 were on the payroll on 1/1/07. 3 divided by 30 = 10% turnover.  |
| Engine Idle Time %   | Total idling hours divided by the total running hours.   |
| Hours per Trip   | On duty hours divided by the total number of trips.  |
| Miles per Piece  | Total number of delivery miles divided by the total number of pieces delivered.  |
| Miles per Stop   | Total number of delivery miles divided by the total number of stops.   |
| Miles per Trip   | Total number of delivery miles divided by the total number of trips.   |
| Overtime %   | The percentage of overtime hours to total hours.   |
| % Indirect Hours   | The percentage of Support and Supervisor hours to total hours, excluding paid not worked.  |
| % Nonproductive Time                                       | The percentage of nonproductive time (time on duty but not being productive) divided by total time. Examples of nonproductive time: waiting for paperwork; waiting in yard; time at shop, etc,   |
| Pieces per Mile  | The total pieces delivered divided by the total number of delivery miles.  |
| Pieces per Stop  | The total pieces delivered divided by the total number of stops.   |
| Pieces per Trip  | The total pieces delivered divided by the total number of trips.   |
| Sales per Stop   | Total net \$ Sales divided by number of truck deliveries.  |
| Short / Found Later %                                      | Total pieces that could not be found by driver at time of delivery to customer, but were found later, divided by total pieces shipped.   |
| Stops per Trip   | Total number of stops divided by the total number of trips   |
| Transportation (Delivery) Cost as % Sales                  | Total transportation (delivery) department expenses divided by total net sales.  |
| Transportation (Delivery) Direct Cases Per Man Hour (CPMH) | The total pieces delivered divided by total delivery, shuttle hours and backhaul hours.  |

Transportation (Delivery) Economic Cases Per Man Hour (CPMH)

The total pieces delivered divided by total delivery, shuttle, support, supervisor, and paid not worked hours.

Transportation (Delivery) Indirect Cases Per Man Hour (CPMH)

The total pieces delivered divided by total management, supervision, router, dispatcher, clerical, trainer, fueler and washer hours.

## Warehouse Definitions

### Warehouse Definitions (General)

Alternative or Light Duty Hours:

These hours should be reported in the labor process where a light duty function or task is performed, with the payroll wages charged to the employee's original personnel classification. Example: A Selector on light duty working in the office filing paperwork. The "alternative" hours should be reported as clerical, but the payroll wages charged to the employee's classification of Selector.

Breakers / Splits

Any item shipped in less than full case quantity.

Case

The unit of measure for product received during the receiving function. Does not include returned product cases from delivery to inbound cases. Does not add splits that are made up in the warehouse to the inbound cases. Drop shipments are not included in inbound cases.

Cases per Inbound Pallet

Total number of cases received divided by total number of pallets after restacking.

Checker

Person(s) responsible for spot-checking product that has been brought to the dock for loading.

Cube

Total cube (length x width x height) of a case of product or a container utilized for breakers or split items.

Driver Check-In

Person(s) responsible for receiving/verifying product, number of pallets and/or totes, two-wheelers, etc. being returned by company drivers.

Headcount - Inbound

Number of full-time employees assigned to the Inbound function.

Headcount - Outbound

Number of full-time employees dedicated to the Outbound function.

Headcount - Total

Number of full-time employees in the warehouse: selectors, loaders, fork lift operators, checkers, sanitation, receivers, team leaders, temp/contract laborers, stockers, clerks, supervisors, managers, directors.

Hours Paid/ Not Worked

Includes vacation, sick, holiday, jury duty, workers compensation, and FMLA

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| Letdown                                | The act of moving product from a reserve slot to a pick slot.   |
| Loader                                 | Person(s) primarily responsible for placing selected product onto delivery vehicle for shipment.  |
| Markouts                               | If the product shows in inventory, but for some reason it did not ship, report it in this category. This covers lost product in the warehouse, or some other warehouse error preventing the product from being shipped to the customer. A markout for ten cases of one item is recorded as ten, not one.  |
| Mispicks                               | Selection errors (incorrect items picked) that are shipped to customers.  |
| Nonproductive Time                     | Time on duty but not being productive. Examples: time between punch-in and actual start time; time waiting for paperwork; time between end of work and actual punch-out, etc,   |
| Operational Shrink                     | Product written off due to warehouse damage, warehouse spoilage, delivery damage, delivery spoilage, other damage, cycle count, physical inventory, and driver shorts.  |
| Outbound Direct Hours                  | All hours spent on replenishment, selection, and loading during the night (shipping) shift.   |
| Outbound Pieces                        | All pieces shipped during the outbound (shipping) shift. Includes splits or breakers.   |
| Overtime                               | Overtime should include only those hours in excess of the weekly work schedule (40 hours) or the daily work schedule (overtime after 8 hours) for full-time employees. Types of full-time employees are: full-time permanent and full-time temporary/contract labor.  |
| Paid Break                             | Scheduled paid break for the purpose of providing rest and relaxation. Should be charged to the employee's primary job classification. This applies to all employees. <i>Note:</i> Non-working paid holidays, disability/workers' compensation, vacation, sick leave, and jury duty hours should <u>not</u> be included in hours worked.  |
| Pallet                                 | Unit of measure for each pallet upon which product is restacked on the receiving dock and put into reserve slots or for each pallet loaded onto delivery equipment for shipment of product to customers.  |
| Part-Time Hours / Full Time Equivalent | Employees who are required to work less than thirty (30) hours per week are considered "part-time". Types of part-time employees are: part-time permanent and part-time temporary/contract labor. To determine full-time headcount totals for part-time employees, total all part-time employee hours and divide by 40 hours. <u>Example:</u> Four (4) part-time employees working twenty (20) hours per week equals eighty (80) part-time hours. The normal full-time work schedule is forty (40) hours, then the full-time headcount equivalent is two (2) employees (80/40=2). |

|                                    |  |
|------------------------------------|--|
| Pick Slots                         | Locations within racks where product is placed for selectors to retrieve for shipping purposes.  |
| Piece                              | The unit of measure for product shipped during the shipping function.  |
| Primary Job Classification         | Hours collected for each classification and the people performing those functions. Example: a “checker” may spend four hours checking and four hours loading. His/her time should be charged to the employee’s <i>primary</i> job classification which, in this case, is "Checking". |
| Putaway                            | The act of putting newly received product into a reserve slot.   |
| Receiver                           | Person(s) whose primary responsibilities are to verify and accurately record product received from non-company trucks. Duties may include restacking of product on pallets prior to being put into a reserve or pick slot.   |
| Replenishment                      | The act of transferring product from a reserve slot to a pick slot.  |
| Reserve Slots                      | Locations within racks where product is placed for storage prior to being placed in pick slots for selectors to retrieve for shipping purposes.  |
| Resignations and Terminations      | The total number of warehouse employees that left the company for any reason during a week or other designated period of time.   |
| Temporary/Contract Labor           | Persons filling a full-time or part-time position but not compensated through your company's Payroll Department.   |
| Warehouse Equipment Repair Expense | All warehouse equipment repair and maintenance costs (includes all parts, labor, and third party repair costs)   |
| Yard Jockey (Hostler) (Spotter)    | Person(s) responsible for moving delivery vehicles to designated dock doors for loading, and returning each vehicle to its designated parking location.  |

## Warehouse Definitions - Inbound

**Direct Hours** Those hours used to physically receive and place merchandise in the warehouse so it is available for order selection and shipment to the customer. Used in the computation of Cases Per Man Hour (CPMH)

***Inbound direct hours include categories such as the following:***

|                            |  |
|----------------------------|--|
| Dock Reserve Runner        | All hours spent to primarily take pallets off the dock and place them in the aisles. Not counted in any other position.  |
| Forklift Put-Away Operator | All hours spent to take pallets off the dock and put the pallets into the reserve or pick locations. Not counted as a Dock Reserve Runner, Forklift Let Down Operator or Hi Rise Stocker. Note: If the put-away forklift operator also does non-demand or demand |

replenishments during the inbound shift in addition to put-away, classify him/her as Inbound / Forklift Put-Away Operator rather than splitting hours.

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|---------------------------------------|---|
| Hi-Rise (VNA) (PIR) Stocker           | All hours spent to work in the Hi Rise area to take pallets off the dock, put-away in reserve or pick locations, or replenish pick locations from reserve locations.  |
| Lumpers                               | Hours are not included in Inbound hours since they are considered an extension of the Inbound Driver and cost of delivering the product.  |
| Other Stocker                         | All hours spent in a specialized area to put-away and replenish products that are not counted as Forklift Put Away hours, Forklift Let Down hours, or Hi Rise hours. ( <u>Example:</u> Carousel Stocker, Split Stocker, Catchweight Stocker, or any special labor positions associated with unique products.) |
| Rail Receiver                         | All hours spent to inspect, check and sign for inbound merchandise primarily from rail cars that are not counted as Driver Check-in or Truck Receiver.  |
| Returns Put-Away                      | All hours spent returning products to their pick slots or reserve locations.  |
| Truck Receiver                        | All hours spent to inspect, verify, and sign for inbound merchandise primarily from trucks that are not counted as Driver Check-in or Rail Receiver.  |
| Inbound Hours Other (Paid Not Worked) | The hours recorded for sickness, personal or vacation time, jury duty, etc.   |
| Inbound Hours Straight Time           | The hours spent performing the various inbound duties associated with receiving and storing product in the warehouse. This does NOT include OVERTIME hours.   |
| Inbound Overtime Hours                | The total inbound hours worked in excess of 40 per week or hours classified as premium pay per labor agreement spent performing the various inbound duties associated with receiving and storing product in the warehouse.  |
| Inbound Hours - Total                 | The total of Straight Time hours and Overtime hours. Inbound Hours are used in the compilation of Cases Per Man Hour (CPMH).  |
| <b>Indirect Hours</b>                 | On duty hours for supervision and clerical support. Indirect hours are used in the computation of Cases Per Man Hour (CPMH).  |

*Inbound indirect hours include categories such as the following:*

|                 |   |
|-----------------|---|
| Battery Changer | All hours spent changing warehouse equipment batteries; includes waiting time, if applicable. |
|-----------------|---|

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|---|--|
| Clerk/Secretary   | All hours spent by secretarial or similar support staff who are assigned to inbound warehouse operations.  |
| Damage Repack   | All hours spent to recoup product from returns area or damage that occurred in the warehouse through receiving, put-away, replenishment, or order selection. Not counted in any other position.  |
| Disability/Workers' Comp  | Hours paid to employees on disability/workers' compensation that are currently not able to work and are drawing disability/workers' compensation.  |
| Driver Check-In   | The number of hours of employees involved in checking in product and invoices for product being by company drivers. Not counted in Returns Put-Away.   |
| Inbound Scheduler   | All hours spent for assigning appointments and doors to inbound carriers, backhauls and other freight being received.  |
| Non-Working Paid Hours  | Disability/workers' compensation, vacation, sick leave, and jury duty hours should not be included in hours worked. This applies to all hourly and/or salaried employees.  |
| Receiving Clerk   | All hours spent coordinating inbound shipments of products with outside carriers, checking and verifying bills of lading, making door assignments, etc. invoices for warehouse inbound operations.   |
| Slotting Coordinator  | All hours spent to assign new products to their pick locations, evaluate current use of pick locations, and transfer products to other slots based upon pick frequency, pick path and cube movement.   |
| Vice President of Operations, Vice President/Director of Warehouse Operations | All hours spent by persons designated as the Vice President or Director of Warehousing Operations who report to the Vice President of Operations. Report 45 hours of management per week per Vice President or Director. If your company has a Vice President of Operations, as well as a Vice President of Warehouse and a Director of Warehouse, then 45 hours per week must be allocated for all three (3) positions. This <i>should be reported in G&amp;A, and not in Operations numbers</i> . Non-working paid holidays, disability/workers' compensation, vacation, sick leave, and jury duty hours should not be included in hours worked. This applies to all hourly and/or salary employees. |
| Warehouse Management and Supervision  | All hours spent by managers and supervisors in the Warehouse Operations Department that are not counted in any other position. Report 45 hours of management or supervision per week, per manager or supervisor.   |
| Warehouse Sanitation  | All hours spent for housekeeping, sanitation, and trash removal in the warehouse facilities <u>excluding</u> all Distribution Center offices. "Contract Sanitation Service" hours spent for housekeeping, sanitation, and trash removal in the warehouse facilities excluding all Distribution Center offices, must be reported in the Warehouse Janitor section of Indirect hours and are used in the computation of Cases Per Man Hour (CPMH).   |

Other Indirect Hours All inbound nonproduction-related hours not counted above.

## Warehouse - Inbound Metrics

|                                     |   |
|-------------------------------------|---|
| Cases Per Pallet                    | Total inbound cases divided by total inbound pallets.   |
| Cost (expense) as % Sales           | Total inbound warehouse expenses less occupancy and fixed warehouse costs (rent, depreciation, insurance, taxes, utilities) divided by total net sales.   |
| Cost per Case - Receiving           | Total receiving shift wages (excluding benefits) divided by total cases received  |
| Errors per Pallet                   | The total number of errors divided by the total number of pallets handled   |
| Inbound Direct Labor %              | Total inbound direct production hours spent on receiving, putaway, and replenishment codes during the day shift divided by total inbound warehouse payroll hours  |
| Inbound Indirect Labor %            | Total inbound Indirect production hours spent on receiving, putaway, and replenishment codes divided by total inbound warehouse payroll hours   |
| Inbound Pallets Per Man Hour (PPMH) | Inbound Pallets divided by the total inbound hours.   |
| Inbound Support %                   | Total inbound Support hours (management and warehouse support functions) divided by total inbound warehouse payroll hours   |
| Inbound Thruput                     | Total cases received divided by total inbound warehouse payroll hours (all direct, indirect, management, paid time off, and support)  |
| Operational Shrink as % Sales       | Total operational shrink \$ divided by total sales \$.  |
| Overtime %                          | Overtime hours divided by total hours.  |
| Retention %                         | Retention % is calculated by identifying the number of persons employed on the first of the year but have left during the course of the year.<br><u>Example:</u> There are 30 day warehouse employees on 1/1/07; three of these employee are terminated and replaced; all 3 were on the payroll on 1/1/07. Retention rate: 3 divided by 30 = 10% turnover; 100% minus 10% turnover = 90% retention. |

## Warehouse Definitions - Outbound

**Direct Hours** Those hours used to physically select, palletize, replenish and load product so that it is available for shipment to customers. Used in the computation of Cases Per Man Hour (CPMH)

***Outbound direct hours include categories such as the following:***

|                                   |  |
|-----------------------------------|--|
| Checker                           | All hours spent spot-checking outbound pallets/product for accuracy prior to loading.  |
| Forklift Operator - Replenishment | All hours spent to move pallets or product from reserve slots to pick slots.   |
| Loader                            | All hours spent to primarily take product from the dock and place them in delivery vehicles for shipment to customers.   |
| Other Stocker                     | All hours spent in a specialized area to put away or replenish products that are not counted as Forklift Operator - Replenishment (Example: carousal stocker, split stocker, catchweight stocker, or any special labor positions associated with unique products). |
| Returns Put-Away                  | All hours spent returning products to their pick slots or reserve locations.   |
| Selector                          | All hours spent removing product from pick slots onto pallets or into totes for the purpose of shipment to customers.  |
| Selector, Hi-Rise (VNA, PIR)      | All hours spent picking or selecting product from hi-rise areas (VAN, PIR)   |
| <b>Indirect hours</b>             | On duty hours for supervision and clerical support. Indirect hours are used in the computation of Cases Per Man Hour (CPMH).   |

***Outbound indirect hours include categories such as the following:***

|                          |   |
|--------------------------|---|
| Battery Changer          | All hours spent changing warehouse equipment batteries; includes waiting time, if applicable.   |
| Clerk/Secretary          | All hours spent by secretarial or similar support staff who are assigned to outbound warehouse operations.  |
| Damage Repack            | All hours spent to recoup product from returns area or damage that occurred in the warehouse through receiving, put-away, replenishment, or order selection. Not counted in any other position. |
| Disability/Workers' Comp | Hours paid to employees on disability/workers' compensation that are currently not able to work and are drawing disability/workers' compensation.   |
| Driver Check-In          | The number of employee hours involved in checking in returned product and invoices on the warehouse dock. Not counted in Returns Put-Away.  |
| Non-Working Paid Hours   | Disability/workers' compensation, vacation, sick leave, and jury duty hours should not be included in hours worked. This applies to all hourly and/or salaried employees.                       |

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|---|--|
| Shipping Clerk  | All hours spent supporting warehouse selection labels, checking and loading sheets and invoices for warehouse shipping operations.   |
| Vice President of Operations, Vice President/Director of Warehouse Operations | All hours spent by persons designated as the Vice President or Director of Warehousing Operations who report to the Vice President of Operations. Report 45 hours of management per week per Vice President or Director. If your company has a Vice President of Operations, as well as a Vice President of Warehouse and a Director of Warehouse, then 45 hours per week must be allocated for all three (3) positions. This <i>should be reported in G&amp;A, and not in Operations numbers</i> . Non-working paid holidays, disability/workers' compensation, vacation, sick leave, and jury duty hours should not be included in hours worked. This applies to all hourly and/or salary employees. |
| Yard Jockey (Hostler) (Spotter)   | Person(s) responsible for moving delivery vehicles to designated dock doors for loading, and returning each vehicle to its designated parking location.  |
| Warehouse Management and Supervision  | All hours spent by managers and supervisors in the Warehouse Operations Department that are not counted in any other position. Report 45 hours of management or supervision per week, per manager or supervisor.   |
| Warehouse Sanitation  | All hours spent for housekeeping, sanitation, and trash removal in the warehouse facilities <u>excluding</u> all Distribution Center offices. "Contract Sanitation Service" hours spent for housekeeping, sanitation, and trash removal in the warehouse facilities excluding all Distribution Center offices, must be reported in the Warehouse Janitor section of Indirect hours and are used in the computation of Cases Per Man Hour (CPMH).   |
| Other Indirect Hours  | All inbound nonproduction-related hours not counted above.   |

## Warehouse Metrics – Outbound

|                              |  |
|------------------------------|--|
| % of Cases Returned          | Total pieces returned divided by total pieces shipped  |
| % Day Replenishments         | Number of replenishments performed on day shift divided by total number of replenishments (day and night)                                      |
| % of Dollars Returned        | Dollar value of returned pieces divided by dollar value of pieces shipped  |
| % Indirect                   | Total hours minus total direct hours divided by total hours  |
| % Slotting Accuracy          | Total items slotted correctly divided by total items slotted   |
| % of Total Expenses to Sales | Total warehouse expenses less occupancy and fixed warehouse costs (rent, depreciation, insurance, taxes, utilities) divided by total net sales |

|   |   |
|---|---|
| % Variance, Pick                          | % of Pick slots counted that have a quantity variance   |
| % Variance, Reserve                       | % of Reserve slots counted that have a quantity variance  |
| Average Cost per Case Damaged or Outdated | Total cost of dumped, damaged and outdated product divided by total cases involved  |
| Average Cost per Case Shipped             | Total cost of goods sold divided by total pieces shipped  |
| Average Price per Case Sold               | Net sales divided by total pieces shipped   |
| Average Wage                              | Total wages paid for a function divided by total number of people doing that function   |
| Average Wage per Regular Hour             | Total regular (non-overtime) wages (in dollars) divided by total regular (non-overtime hours worked)  |
| Cases per Inbound Pallet                  | Total inbound cases received divided by total inbound pallets received  |
| Cost per Case Shipping                    | Total shipping shift wages (excluding benefits) divided by total cases shipped  |
| Loading Error Rate                        | Total pieces not loaded + total pieces loaded on wrong truck + Loading damage (pieces) = Total errors (pieces)  |
| Loading Error Rate per 1,000              | Product not loaded (pieces) + Product loaded on wrong truck (pieces) + Loading damage (pieces) = Total errors (pieces) per 1,000 pieces selected for shipment |
| Mispick Ratio                             | Total cases shipped divided by total cases that were selected in error.   |
| Operational Shrink as % Sales             | Total operational shrink \$ divided by total sales \$.  |
| Outbound Direct Thruput                   | Total pieces picked divided by total outbound Direct hours (all hours spent on replenishment, selection, and loading codes during the night shift)            |
| Outbound Indirect %                       | Total outbound indirect Hours minus outbound direct hours divided by total outbound hours (direct and indirect)   |
| Outbound Pick Rate/Hr.                    | Total pieces picked divided by total selection hours  |
| Outbound Thruput                          | Total pieces shipped divided by total night warehouse payroll hours (includes all direct, indirect, management, paid time off)                                |
| Overtime %                                | Overtime hours / total hours  |
| Pallets per Hour                          | Total pallets loaded / total direct loading hours   |
| Pieces per hour (direct)                  | Total pieces / total direct loading hours   |
| Pieces per Hour (pick rate)               | Number of pieces picked (selected) divided by total selection hours   |

|                       |   |
|-----------------------|---|
| Retention %           | Retention % is calculated by identifying the number of persons employed on the first of the year but have left during the course of the year.<br><u>Example:</u> There are 30 night warehouse employees on 1/1/07; three of these employee are terminated and replaced; all 3 were on the payroll on 1/1/07. Retention rate: 3 divided by 30 = 10% turnover; 100% minus 10% turnover = 90% retention. |
| Short / Found Later % | Total pieces that could not be found by driver at time of delivery to customer, but were found later divided by pieces shipped  |
| Turnover %            | Turnover % is calculated by identifying the number of persons employed on the first of the year who have left during the course of the year.<br><u>Example:</u> There are 30 night warehouse employees on 1/1/07; three of these employees were terminated and replaced; all 3 were on the payroll on 1/1/07. 3 divided by 30 = 10% turnover.   |

## Warehouse Other

|                                    |   |
|------------------------------------|---|
| <b>Occupancy Hours</b>             | Occupancy and other hours are not used in the computation of Cases Per Man Hour (CPMH).   |
| Maintenance Clerk                  | All hours spent, by a secretary or support staff member whose primary responsibilities are in the warehouse maintenance area.   |
| Occupancy Managers and Supervisors | All hours spent by managers and supervisors in the Occupancy Department that are not counted in any other position. Report 40 hours of management or supervision per week, per manager or supervisor. |
| Office Sanitation                  | All hours spent for sanitation and trash removal for the offices in the Distribution Center, excluding the work performed by the warehouse janitors.  |
| Pest Control                       | All hours spent for activity and work at keeping pests from infiltrating the facility.  |
| Security                           | All hour spent for security of the facility and grounds.  |

### **Cost of Sales (Cutting/Processing) Hours**

*Includes the following categories:*

|                      |   |
|----------------------|---|
| Cutting Hours - Fish | All hours spent by designated people to cut or further process fish-related products resulting in multiple saleable product codes. Not counted in any other position. |
| Cutting Hours - Meat | All hours spent by designated people to cut or further process meat-related products resulting in multiple saleable product codes. Not counted in any other position. |

|                                   |   |
|-----------------------------------|---|
| Total Average Wage per Hour       | Total regular wages plus overtime wages, divided by regular hours plus overtime hours.  |
| Processing (Salad Preparer) Hours | All hours spent by designated people to prepare and combine products into another saleable product. Not counted in any other position.  |
| Product Quality Control Hours     | Total hours spent by designated quality control people checking product rotation and product freshness in existing pick locations, or inspecting product on the dock prior to being received or shipped. Not counted in any other position. |
| Repack Hours - Fish               | All hours spent by designated people to repack fish products from one saleable product code into multiple saleable product codes due to marketing requirements. Not counted in any other position.  |
| Repack Hours - Produce            | All hours spent by designated repack people repackaging product from one saleable product code into multiple saleable product codes due to marketing requirements. Not counted in any other position.                                       |
| Other Hours                       | All hours spent in a Cost of Sales function that are not counted in any other position.   |

### **Cost of Sales Metrics**

|                               |   |
|-------------------------------|---|
| Average Price per Pound       | Total cost of goods sold (\$) divided by pounds produced.                                 |
| Dept. Cost per Pound Produced | Total department expenses divided by total pounds produced.                               |
| Labor Cost per Pound Produced | Total labor hours divided by total pounds produced.                                       |
| Pounds per Production Hour    | Total pounds produced divide by total regular hours and overtime hours.                   |
| \$ Sales per Production Hour  | Total sales dollars for the product produced divided by total regular and overtime hours. |

### **Total Warehouse Metrics**

|   |  |
|---|--|
| Distribution Direct Cases Per Man Hour (CPMH)   | Total outbound cases divided by the total inbound and outbound direct hours.   |
| Distribution Economic Cases Per Man Hour (CPMH) | Total outbound cases divided by the total inbound, outbound, support, supervisor, and paid not worked hours. Interchangeable with Total Warehouse Thruput. |
| Distribution Indirect Cases Per Man Hour (CPMH) | Total outbound cases divided by the total inbound and outbound support and supervisor (indirect) hours.  |

|                         |   |
|-------------------------|---|
| Total Warehouse Thruput | Total Cases Shipped divided by Total Warehouse Payroll Hours (all direct, indirect, management, paid time off, and support for all shifts). Interchangeable with Distribution Economic Cases Per Man Hour (CPMH)  |
| Warehouse Damage Ratio  | Number of cases damaged per 1,000 cases throughput (internal warehouse damage only)   |
| Warehouse DART Rate     | Caused by injuries. Days away from work, restricted duty, or transfer of job. Number of injury cases x 200,000 hours divided by the actual number of hours all employees worked.  |
| Warehouse Dump & Damage | This category reflects any cases damaged or destroyed inside the warehouse. This includes code date thrown out that may have been a purchasing issue and not a warehouse issue. It does not reflect any cases damaged during the delivery process.  |
| Warehouse Paid OT %     | The percent of hours worked over 40 hours per person per work week in a given reporting period.   |
| Warehouse Retention %   | Retention % is calculated by identifying the number of persons employed on the first of the year but have left during the course of the year.<br><i>Example: There are 30 night warehouse employees on 1/1/07; three of these employee are terminated and replaced; all 3 were on the payroll on 1/1/07. Retention rate: 3 divided by 30 = 10% turnover; 100% minus 10% turnover = 90% retention.</i> |
| Warehouse Turnover %    | Turnover % is calculated by identifying the number of persons employed on the first of the year who have left during the course of the year.<br><i>Example: There are 30 night warehouse employees on 1/1/07; three of these employees were terminated and replaced; all 3 were on the payroll on 1/1/07. 3 divided by 30 = 10% turnover.</i>   |