

# Prioritizing Warehouse Performance Measures in Sri Lankan 3PL Industry

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Companies constantly adapt their global business procedures to increase overall performance in today's business environment. To focus on core business processes, many manufacturing and retailing organizations are outsourcing logistic services to 3PL companies. Warehousing is one of the most outsourced services from logistic services. In this environment, warehouse operations play a key and critical role in achieving good performance through numerous upgrades. Warehouse performance measures are taken now as a technique of measuring activity performance, programs, or services supplied by a warehouse. Although the Sri Lankan 3PL industry has poor logistic performance compared to the global 3PL industry, Sri Lanka has the geographic advantage required to develop into an important logistical hub in South Asia because it is located close to India and on the East-West trade route. Therefore, this research investigates the Warehouse performance measures through a literature review and validated those for the Sri Lankan third-party logistic warehouses through industry experts' opinions. Identified warehouse performance measures were prioritized using the Analytical Hierarchy Process (AHP) as a weighting method to focus on major categories and major warehouse performance measures. Because numerous criteria and indicators must be considered for measuring warehouse performance, a Composite Warehouse Performance Index (CWPI) is built utilizing the Analytical Hierarchy Process (AHP) as a linear aggregation approach. The proposed model was tested with a customer who receives warehousing services from three thirdparty logistic organizations.

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