



Where to Warehouse: The Top 10 for 2009

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Where's the best location for a distribution center? That would be Henderson, KY, according to [Chicago Consulting](#). The consultancy, which helps companies design and engineer their supply chains, has released its 12th annual 10 Best Warehouse Networks for 2009.

The study lists the best towns and cities in the U.S. for locating DCs, outlining ten hypothetical networks—a single DC location, and so on, with the last network consisting of 10 DCs. It details the best location for each DC within each network—purely in terms of distance to population. It does not take into account things like transportation infrastructure; real estate costs; local and state taxes; available labor and other factors that play an important role in deciding where to locate a DC.

"There's fundamentally only one criteria—which is distance—which translates into the amount of time it takes to get to customers," explains Terry Harris, managing partner at Chicago Consulting. "We use a very sophisticated optimizing tool that we use in our routine consulting work which we have applied in this generic sense to the U.S. population."

"This is not a tool that accounts for the road network, land values, labor rates, utility costs or anything of that nature," he adds. "But it does account for the most important issue in designing a network from a service perspective, which is the amount of time it takes to get to market."

Not only is it purely geographical in nature, the study is based on a "generic" company's customer pattern. "When designing an individual company's network, it's always better to use their specific pattern," Harris acknowledges.

Henderson, KY, is the best place to locate one warehouse because it provides the shortest distance to the U.S. 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," Harris says.

This year Henderson, KY, beat out Bloomington, IN, as the best location for a single DC.

"The switch from Bloomington to Henderson was driven by higher than average growth rates in the Southeast—Florida, Georgia, North and South Carolina," Harris says. Among other minor changes, Palmdale, CA, changed to Bakersfield, CA, in networks two through five.

Harris says Chicago Consulting uses U.S. Census Bureau statistics—combined with other population indexes that measure population in the in-between years—in order to develop the study. "There's actually many sources for population statistics—there's the states, there's third parties and

the Census Bureau also does its own projections,” he explains.

To view the list click [here](#)

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