Henderson, Ky., Named Best Site For DC

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CHICAGO—The quickest way for a company to get their products to U.S. consumers in the shortest amount of time is to build a distribution center in Henderson, Ky., according to an independent study.

Henderson replaced Bloomington, Ind., as the best location for a single national distribution location in the analysis conducted by Chicago Consulting, a company that designs supply chains for manufacturers, distributors and retailers.

The switch to Henderson was driven by higher-than-average growth in Southeastern states such as Florida, Georgia, North Carolina and South Carolina, according to the study.

Henderson is an average of 804 miles from every single American, the lowest outbound distance, allowing goods to be delivered in an average of 2.27 days. The study doesn't consider issues such as highway infrastructure, labor climate and proximity to airports. But proximity to people is crucial to reducing fuel costs, Harris noted.

"There's fundamentally only one criteria—which is distance—which translates into the amount of time it takes to get to customers," said 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."

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.

This story also appeared in Modern Material Handling's sister publication, Multichannel Merchant. It can be viewed at http://multichannelmerchant.com/opsandfulfillment/advisor/0224-where-warehouse-top-10-for-2009.