

Halden Fulfilment × Network Assessment

Fix the floor before building the ceiling

March 2026

RECOVERABLE PICK COST

14¢

≈ \$12M A YEAR

Weakness clusters at Reading and Tracy on systems maturity — not evenly across the six-site network.

METRIC	CAPABILITY				SITE READ	STATUS
	INBOUND ACCURACY	PICK PRODUCTIVITY	LABOUR FLEXIBILITY	SYSTEMS MATURITY		
Reno	At par	Developing	At par	Developing	Mixed	○ At risk
Columbus	Leading	At par	Developing	At par	Strong	● On track
Reading	At par	Developing	Developing	Developing	Weak	● Off track
Sparks	At par	At par	At par	Developing	Solid	● On track
Lehigh	Leading	Leading	At par	At par	Strongest	● On track
Tracy	Developing	Developing	At par	Developing	Weak	● Off track

Key: Leading / At par / Developing / Absent — Absent unscored, retained in the ops-council scale.

Off-peak sits near \$0.48; the curve spikes to \$0.68 in November — \$0.09 worse than 2024's \$0.59 peak.

Flat off-peak floor

January through July hold in a tight \$0.47–\$0.52 band, averaging near \$0.48 — the network runs steady when volume is normal.

Ramp starts in August

The curve breaks upward from \$0.49 in July to \$0.53 in August and \$0.56 in September, two months before peak season officially begins.

November breaks to \$0.68

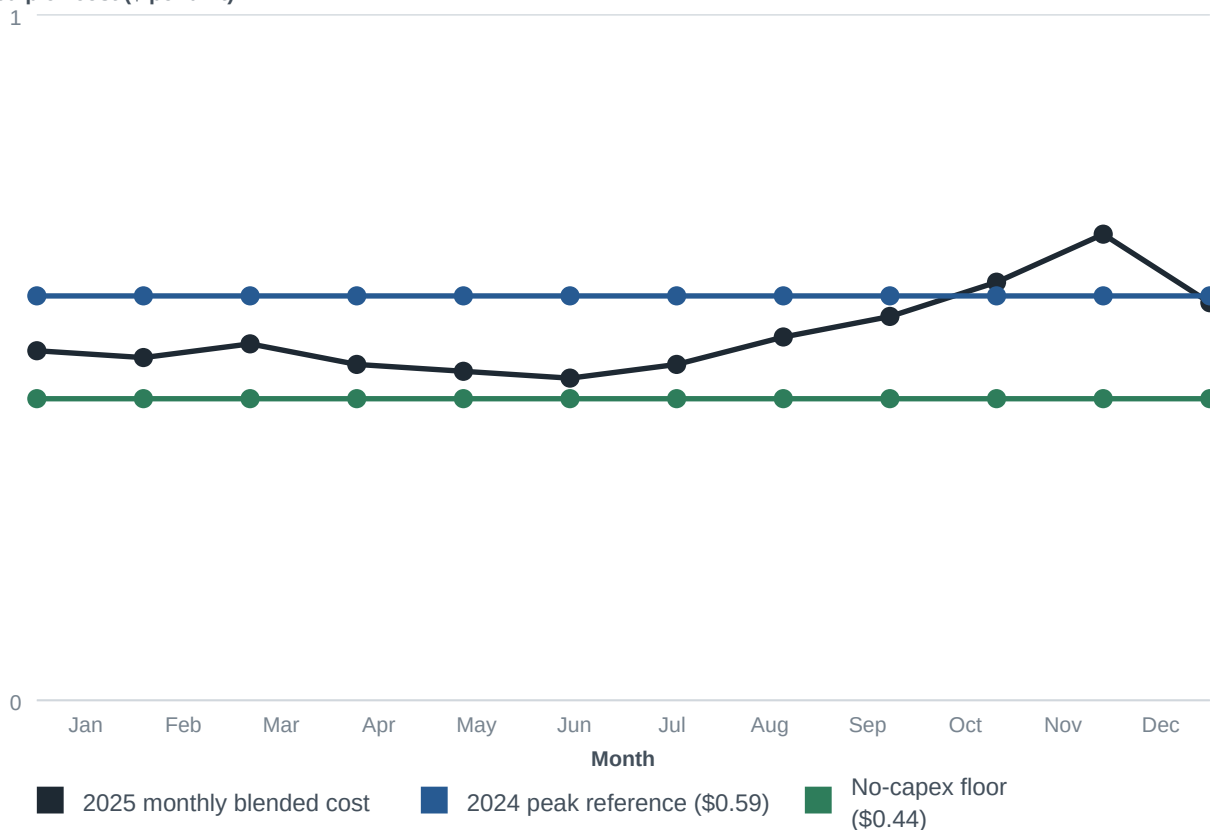
Peak lands \$0.09 above 2024's \$0.59 ceiling and 20¢ above the July baseline — the single worst month in the series.

\$0.24 addressable band

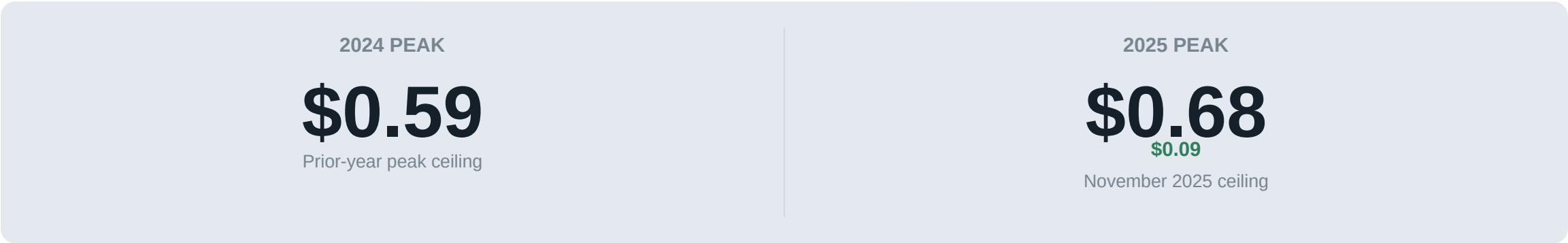
The gap between November's \$0.68 peak and Halden's \$0.44 no-capex floor is \$0.24 per unit, of which 14¢ is the recoverable share the bundle targets.

Blended pick cost per unit, monthly

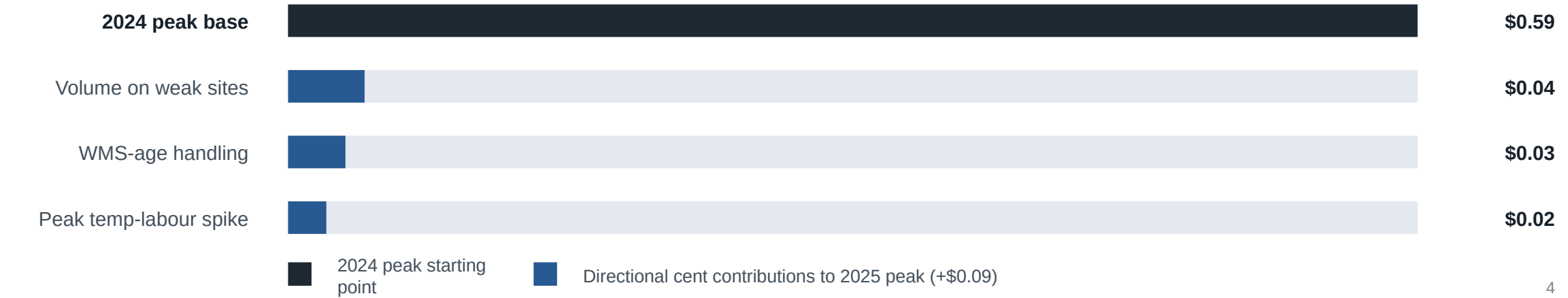
Blended pick cost (\$ per unit)



The 2025 peak broke to \$0.68 as 18% volume growth landed on the two oldest-WMS sites.



What added to the 2025 peak



14¢ sits between the \$0.68 November peak and Halden's \$0.44 no-capex floor — worth ~\$5.7M per cent recovered.

\$0.68

NOVEMBER PEAK

2025 peak blended pick cost per unit — the ceiling the network hit at the height of season.

\$0.44

NO-CAPEX FLOOR

The cost operations believes the network can reach with no capital spend — the reachable floor for the recovery band.

14¢

ADDRESSABLE GAP

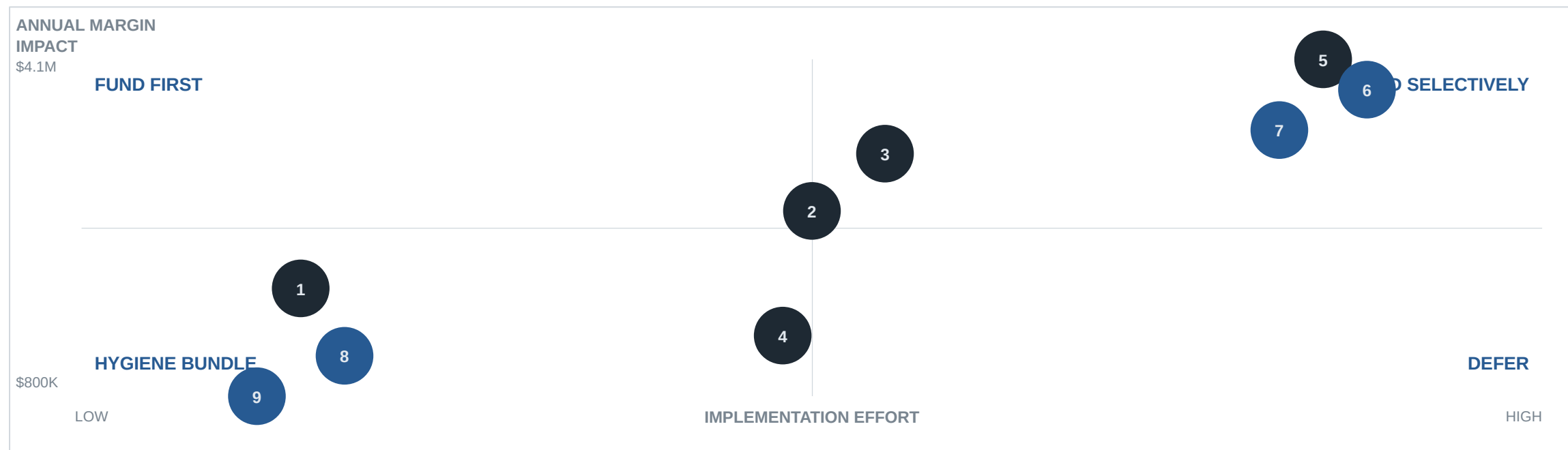
The recoverable band between peak and floor — sub-dollar precision on where the pick-cost improvement actually lives.

~\$5.7M

PER-CENT SCOPE

Closing the full 14¢ against the \$410K-per-cent bridge at current 41M-unit volume; the funded bundle in the recommendation lands at ~\$12.9M via initiative-level impacts.

Read on both axes, the nine initiatives split cleanly: five earn funding, four defer.



● Funded (5)

● Deferred (4)

1 WMS upgrade at Reading + Tracy is the only High-effort item funded — it fixes the sites driving the peak break.

2 Cross-dock Lehigh and automated putaway Columbus sit at already-strong sites; sequence after WMS payback.

WMS upgrade at Reading and Tracy is the one High-effort bet worth funding — it fixes the sites driving the peak break.

THE TWO WEAK SITES

SITE	CAPABILITY PROFILE	WMS PLATFORM
Reading	3/4 Developing	Oldest
Tracy	3/4 Developing	Oldest
Other four sites	At par+	Migrated 2023
Annual impact	\$4.1M	High effort

WHY THIS ONE PAYS

01 Systems-maturity cluster

Reading and Tracy are the only two sites on the oldest WMS, and both score Developing on systems maturity — the weakest column in the network grid.

02 Peak-break driver

18% volume growth landed disproportionately on these two sites, a systems problem amplified by the temp-labour ratio jumping from 19% to 34% at peak.

03 Why this High-effort bet

The other two High-effort builds sit at Lehigh and Columbus, already Leading on inbound. The cost problem lives at Reading and Tracy — fund where it lives.

04 Sequencing

\$4.1M annual impact — the largest single-initiative return — and a prerequisite for later automation bets at the same sites.

Fund High-effort spend where the weakness lives, not where the capability grid already scores Leading.

Fund now

- WMS upgrade at Reading + Tracy — \$4.1M annual impact
- Sites scored Developing on systems maturity — the cluster driving the peak break
- Both run the oldest WMS; the other four moved to current platform in 2023
- The one High-effort bet that fixes where the cost problem actually lives



Defer

- Cross-dock at Lehigh — \$3.4M annual impact
- Lehigh scored Leading on inbound accuracy and pick productivity already
- Automated putaway at Columbus — \$3.8M annual impact
- Columbus scored Leading on inbound accuracy already

The High-effort dollar goes to the weak sites, not the strong ones.

Fund the five-initiative bundle now to reclaim ~14¢ of pick cost — worth ~\$12.9M annually.

Fix the floor before building the ceiling — five initiatives, one High-effort bet, deliverable before next peak.

01

■ Slotting

Approve slotting re-optimisation across all six sites.

\$1.9M, Low effort — hygiene fix on today's pick paths.

02

■ Pick-path

Fund pick-path algorithm upgrade network-wide.

\$2.6M, Medium effort — lifts the weakest column, pick productivity.

03

■ Flex shift

Deploy peak-season flex shift model before next peak.

\$2.9M, Medium — attacks the 34% peak temp-labour spike.

04

■ Carton

Fund carton-size rationalisation.

\$1.4M, Medium — cubes out fewer trailers, lower handling cost.

05

■ WMS upgrade

Green-light WMS upgrade at Reading and Tracy.

\$4.1M, High — the one High-effort bet, fixes the peak-break sites.

Five asks, ~\$12.9M annual impact, one High-effort item — approvable in this meeting.

Accept \$9.2M of deferred impact from four initiatives — the price of faster payback and lower peak risk.

Fund now

- Five-initiative bundle worth \$12.9M annually
- One High-effort bet: WMS upgrade at Reading and Tracy
- Addresses the sites and drivers behind the 2025 peak break
- Deliverable before next peak season



Defer

- Cross-dock at Lehigh — \$3.4M, High effort at an already-Leading site
- Automated putaway at Columbus — \$3.8M, High effort at a Leading-inbound site
- Temp-labour pooling — \$1.2M, rolled into operational hygiene
- Inbound ASN enforcement — \$800K, rolled into operational hygiene

Deferred, not killed — sequence the two High-effort builds after WMS payback proves out; 14¢ back on the pick cost is what the funded bundle delivers, not what we still aim for.

**Fix the floor before
building the ceiling**

**Thank
you**