

Top 20 3PL warehouses

Vacant North American warehouse space has been filling up and the overall outlook for the future of 3PLs remains bright.

By Lorie King Rogers, Associate Editor

Every year, *Modern* takes an annual roll call of the Top 20 third-party logistics (3PL) warehouses to see who's at the head of the class in regard to total square footage of storage space.

This year, we have once again called upon Dick Armstrong, chair of Armstrong & Associates, who closely follows the 3PL sector of the warehousing industry, for his insight. In addition to sorting out the list, Armstrong tells *Modern* that the North American 3PL warehousing industry is headed in a positive direction. Empty warehouse space is filling up and warehousing industry insiders are optimistic about continued growth and improved market conditions. "Current vacancy rates are back in the single digits and capacities have improved substantially," Armstrong says.

In fact, when we compare the top 20 3PL warehouse operators of 2010 to 2011, we see that their combined total square footage increased 5.6% between 2010 and 2011, from 514 million square feet to 543 million square feet.

While vacancy rates are declining and the amount of space under management is on the rise, the industry is not creating new warehouse space, Armstrong says. "The warehousing situation is reflective of what's going on in the general economy," he says. "We're passed the downturn and empty space is filling, but there hasn't been significant growth in new facilities." Looking forward, Armstrong anticipates strong single-digit growth for 2012.

Biggest to smallest

How then do the 2011 top 3PL warehouses headquartered in North America currently rank?

Like last year, No. 1 DHL Exel Supply Chain tops the list by an immense margin. With hundreds of facilities spread across the country, DHL Exel added 400,000 square feet of storage space, bringing its total to 95 million square feet.

What's more, DHL Exel is operating 58 million square feet more than No. 2 ranked Genco ATC, which has a total of 37 million square feet of warehouse space. Last year, Genco Supply Chain Solutions (as it was known) was ranked No. 3 with 34.7 million square feet of warehouse space. This year, the completion of its acquisition of ATC Technology Corp. has helped lift Genco ATC up one position.

The combination expanded Genco's capabilities and raised its game. "When Genco bought ATC, it got bigger and better," says Armstrong. "ATC was the most profitable value-added warehouse in North America. What you have now is a win-win that put together two Class A operations."

In the No. 3 position, down from 2010's No. 2 spot, is Jacobson Companies. Jacobson and Genco have been trading positions on our list for years. This time around, Jacobson's total square footage is 35 million square feet, exactly what it reported last year.

Rounding out the top five are Americold and CEVA Logistics. Americold moves up two positions from No. 6 to No. 4 with 34.5 million square feet, an increase of 27.7% over last year's 27 million. CEVA is in the No. 5 position with 33 million square feet of warehouse space.

Together, the top five companies have a combined total of 234.5 million square feet of storage space, which is 11.1 million more than last year's combined total of 223.4 mil-

Top 20 3PL warehouses headquartered in North America

Rank	Company	Web Site	Headquarters	Space (million sq. ft.)
1	DHL Exel Supply Chain	exel.com	Westerville, Ohio	95.0
2	GENCO ATC	genco.com	Pittsburgh, Pa.	37.0
3	Jacobson Companies	jacobsonco.com	Des Moines, Iowa	35.0
4	Americold	americold.net	Atlanta, Ga.	34.5
5	CEVA Logistics (The Americas)	cevalogistics.com	Jacksonville, Fla.	33.0
6	OHL	ohl.com	Brentwood, Tenn.	30.2
7	Ryder Supply Chain Solutions	ryder.com	Miami, Fla.	30.0
8	Caterpillar Logistics Services	catlogistics.com	Morton, Ill.	29.0
9	Kenco Logistic Services	kencogroup.com	Chattanooga, Tenn.	25.0
10	APL Logisitcs	apllogistics.com	Scottsdale, Ariz.	24.7
11	UTi Worldwide	go2uti.com	Long Beach, Calif.	23.7
12	UPS Supply Chain Solutions	ups-scs.com	Alpharetta, Ga.	20.0
13	NFI Logistics	nfiindustries.com	Cherry Hill, N.J.	19.0
14	Menlo Worldwide Logistics	menloworldwide.com	San Mateo, Calif.	18.0
15	DSC Logistics	dsclogistics.com	Des Plaines, Ill.	17.0
16	Kuehne + Nagel (The Americas)	kuehne-nagel.com	Jersey City, N.J.	15.1
17	Penske Logistics	penskelogistics.com	Reading, Pa.	14.9
18*	WSI	wsinc.com	Appleton, Wisc.	14.0
18*	Warehouse Services	wsionline.com	Piedmont, S.C.	14.0
18*	Saddle Creek	saddlecrk.com	Lakeland, Fla.	14.0

Source: Armstrong & Associates, Inc.

*tie

lion, marking an increase of 4.9%.

The remaining companies in the top 10 include: OHL at No. 6; Ryder Supply Chain Solutions at No. 7; Caterpillar Logistics at No. 8; Kenco Logistic Services at No. 9; and APL Logistics at No. 10. This year's top 10 totaled 373.3 million square feet, an 8.9% increase from 342.7 million last year.

Regaining positions in the Top 20 are Kuehne + Nagel at No. 16 with 15.1 million square feet and Penske Logistics right behind at No. 17 with 14.9 million.

Not everyone returned to the list this year. DB Schenker, ranked No. 20 last year

with 12.6 million square feet, didn't make the cut this year. And, Versacold, which held the No. 9 position last year, was acquired by Americold.

Industry trends

In addition to keeping an eye on how much space the leading warehousing operations have to their credit, Armstrong is following a few industry trends.

Fewer privately held, family-owned companies: The public warehousing space was once dominated by mom and pop facilities. Today, Armstrong says, there are fewer

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—Dick Armstrong, chair of Armstrong & Associates

private, family-owned companies.

Among the top 10 industry leaders, the only private company is Kenco. Armstrong adds that Jane Kennedy, the chair and CEO of Kenco, took over the reins from her father, ensuring that the company stayed in the family.

Women are joining the leadership ranks: The change in leadership at Kenco represents another trend Armstrong is watching, which is the increase in the number of women in middle and top management positions at North American warehouse companies. While he doesn't have specific numbers, Armstrong points to Ann Drake, who has been CEO of DSC Logistics and Supply Chain Management (No. 15) since 1994.

3PLs are all getting bigger and better: "Value-added warehousing has ramped up to real system transporta-

tion management capabilities," says Armstrong. "This means you can optimize all of a company's traffic and shipments on a daily basis and determine best shipments and transportation modes for that day."

In addition, Armstrong reports that about half of the Top 20 3PLs have international supply chain capabilities. For example, he says, No. 3 ranked

Jacobson has opened up a number of offices in China, developing an Asian lane back to the United States.

"It's a different world," Armstrong says. "It's not mom and pop stand alone warehouses anymore because it's global economy, and 3PLs are taking advantage of ongoing economic globalization." □

Top 20 3PL North American warehouses: Tracking the square footage

(millions of square feet)

2011	543	+5.6%
2010	514	-2.6%
2009	528	+4.6%
2008	504.8	

Source: Armstrong & Associates, Inc.