



**HOW THE
RIGHT
3PL CAN
MAXIMIZE
YOUR
BUSINESS**



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3PL FULFILLMENT CENTERS

Third party logistics companies, or 3PLs, offer services to support certain aspects of shipping operations. Ultimately, they are businesses to which other businesses can outsource elements of their distribution, warehousing, and fulfillment services.



3PLs mainly specialize in warehousing and transportation. If your products need specified care (i.e. garment on hanger storage) be sure your 3PL caters to those needs.



Where some 3PLs simply store and ship your products, others have a wider range of capabilities in their packaging and technological services. It is with your discretion to choose a 3PL that meets your needs and budget, which can add immense value to your supply chain.



Having the right tools can help operations to run more smoothly, costs to go down, and produce a higher satisfaction rate with your clients.



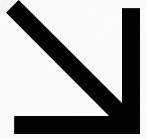
E-COMMERCE FULFILLMENT



Customers' standards of e-commerce operations rise each year. Typically, they expect their orders to arrive neatly in custom packaging within two days of their initial request. It is imperative to e-commerce businesses that end-customers have a high quality unboxing experience, as it plays a huge role in their decision to reorder from a website. The right order fulfillment center should provide the necessities to ensure a smooth direct-to-consumer (D2C) operation to satisfy their clients.



According to Statista, the market for e-commerce fashion has been growing annually, and is expected to grow further at 12.2% per year and reach a total market size of \$829.6 billion by the end of 2024.



FULFILLMENT SERVICES



Fewer Errors

Warehouse management systems are now integrated with e-commerce platforms, taking out the need for manually entering data and sending it to a 3PL. With this simplified, automated process, there is less risk of human error.



Superior Shipping

A successful 3PL should be exceptional at product distribution, and have good standing with a range of parcel companies to give you quick and reasonably priced shipping.



Customization & Branding

Customized packaging is what makes your brand unique. If your business operates online, or if your customer base is primarily online, it's important for your brand to stand out. 3PLs typically offer customization options including (but not limited to) branded packaging, tissue paper, scents, tapes and inserts.

EFFICIENCY

The primary purpose of a 3PL is reliable, expedited fulfillment. Leading logistics companies will excel in efficiency, and continually invest in enhanced operations to stay updated and help their clients evolve.

AUTOMATION



Automation can greatly improve efficiency in order fulfillment. These systems reduce time, costs, and error, which ultimately lead to greater output. For example, the CVP automated packer quickly creates fit-to-size boxes for various types of orders. By sizing each order and packaging it accordingly, it reduces waste and the need for fillers, which saves money on shipping due to smaller package sizes.

Robots are also a leading automation service in 3PL facilities, and are used for a variety of efficiency purposes. They most commonly operate for picking in order to reduce human error, which is another time and money saver as fewer orders need to be corrected.

EXPERIENCE



Many new, high-tech 3PLs may have a range of technology and services, but nothing quite compares to years of experience. A seasoned 3PL would have seen and learned much throughout their growth. By trial and error they have navigated how to best serve their customers while keeping costs low, properly and strategically storing products, and actively avoid mistakes.

Expert 3PLs would offer modern services similar to younger, high-tech competitors, but would have the added value of experienced fieldwork.

LOCATION



Fulfillment centers with strategic locations provide convenience for both the company and their clients. Ideally, they would be located near seaports and airports, leading to a smoother and less costly transportation of goods, as well as faster delivery for customers.

TECHNOLOGY

SOFTWARE

WMS (warehouse management system) is a tool that helps automate inventory management, picking and packing, shipping, and order tracking. As a web- or cloud-based software, it can streamline the flow of information by seamlessly integrating with e-commerce stores. WMS systems may also offer real-time tracking and increased transparency for both 3PL clients and the end customer.

FORECASTING

High-tech 3PLs collect data over time to forecast information, aiding the client in choosing the best distribution strategy. Forecasting can help save money, time, and warehouse space, while better meeting end customers' needs. For example, if a client sells more handbags in California and more shoes in New Jersey, it would be beneficial to split the inventory across warehouses. While the client remains in control over their choice of inventory, 3PLs can offer insights on which inventory fits within a warehouse and how it sells to help make an informed decision.

COMMUNICATION & TRANSPARENCY

WMS offers real-time tracking of the life cycle of a product. This gives tremendous transparency and improved communication between 3PLs and their clients. With this technology, clients can see where their customers' orders are in the fulfillment process, can ask more relevant questions, better understand the life cycle, and be updated on any issues. End customers could also be updated on their order's location and when to expect its arrival.

COSTS

COSTS PER ORDER

The right 3PL can reduce your cost per order when compared to internally managed logistics. This is particularly true for small or medium-sized companies or seasonal businesses. With leading 3PLs, you commonly get storage, WMS, automated picking and packing of products, conveyor belts, and transportation, all of which would be expensive for a company to build and manage on their own. These operations have higher efficiency, leading to faster order fulfillment. Shipping costs may also be reduced due to a 3PLs' professional partnerships with freight and postal companies.

DELIVERY TIME & COSTS

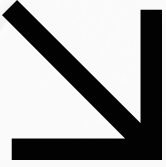
Reduced shipping time and lowered prices are highly influential on a customer's purchasing decision. If your 3PL offers e-commerce services and has multiple strategic locations for its warehousing and distribution centers, this adds considerable competitive value to your business.

AVOID MISTAKES

Problems within the supply chain can greatly disrupt business and even lead to poor customer experience. By partnering with a 3PL, you significantly diminish the risk of making costly and time-consuming errors.

COSTS CHANGE

There are many costs that are involved with fulfillment and distribution, which include, but are not limited to, an investment in facilities, labor, automation, WMS, data collection systems, and transportation. Managing fulfillment internally would cause you to incur these costs. Future costs would also be higher, as you would have to maintain all machinery and technology, hire more employees and specialists, and deal with turnover rates. Partnering with a 3PL, your costs become variable, and you are charged based on volume of inventory, orders, and custom services.



BUSINESS TO BUSINESS

A strong 3PL should have updated processes and be able to service all channels of fulfillment from one bucket of inventory. They should also be able to meet the needs of various customers, whether that be D2C, brick and mortar or online stores.

A 3PL should have the tools to manage:

- Wholesale
- Retail
- Dropship
- E-commerce

WHOLESALE

The right fulfillment center can help tremendously when it comes to wholesale operations, and be experienced in handling both EDI and non EDI.

It is important to note that e-commerce and B2B orders ship differently. E-commerce is shipped in small quantities directly to the consumer, while wholesale shipments have a product quantity large enough to stock a store. Deliveries must be correct and arrive quickly for both methods in order to maintain inventory and prevent a loss in sales.



RETAIL

Retailers expect almost immediate stock replenishment. A strong 3PL should be responsive to retail demands, and be able to pick, pack, and ship items swiftly and accurately. Their software should be fully integrated with B2C and B2B/Retail POS platforms.

To make inventory floor-ready for retail, the following processes must be in place:

- Picking
- Price ticketing/tagging
- Hanging (as necessary)

Products would then be shipped to the retailer for store replenishment.

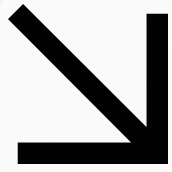
DROPSHIP

In the process of dropshipping, a consumer buys products from an online retailer, which is then shipped directly from the brand/3PL to the consumer. The package ships with the online retailer's packing slip, box, and other custom requirements, appearing as if it shipped from the online retailer itself.

A good 3PL should be able to manage multiple drop ship partners from one bucket of inventory. Dropship is easy, hands-off, and efficient — perfect for order fulfillment and a popular method for online stores.

ECOMMERCE

E-commerce businesses are increasingly using 3PLs to optimize their supply chain management, and a good 3PL should have the tools to meet their needs. They should be able to brand your packaging to make it appear as if it were coming from the brand's warehouse. Using a 3PL could also allow brands to give more attention to other aspects of their store, such as business development and marketing.



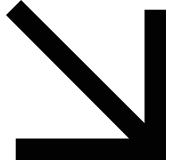
THE RIGHT FULFILLMENT CENTER WILL GROW YOUR BUSINESS

The right 3PL should help grow your business substantially through their fulfillment processes. By allowing a 3PL to take over this area, you'll have more room to focus on other aspects of your company.

Your business will also save money in the short- and long-term, and your logistics processes will run more smoothly and efficiently. Moreover, you'll have full control over your inventory, all while keeping your customers satisfied.

Leading 3PLs may operate internationally. When your business is ready to take that step, a 3PL can provide cost-effective processes, as they are familiar with the rules and regulations of international shipments.

We hope the information in this whitepaper will help you optimize your business and give insight on which 3PL is right for you.



LEARN MORE

To learn more about Elanders, a leading 3pl in the fashion industry, please contact [*addingvalue@elanders.com*](mailto:addingvalue@elanders.com)

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