

# How Can An Omnichannel 3PL Save You Money?





# Consolidate Fulfillment. Save Money. Improve Satisfaction.

Have you struggled to find a fulfillment partner that actually meets your needs? From outrageous order minimums to segmented fulfillment channels, it seems like most fulfillment solutions are looking out for themselves instead of their customers and don't prioritize providing maximum value.

Smart Warehousing exists to change that.

We know how crucial fulfillment and logistics are in modern product businesses, both in terms of establishing direct-to-consumer e-commerce success and building dependable relationships with retailers. Our team truly treats your aspirations as ours. Why? Because there should be nothing "third-party" about logistics and fulfillment.

Instead, we act as a true fulfillment partner to meet your needs, not sign you up for our agenda. We do what it takes to provide maximum value at the most affordable cost, ultimately helping you exceed your consumers' demands.

That's what SMART fulfillment is all about, and we're ready to prove it through our omnichannel fulfillment capabilities. If you're looking to learn more about omnichannel fulfillment and how it saves you money, we're here to help.

Read through this guide to learn how Smart Warehousing can save you time and money on your fulfillment needs.

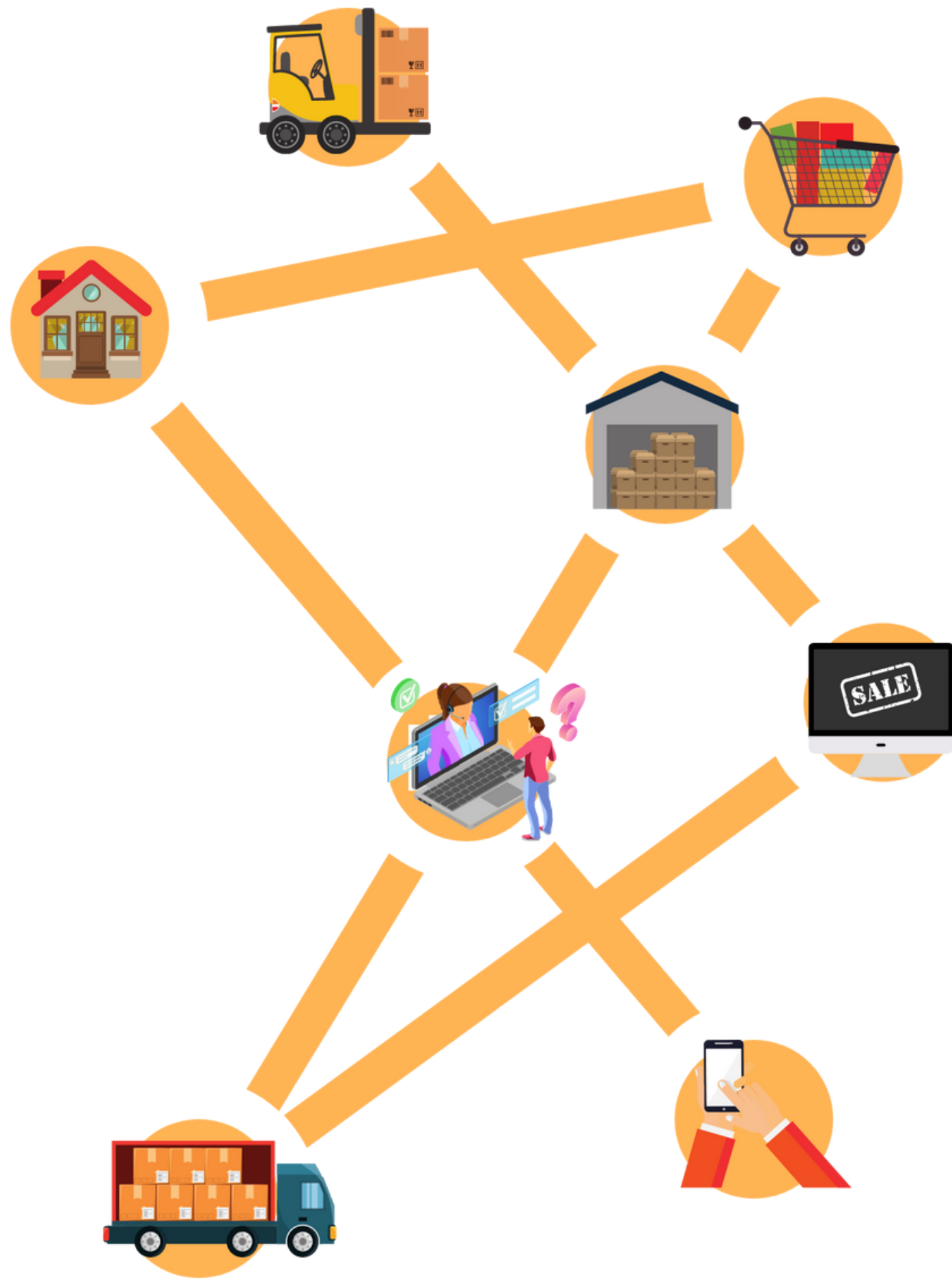
# The Current 3PL Landscape

Fulfillment has come a long way from the traditional pick, pack, and ship experience. Rather than only fulfilling one aspect of fulfillment, 3PLs have established themselves as an integral part of the supply chain for many seasoned and emergent companies.

From technology that provides real-time data insight and *inventory management* to white-glove, customized solutions, 3PLs are becoming the invisible partner connecting you and your customers.

While fulfillment has come a long way, something is still missing across the 3PL landscape: **true omnichannel fulfillment**. What do we mean by this? Let us paint the picture.





*Scenario: You are seeking a fulfillment partner to handle both D2C, e-commerce fulfillment, and B2B, retail fulfillment throughout the United States.*

*Response: Every 3PL you meet with can fulfill your e-commerce orders OR your retail orders, but never both.*

*Consequences: Rather than partner with one 3PL, you are forced to spread your inventory across multiple 3PLs in various locations across the United States, each of which requires its own order minimums, replenishment process, integrations, customer service engine, etc (the list goes on). This increases overall costs, decreases efficiency, and segments critical parts of your business.*

# How Omnichannel 3PLs are Changing the Game

An omnichannel fulfillment partner eliminates those consequences and saves you money. Here's how.

## 1. Fulfillment Partner Consolidation

Without omnichannel fulfillment, you may be required to find different 3PLs to fulfill e-commerce, retail, cold chain, and frozen orders. Why does this matter? Working with multiple 3PLs at once makes your order fulfillment more difficult. You are forced to:

- Keep track of multiple inventories across multiple 3PLs, each with its own warehouse networks.
- Work with different systems, integrations, processes, and people for different types of orders.
- Meet monthly financial or order minimums for each 3PL.
- Master different technology used by each 3PL.

The traditional 3PL landscape segments different parts of your business that should work together and forces you to spread your attention across multiple partners. Omnichannel fulfillment consolidates your 3PLs into one trustworthy partner. The result?

- Seamless inventory tracking for all products throughout the United States.
- Consistent relationship development with a trusted account manager for every order.
- Consistent monthly order minimums make it easy to assess your fit.
- One technology that provides insight into inventory, real-time order status, transportation information, and reporting.

When you work with one fulfillment partner that does the work of four 3PLs, you save money on order minimums, spend less time managing multiple relationships, and spend more time improving processes that ultimately scale your business and exceed consumer demands.



## 2. Zone Skipping

Another way omnichannel fulfillment saves you time and money is through zone skipping. This process allows you to ship orders from their final regional zone rather than having to pay for multi-zone rates that build as you ship orders across the country.

This makes it easier and more affordable to ship parcels or LTL shipments by combining orders into one delivery to a regional location where local carriers deliver to the final destination. Rather than shipping each individual order across multiple regional zones to the final destination, zone skipping allows you to utilize one truckload for multiple deliveries in the same region.

Here’s a hypothetical example to illustrate how zone skipping works:

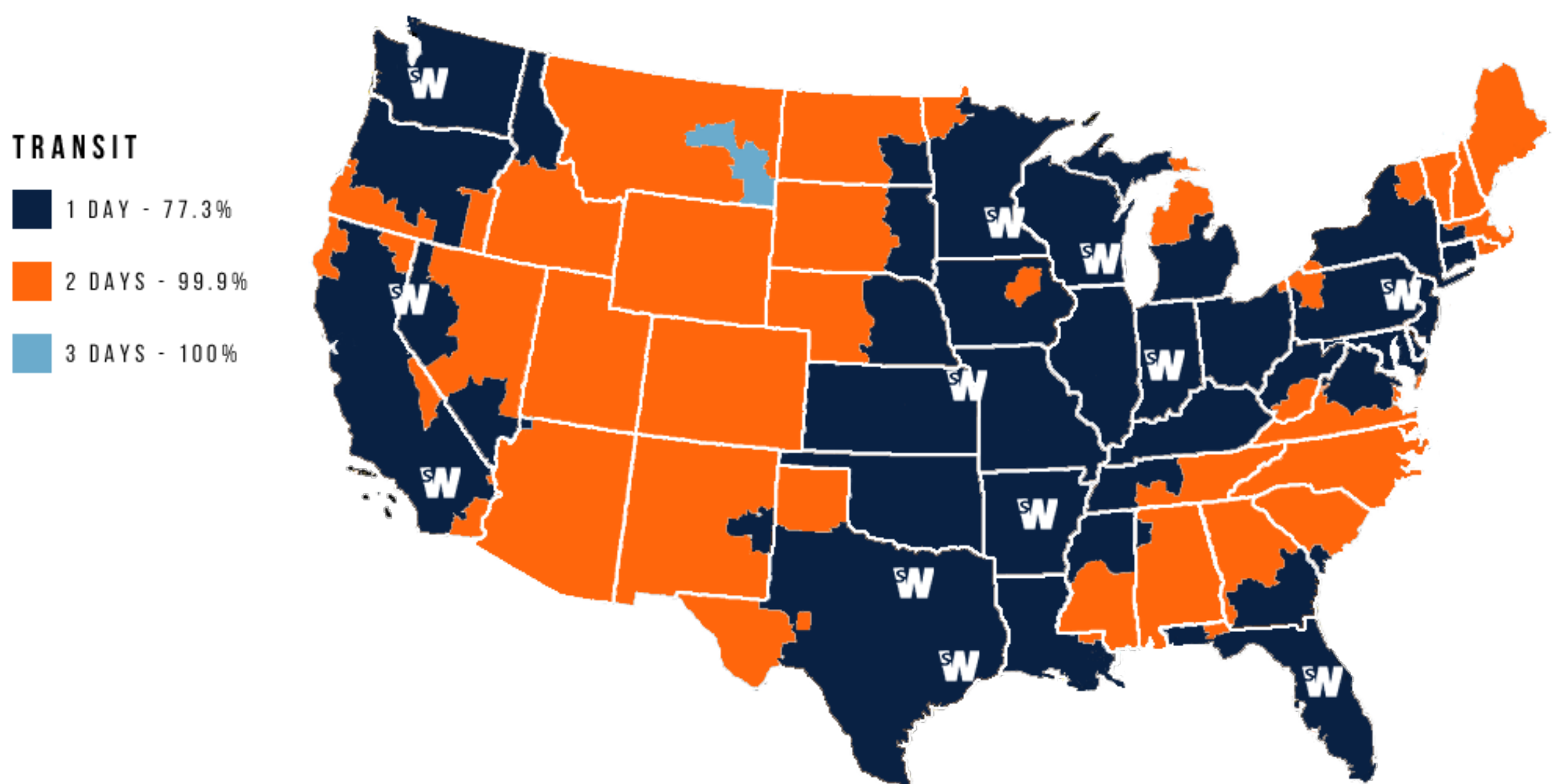
Without Zone Skipping	With Zone Skipping
<div><div>1. An order is fulfilled in your Los Angeles fulfillment center, to be delivered in Miami.</div><div>2. The parcel is shipped to the nearest local warehouse in Reno, Nevada.</div><div>3. The parcel is shipped to the nearest regional warehouse in St. Louis, Missouri.</div><div>4. The parcel is shipped to the regional warehouse nearest the final destination in Memphis, Tennessee.</div><div>5. The parcel is shipped to the local warehouse nearest the final destination in Jacksonville, Florida.</div><div>6. The parcel is picked up by the carrier and delivered to the final destination in Miami.</div></div>	<div><div>1. An order is fulfilled in your Los Angeles fulfillment center, to be delivered in Miami.</div><div>2. An entire truckload of orders to be delivered in the same region is transported directly from Los Angeles to the regional warehouse nearest the final destination in Memphis, Tennessee.</div><div>3. The parcel is shipped to the local warehouse nearest the final destination in Jacksonville, Florida.</div><div>4. The parcel is picked up by the carrier and delivered to the final destination in Miami.</div></div>

Zone skipping allows 3PLs to reduce per-order shipping costs by consolidating local deliveries to regional locations. In turn, this reduces the overall cost of freight, quickens delivery time, and improves customer satisfaction.

In order to take advantage of this process, you need two things:

1. A fulfillment partner with a large enough national footprint to store and fulfill orders at a near-local level.
2. An omnichannel fulfillment partner to make zone skipping possible for both e-commerce and retail orders.

Omnichannel partners with heavy national footprints allow you to utilize zone skipping for all your orders, whereas single-channel partners can only use zone skipping techniques for e-commerce or retail orders.





### 3. Carrying Inventory



Carrying inventory is not a new term for most businesses. In essence, you need to have enough inventory in hand to fulfill future orders, making you plan ahead and ensure your supply meets your customers' demands.

However, the threshold of minimum carrying inventory is changing as most businesses now have at least 90 days of inventory in stock. This allows you to stay ahead of any unforeseen surges in demand so you can continue delighting your customers.

Though the order quantities themselves are sure to be different, the truth is that both e-commerce consumers and retail partners will purchase the same product from you. **Doesn't it make sense that your carrying inventory for one product should be for both e-commerce and retail orders?**

When working with an omnichannel fulfillment partner, that is exactly the case. Because the same 3PL is fulfilling e-commerce and retail orders, that partner can SKU the product differently — one for e-commerce orders and one for retail — and simply share a carrying inventory across both formats.

If you work with different 3PLs for e-commerce and retail, though, you will have to maintain that 90-day carrying inventory at both 3PLs. This increases your costs and opens the possibility of wasted resources for time-sensitive products, such as frozen foods.



## 4. Improved Customer Satisfaction

As we mentioned earlier, great fulfillment is all about one thing: **making sure your customers are happier than ever.** In the end, that's really all it comes down to. When your customers are happy,



they will continue giving you their business and directing referrals, ultimately increasing your revenue.

All three previous points combine to improve customer satisfaction in one way or another:

1. By **consolidating 3PLs**, you have a more organized organization and easier insight into every order, making it easy for you to communicate with customers and ensure safe, quick delivery.
2. By **zone skipping**, you decrease overall shipping costs to the consumer and meet 2-day delivery expectations for nearly every order.
3. By combining **carrying inventory**, you are able to use all of your products for both e-commerce and retail orders, ensuring you have inventory in stock for every customer's order.

*Let's recap, how much can you actually save with Omnichannel Fulfillment.*

# How Much Can You Save With Omnichannel Fulfillment?

To recap, here's how omnichannel 3PLs save your money on your fulfillment needs:

1. **Fulfillment Partner Consolidation** — Rather than being forced to meet monthly order minimums with four different 3PLs — retail and frozen goods, retail and ambient goods, e-commerce and frozen goods, and e-commerce and ambient goods — you only need to meet a single monthly order minimum for all products.
2. **Zone Skipping** — Rather than pay multi-zone shipping costs for each individual order, you pay one shipping cost to transport all orders to a regional location.
3. **Carrying Inventory** — Rather than sustaining multiple carrying inventories of the same product at different 3PLs for e-commerce and retail separately, you have one carrying inventory.
4. **Improved Customer Satisfaction** — The possibilities are endless as you continue surpassing customer expectations, creating repeat customers, and gaining referrals.

*To uncover how much you could save, [contact a fulfillment consultant](#) at Smart Warehousing*



# SAVE NOW WITH SMART WAREHOUSING

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When your fulfillment partner seamlessly connects your products with your customers, everyone wins. Your 3PL builds a trustworthy relationship with you, you build a trustworthy relationship with your customers by exceeding their demands, and your customers reciprocate that service by becoming repeat customers knowing it will benefit them in the end.

Smart Warehousing has the omnichannel fulfillment capabilities to do exactly that. We prioritize your customers as our own, becoming the invisible third party that ensures their happiness. From e-commerce to retail, frozen to ambient, and a combination of the four, we customize a fulfillment solution to your unique needs.

[Request a quote](#) now to get started, or learn more about our fulfillment capabilities [on our blog](#).