



G10 | 3PL Intel

FULFILLMENT

Get the inside scoop on 3PLs, the questions to ask when seeking out a fulfillment partner, and why you should consider working with G10 Fulfillment.

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Introduction

Whether you're a small startup with no experience navigating the world of eCommerce or an established company attempting to scale your business, chances are you're juggling a lot of balls in the air. It's challenging enough overseeing daily operations — sales and marketing, human resources, product research and development, and keeping customers happy — while also trying to deal with inventory and order fulfillment.

That's where a third-party logistics (3PL) provider can help. Experts in logistics, shipping, and fulfillment, 3PLs manage your inventory needs so you can focus on other important aspects of your business.



Handing over your inventory to an outsider can be a scary proposition, but the right 3PL will become a trusted partner devoted to your success. You'll probably wonder how you ever managed without one! The tricky part is finding a 3PL perfect for your unique business needs. There are a lot of them out there, but not all will offer the services you find most important. Even those that do might lack the experience and technical capability to provide accurate and timely order shipments, fall short when it comes to providing you with service and support, not have the data you need to maximize your operations, or lack the resources to handle your current and future business needs. The biggest mistake you can make is settling for a provider unable to ease your workload and help you scale your operations.

G10 has been in business for a long time and is one of Amazon's earliest key distributors. We didn't invent eCommerce, but we've earned a reputation for excellence as a full-service 3PL with a dedicated team of in-house experts focused on helping our business partners succeed, no matter the challenges. Drawing on our experience, we've assembled this e-booklet to help you learn more about 3PLs. With so many factors to consider when choosing a fulfillment provider, we wanted to give you all the information you need to make an informed decision.

If you have any additional questions, feel free to reach out to us anytime!



What is a 3PL?

Third-party logistics (3PL) providers are an essential part of the supply chain. They provide a full range of services including warehousing and inventory management, order fulfillment, packaging and shipping, transportation, and exchange/returns processing. With the ability to customize their services to meet a business's specific needs, they help companies stand out from the competition...and that usually means more customers and increased revenue.

Experience & Knowledge Are Key

Companies in need of logistics help turn to 3PLs to take care of outsourcing and distribution. In addition to having an infrastructure already in place — including warehousing, staff, technology, and transportation — when you team up with a 3PL, you are getting an experienced partner knowledgeable with the B2B (business to business) and D2C (direct to consumer) sectors, one who will help streamline operations and ensure supply chain efficiency. This saves you money you would otherwise spend on warehouse space and staffing and enables you to focus on growing your business.

How a 3PL Can Help

Shipping is often the least glamorous aspect of doing business — but it's also one of the most important! If customers can't get your product in time, they won't be customers for long. Too often, businesses underestimate the complexity of the order fulfillment process. By the time they figure out they don't have the knowledge or resources to handle the task themselves, it may be too late!

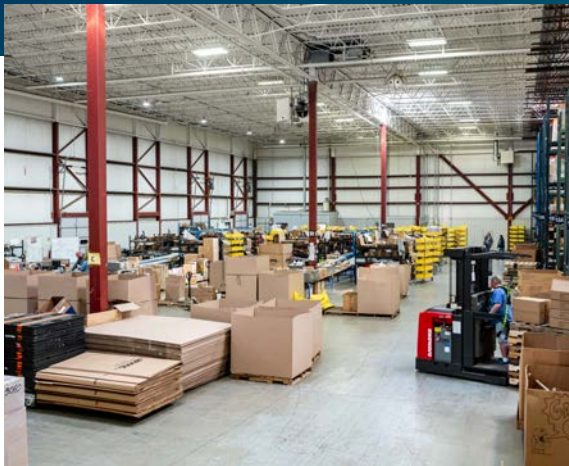
Who Outsources with 3PL Providers?

Many industries rely on 3PL partners to help reduce costs and scale operations. These include manufacturing, retail, medical, and hospitality. It's especially popular with eCommerce providers, many of whom don't have a physical storefront but sell strictly over the internet.

Some 3PLs focus mainly on B2B sales while others concentrate on the D2C market. G10 is unique in that we handle both. And if you're only interested in warehousing, we're experts in inventory management, thanks to our proprietary in-house Warehouse Management System (WMS).

Debunking 5 Myths About 3PLs

Partnering with a 3PL at this point probably sounds like a no-brainer, yet a lot of companies are skittish to outsource their order fulfillment needs. They have certain misconceptions about 3PLs. Let's take a look at some of these myths (and why they are wrong).



Myth #1

My3PL providers are expensive.

Of course, there will be some costs associated with hiring a service provider, but it's an investment that will pay off in the long run — and probably isn't as pricey as you might think anyway. Because of the high volume of shipping they do, most 3PLs can negotiate better carrier rates than you could secure on your own. Lower shipping costs will save you money with every single order placed, and that adds up over time. Plus, the costs you pay your 3PL provider are more than offset by the money you'll save on warehouse space, staff, and all the associated expenses incurred by doing everything in-house: software and hardware, electricity, packaging, security, and more. Once you add it all up, hiring a 3PL is one of the most cost-effective business decisions you can make.



Myth #2

Outsourcing fulfillment means relinquishing control.

Taking a hands-off approach might feel like you're giving up control of your business operations to an outsider unfamiliar with your customers' best interests, but in fact, a 3PL provider offers you better control over key areas of your business by taking the onerous task of logistics off your plate. 3PLs that invest heavily in technology have a wealth of data to share — information that gives you an overview of all processes, from start to finish. This can help you make informed decisions throughout every stage of the order fulfillment process. Armed with metrics, you can see what's working and what isn't, and adjust your strategy as needed. You'll also have better supply chain visibility, enabling you to quickly pivot in order to meet demand.

Myth #3

A fulfillment center is just a glorified warehouse.

A warehouse is simply a place to store products, but an order fulfillment center offers a full range of services that makes it an important cog in the supply chain wheel. Yes, this includes warehouse storage space — but that's just the start. Other services may include, but are not limited to, any or all of the following:

- Freight
- Shipping (Domestic and International)
- Imports and Customs
- eCommerce Fulfillment
- Security
- Kitting and Packing
- Insurance
- Print-on-Demand
- Same-Day Delivery



Myth #4

The quality of customer service will suffer.

Your customers are your biggest asset, and naturally, you want to maintain good relationships with them so they will keep buying from you. A good 3PL is just as committed to providing excellent customer service as you are, and in fact, won't be in business long if they don't follow through on that promise. In addition to providing secure storage of your products and faster delivery, a reputable 3PL will always keep you — and your customers — fully informed throughout the order fulfillment process. The end result? A better overall experience for your customers!

Myth #5

3PLs are only beneficial to bigger companies.

3PL providers are experienced in meeting the needs of all customers, whether they are just starting out or firmly established. If you're a startup, you still need to scale your business — and that means fulfilling orders consistently. Owners of a growing business often struggle with this portion of the operation, taking away valuable time that could be spent in other areas, because of this 3PLs are even more important to small- or medium-sized businesses than they are to larger companies that have more bandwidth.

Benefits of Fulfillment

The biggest reason to outsource your order fulfillment to a 3PL provider is pretty straightforward: doing so frees up time and resources, allowing you to focus on growing your business. Whether you outsource all or part of your fulfillment process, you're sure to eliminate a lot of headaches and make your business more efficient and profitable.



Signs It's Time to Partner with a 3PL Provider

Not sure if you're ready to outsource your order fulfillment? The following are indications you may be ready for help:

- You spend so much time fulfilling orders that you are unable to focus on other areas of your business, such as marketing and product development.
- Your costs are increasing as you spend more on warehousing and inventory and struggle to keep up with seasonal sales volume swings or rapid growth.
- You're running out of inventory space.
- You're having trouble fulfilling orders on time, resulting in late deliveries.
- Shipping and/or fulfillment-related customer complaints are on the rise.
- You want to expand your business into new markets and/or offer new products.
- You don't have the money (or desire) to invest in the infrastructure needed for distribution.

You can try to continue managing your own order fulfillment, and you might be successful — but at what cost? Once you reach the tipping point, it's very difficult to maintain momentum. 3PLs exist to help companies overcome growing pains. It makes good business sense to take advantage of their expertise.



What You Gain By Outsourcing Your Order Fulfillment

When you team up with an order fulfillment provider, you can look forward to the following benefits:

Lower shipping costs. Many 3PLs have multiple warehouses across the country, which ensures your product can reach customers more quickly while crossing fewer zones — the primary method companies like UPS and FedEx use to set their shipping rates. Additionally, 3PLs often have the power to negotiate better rates with carriers based on their high shipping volume.

Ability to ship internationally. Many 3PL providers have extensive experience shipping not just within the U.S., but internationally, as well. With an estimated 25% of the world's population shopping online, that represents a great untapped market — and you won't have to figure out complex international shipping rules and regulations.

Manage seasonal sales fluctuations. Many businesses see increased sales around the holidays. This often means hiring additional employees and ramping up on product and equipment — maybe even leasing additional warehouse space. After the holidays, they're left with all these extras they no longer need. An order fulfillment provider allows you to scale your operations to fit seasonal demand more easily, and won't leave you with many unnecessary capital expenditures once sales subside.

More free space. When you have a 3PL store for your products, you don't need warehouse space — or even a physical office, for that matter. eCommerce is one of the fastest-growing global market segments, with sales totaling about \$905 billion in the U.S. and \$5.2 trillion worldwide in 2022. Startups and smaller companies focused on internet sales can save significant money on warehousing — not just the space itself, but all associated costs, such as boxes and packing material, storage racks, forklifts, conveyor belts, computers and software, and staff to manage operations.

Gain insight through technology. Order fulfillment providers often invest heavily in state-of-the-art technology. Cutting-edge software helps streamline and simplify the shipping process, reducing the chance of errors, and reporting tools offer better visibility across many aspects of your business, from inventory management and security to payment processing.

Integration Explained

One key reason why order fulfillment works so seamlessly is automation — and integration is what makes that possible. Integration involves connecting your software platform to those of the companies you do business with in order to automate the shipping process and share real-time data, from inventory levels and product shipments to tracking information.



What is a Warehouse Management System?

A Warehouse Management System (WMS) is a software application that tracks all materials entering and leaving a warehouse, allowing a business to manage its supply chain fulfillment operations. The visibility a WMS provides enables an organization to optimize its warehouse processes.

Not only does a WMS track everything that comes and goes, but it creates processes designed to streamline operations. It helps maximize the flow of labor and materials, helping staff pick and pack orders more efficiently. Instead of relying on manual systems, the WMS automates the whole process, from inventory management to distribution, transportation, and order fulfillment. This speeds up the order fulfillment process and provides valuable insight into which products are selling the best, ensuring you have the raw goods necessary to meet demand.

Automated Ordering Platforms

By integrating a WMS with the retail marketplaces utilized in the order fulfillment process, orders are transmitted automatically via one of two software platforms: EDI (Electronic Data Interchange) or API (Application Program Interface)



EDI is a computer-to-computer exchange of documents in a standard electronic format. No people are involved; data is transmitted automatically from one computer to another, allowing for immediate processing. Typical EDI documents include purchase orders, invoices, and shipping confirmations. EDI documents are most commonly exchanged between business or trading partners that function as part of the supply chain network. Because the process is automated and there is no paperwork involved, transactions take place much more quickly.

API is a software protocol that enables computers to communicate with one another. It's similar in concept to EDI but relies on cloud-based web technology for the exchange of information. While EDI establishes a connection between two EDI systems, API allows different systems to communicate. With API, data is transmitted instantaneously in real-time, improving supply chain responsiveness. Transactions that might take up to two hours with EDI can be completed in just a few minutes with API. And because API is compatible with different systems, there is no need for customization.

Integration Enables Retail Compliance

Every retailer has their own unique retail compliance requirements, from where a label appears on the package to how and where it is shipped. Integrations are customized for each vendor to satisfy their specific rules. This ensures orders reach their destination accurately and on time.

G10's proprietary WMS is integrated with over 100 retail marketplaces including Amazon, Walmart, Target, Macy's, Wayfair, and many others. Our levels of integration are very thorough and can be customized to any supply chain system.

Visibility is just one of the advantages of integration. It also enables faster order fulfillment, reduces the likelihood of errors, lowers operational costs, and improves customer satisfaction. Happy customers are repeat customers!

Customization Gives You an Edge

The marketplace is more crowded than ever nowadays, and competition is fierce. Churning out identical products might have been the easiest way to manage a supply chain in the past, but technology and innovation have made customization easier — and more attractive than ever to consumers.

Why Offer Customization?

Savvy businesses look for opportunities to differentiate themselves from their competitors, and customization is a great way to give your company an edge. A Deloitte Consumer Review study found that 36% of customers are interested in buying personalized products or services, and are even willing to wait longer and pay more to get them. There's perceived value in items that are one-of-a-kind or difficult to find elsewhere.

Adding a personalized touch to your goods or services can earn you goodwill and loyalty from your customers. However, doing it yourself can be time-consuming and labor-intensive, and often requires specialized equipment or resources you may not have. That's where your 3PL provider can help.

An experienced 3PL is able to accommodate special requests and offer value-added services that will help your business stand apart from the competition. Leveraging their expertise will help you manage your inventory better; building items to order rather than pulling from stock on hand will lower your production and warehousing costs.

How 3PLs Can Help With Customization

An experienced 3PL has the technology and resources to offer many different customized solutions. By relying on their expertise, you will:

1. Have access to a fully functional customized supply chain without having to invest the money, time, and effort yourself.
2. Be able to deliver customized orders quickly and accurately, regardless of where your customers are located.
3. Gain warehouse efficiency by letting your 3PL handle your design and shipping requirements and allowing them to create a customized solution for you.



3PL Value-Added Services

All 3PLs offer core services like warehousing, transportation, and distribution. Those who are most committed to their partners' success offer additional solutions designed to give them a competitive edge. Value-added services enhance the overall customer experience and promote loyalty. For businesses, they help attract new customers and retain existing ones, complement other products and services, generate additional revenue, and create excitement that can lead to increased demand.

Common value-added services include:

Personalization. Adding a customer's name or logo to a product ensures they will appreciate it more. Laser etching, engraving, and embroidery are great ways to make an ordinary product unique.

Kitting and Assembly. Bundling two or more similar products together to create a single unit is a great way to save costs and make the item more convenient for the consumer. It also introduces them to new products or flavors they might not otherwise purchase.

Subscription boxes and variety packs commonly take advantage of this approach.

Custom Packaging. If you've ever purchased a seasonal bag of candy, only to find it tastes the same as it always does, you can understand the appeal of unique packaging. Offering consumers something they can't find elsewhere — smaller batches or special flavor combinations, for example — will help you stand out and give the consumer exactly what they want.

Product Destruction. Not every value-added service has to reach the hands of the end user. Obsolete products and returned items take up space and don't generate revenue. Disposing of these items by breaking them down or recycling them, rather than hanging onto them or sending them back to you, will save you time and labor.

G10 prides itself on offering free value-added services — everything from embroidery and custom engraving to special packaging, kitting, and light assembly. We rarely turn down a business challenge or partner request. In fact, these custom services have opened up new opportunities for us...and like you, helped differentiate ourselves from our competitors.

And that's the whole point.



Choosing the Right 3PL Provider

Now that it's time to choose a 3PL provider, you need to take several factors into consideration. Price is always a factor, but if a provider offers bargain basement prices, you'll want to take a very close look at where they might be cutting corners, which could end up costing you in the long run. Your inventory is too valuable to settle for the cheapest option available. Instead, start by determining your current and future shipping, packaging, and marketing priorities and use that as a launching point.

Factors to Consider When Looking for a 3PL

The following factors should be a priority regardless of your needs:

Establish a Partnership.

Outsourcing your logistics involves more than simply storing and shipping inventory. A good 3PL will offer a wide range of services designed to help you scale your business and succeed in a crowded marketplace.

Experience.

A 3PL that has been in business for a while is most likely to understand supply chain challenges and build up a solid reputation based on proven solutions. They'll have a long history of success and positive feedback from customers, vendors, carriers, and employees.

Flexibility.

Adapting to changing priorities and market innovations is the hallmark of a great 3PL provider. Whether that means offering value-added services, welcoming new business opportunities, or embracing new technologies, forward-thinkers will help you stay ahead of the curve.

Scalability.

The only limits to your growth should come from within. Make sure your 3PL provider has the space and manpower to handle not only your inventory and shipping needs but those of all its customers, as well.

Customization

Value-added services are a great way to stand out from the competition. You'll want an order fulfillment provider willing to roll up their sleeves and do whatever it takes to help you succeed, whether that involves personalization, kitting, or special packaging.

Technology

The market is always evolving, and having advanced technology helps ensure a streamlined order fulfillment process from order to delivery. It also allows your 3PL to keep up with the latest changes in supply chain management. Investing in technology demonstrates an ongoing commitment to improving processes.

Support Staff

From customer service representatives willing to handle administrative duties and resolve problems to an IT team focused on integration, coding, software development, and troubleshooting, your 3PL should have responsive in-house personnel happy to assist whenever needed.

Multiple Locations

A network of warehouses strategically located across the U.S. will help ensure quick delivery to all corners of the country. Today's consumer expects a fast turnaround and won't accept extended shipping times.

Questions to Ask Prospective 3PL Providers

The exact questions you ask will depend largely on your unique needs. If customer service is a top priority, find out if you'll have a dedicated account manager and inquire about after-hours support. If you're looking to reach a global marketplace, ask whether they ship internationally and whether there are fulfillment centers in other countries. If customization is a priority, find out whether they offer kitting, custom packaging, or other value-added services you anticipate needing.



It's okay to interview as many 3PL providers as you'd like, and it's okay to say no! At the end of the day, you want a partner you can be sure will meet all your requirements. The whole point of outsourcing is to let the experts take extra work off your plate. The peace of mind you gain with the right 3PL provider will really help you focus on growing your business.

Why You Should Partner With G10

G10 has been in business since 2009, long before Amazon was a household name. We were one of the online retailer's earliest key distributors and quickly developed a reputation as eCommerce experts. Today, we work with a wide range of online and brick-and-mortar retailers and offer a full array of services, from wholesale distribution to retail and eCommerce order fulfillment. With seven locations (and counting) across the U.S., your orders are never more than a couple of days out. Unlike other 3PLs, we offer a full suite of services under one roof. Why outsource to multiple vendors when you can get everything done with one?



Get in touch!

Let's connect to discuss your needs and how G10 can assist with your 3PL needs!

With customizable integration, an experienced in-house team of developers and support staff, and a strong commitment to customer service, we're up for any challenge!



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