



Order Fulfillment FOR eCommerce Boutiques

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Introduction

Outsourcing your fulfillment needs is a major step for any eCommerce business, but especially for small boutique owners. There are many considerations involved in finding the perfect fit, but we've put together this guide to help you make sure it goes smoothly. We will take you through the pros and cons, things you need to consider and give you tips on finding your perfect third-party logistics (3PL) team!





What Are My Fulfillment Options?

No matter how perfect your business model, what you sell, or what niche you fill, your eCommerce business is nothing without a seamless and organized order fulfillment solution. An inability to smoothly fulfill product orders through your business leaves a bad taste in your customer's mouths. With that said, we encourage you to take a closer look at your order fulfillment strategy to determine if you are ready to outsource.

Do It Yourself (DIY) vs. Outsourcing

If your boutique is new or maintains a consistent volume that you're used to, then the question of fulfilling an order might be an easier one to answer. However, if you're planning for growth, experience seasonal fluctuations, or simply don't know what the future has in store, you may want to outsource this part of your business.

To put it simply, DIY allows for complete control of the process whereas outsourcing is typically done off-premises and handled by a team that you may not even meet. However, with outsourcing, you're receiving a certain level of expertise and scalability.

How Does DIY Order Fulfillment Work?

While there are many ways to go about it, the common thread that runs through each scenario is that you roll your sleeves up and do everything in-house. That means dedicating a portion of your business to warehouse space where you can store, package, ship, and even receive your products. Your warehouse could be part of your main office property or a separate building. Either way, you're responsible for it.

DIY Pros

- Complete control of your inventory, as well as control of who interacts with it.

DIY Cons

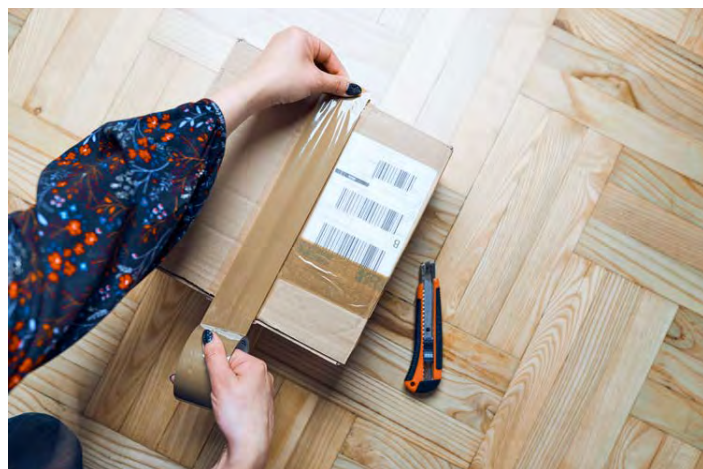
- Responsibility for every point of failure in your ordering process

- Scaling up or down means hiring or downsizing your workforce, which is stressful
- Accommodating the real estate needed to operate your fulfillment
- Time spent on ordering logistics is time spent away from high-level business decisions
- Building a team means maintaining that team and retaining their expertise.

What is Third Party Logistics (3PL) Fulfillment?

While DIY prides itself on complete control, 3PL prides itself on the opposite; they take the mental energy needed for developing a seamless order fulfillment plan and remove it from your plate. If you're a business owner, then you understand that less stress means more time for creativity.

Furthermore, some of the most successful bosses in any industry will tell you that doing everything yourself is the shortest path to exhaustion and disillusionment. If someone somewhere else can do something better than you, and at a fair cost, then you might want to simply let them.



Do It Yourself (DIY) vs. Outsourcing

3PL Pros

- They know order fulfillment in and out; they are experts
- The scalability requirements are taken out of your hands, reducing your stress and letting you easily scale order fulfillment up or down as the needs of your business change
- Most 3PLs will accommodate seasonal fluctuations without forcing you into long-term contracts, so you can have the appropriate workforce for the holidays
- You can rest easy knowing that someone else is managing your fulfillment, giving you the freedom to concentrate on other aspects of your business
- 3PLs can often save money long-term in the form of space (you won't need an

on-site warehouse) and packaging (you're not paying for packaging materials)

- Access to an online portal where you can receive real-time tracking of your orders

3PL Cons

- If you're a hands-on boss, you may be bothered that your distribution center isn't on-site

There's a reason we tell each other not to reinvent the wheel. What we're really saying is, if a system works well, then you're more than likely not the one that's going to improve it. Order fulfillment is streamlined process that has been refined over the years.



How Do You Know When You're Ready To Outsource?

There are a number of signs that it is time to hire a fulfillment partner. Among them are:

- Your sales were steadily growing but suddenly they have slowed or flattened; one possibility is that growth has stalled because you spend too much time on the day-to-day instead of building new business.



- There's been an uptick in errors, returns, damage, complaints about delivery times, etc. Dissatisfied customers can be deadly to business, especially when they hop on social media and talk about a bad experience with their shipments.
- You, and or your staff, are becoming burned out and aren't able to focus on your primary responsibilities.



10 Reasons to Outsource Your Fulfillment

Any plan could “feel” right without reporting and metrics, right up until it falls apart, that is. Tracking and measuring the accuracy and overall success of your fulfillment strategy will mean you not only understand it but can refine it as you go. For this reason it is important to use an inventory management system that takes all factors into consideration to give you a detailed report.

10 Reasons to Outsource (cont.)

1. Metrics

Metrics are a means of tracking your product. If you're taking a DIY fulfillment approach, then you need to begin researching the types of inventory and fulfillment software that will both manage and maintain your warehouse. Metrics within software does just that; it tells you how your product moves as well as where it moves to, and much more.

Without metrics, you'll be sure to find an entirely inaccurate inventory count the next time you do one. Worse yet, keeping the logistics of fulfillment in your head (or even on paper) is a headache. Most metrics will refine your back-of-house fulfillment system to an array of numbers that are easy to read and understand.

A 3PL will handle shipping logistics for you. They will not only have this very same software; they will know it front and back. The reports you receive from this metrics data will be concise and spell out exactly how your fulfillment numbers are going.



2. Reporting

While metrics are all about the data you gather and track through your fulfillment process, reporting is about making something tangible from that data that you can share and learn from. A report should take all of the individual pieces of data your fulfillment software tracks (or your 3PL collects using their methods) and give you a story that sheds light on your customers as well as the efficacy of your business.

This data might be difficult to manipulate into a strategy if this is all new to you. A 3PL does this day in and day out. Therefore they can provide guidance for your business based on this data.

10 Reasons to Outsource (cont.)

3. Shipping Calculations

In the days of free shipping at places like Target and Amazon, it can sometimes feel like you're not competitive enough as a smaller business. Using back-of-house data, you can also calculate how low you can keep your shipping costs; more volume means a better contract with your delivery provider, which means you can charge less to customers for shipping. A 3PL service will already have this aspect of your business streamlined, and even have competitive shipping rates that you might not have access to.

4. Repeat Customers

Fulfillment software is, at its most basic, a way to control the logistics of your inventory. At its most sophisticated, it's a tool that tracks buying habits and gives you precious demographic data on your customers.

You may want to consider offering repeat customers special promotions or even integrate that metric into your next marketing campaign so you can focus your promotional efforts on the people you know are true fans of your brand. Either way, repeat customers are easily discoverable if you pay attention and use the right software. This solution is offered by third-party fulfillment centers because we've found that it's incredibly effective to give special attention to recurring shoppers.

5. Packaging Sourcing

Successful shipping begins with a sturdy box, but it sure doesn't end there. Given the beating that shipments often take on their path from the warehouse to the recipient, the materials used inside the box to protect products from damage are equally important.



10 Reasons to Outsource (cont.)

Procuring your packaging can be a giant headache. Many businesses are surprised that what they consider an afterthought (boxes, bubble wrap, tape, etc.) ends up being one of the more expensive consumable items within their business. It's essential to consider your sourcing when strategizing order fulfillment. A professional 3PL service will take care of this headache for you. They already source their packaging and a credible 3PL will have access to bulk options through a long-term contract with a packaging supplier. You won't have to think twice about sourcing your packaging if you use a 3PL.

6. Sourcing

Are you planning on stuffing your product into nondescript brown packaging, or are you looking for a tailored approach

that fits with your carefully curated brand image?

A styled approach to packaging can set your product apart from the competition, but it will also come with higher costs and be more logistically complicated.

3PLs are like any service provider; you can shop around and ask questions. If you are looking for a particular style for your packaging, be sure to let them know. They likely have plenty of experience in this area and can provide you with a lower cost while understanding the logistics of shipping unique packages.

7. Styling

At the end of the day, the final cost of shipping your product is the bottom line. So many factors affect this price, from the relationship with your delivery provider to the packaging you chose.



10 Reasons to Outsource (cont.)

Before you dive headfirst into fulfillment, you should ensure you thoroughly understand how your previous fulfillment decisions will impact your bottom line shipping costs.

If you choose to contract your logistics to a 3PL, this data will be collated into a report and before the first box goes out on the delivery truck, you'll have a solid understanding of how much your products will cost when shipped out to your customers. This can alleviate stress from the unknown.

8. Return Policy

Creating a customer-friendly return policy can be a nightmare if you wing it. A return policy isn't just a means to an end; it's sometimes the olive branch that can turn a potentially unhappy customer into a lifelong fan.

However, you want to ensure your return policy makes sense for you. That means that it fits into your back-of-house logistics in a way that doesn't cause undue chaos. If you use a third-party logistics provider, you'll be able to vocalize your needs to a team of experts. The details won't matter so much; they've more than likely dealt with similar policies in the past. They'll work behind the scenes to envision what you have in mind.

9. Product Fulfillment is All About the Front End

It might seem like it should be the


opposite, but product fulfillment truly is a front-of-house component that just happens to happen behind the curtain. While the logistics of your business are best kept out of sight, the fruits of those labors are meant to be displayed to your customers.

What does that look like? Fast, responsive shipping, low (or no) shipping costs, and a generous return policy that gives your customers the confidence to hit that buy button. However you achieve this, whether you take a bootstrap approach and develop a proprietary strategy, or leave it to the professionals at a 3PL service, you'll find that it's perhaps the most important component to your business, especially when nobody notices.

10. Peace of Mind

DIY fulfillment makes sense when you have the time and skills, but sometimes, in business, doing it yourself can become an anvil around your company's ankle, slowing it down when it should be speeding along. A 3PL is a one-stop shop for inventory management, transparency, and peace of mind.





The Secret to Success: Scalability

As a business grows, they inevitably meet a ceiling; the business owner is no longer able to do everything themselves and they must hire a workforce. Knowing when to scale and by how much is crucial to the sustainability of your enterprise. Third-party logistics providers may be the solution you need.

The Secret to Success: Scalability (cont.)

Flexible Warehouse Space Gives You Peace of Mind.

Building your own warehouse space (or even just renting one) can be a logistical nightmare. What if you get too much or too little? Everyone knows that there is a natural ebb and flow to every business. The space you need right now might not be the space you need in 6 months.

With a 3PL, you lease the warehouse space that you need right now. Many offer an easy scaling solution, too, so you can increase or decrease the amount of space you're paying for. A credible 3PL will allow you to make these decisions month-to-month so you're only paying for what you need.

A Workforce That Meets Demand When It Matters.

A scalable warehouse is one thing but a scalable workforce almost sounds too good to be true, right? With the right 3PL, that concept is not a pipe dream but a reality. No longer would you need to concern yourself over seasonal labor or even with ensuring you have the right

amount of employees on your payroll.

A 3PL provides its own warehouse team, which will be sized to meet your demands without much input from you at all.

Removing the stressors of warehouse storage and workforce size gives you more time to worry about the high-level stuff that grows your business and innovates.

Saved Resources.

Time is money and both are worth saving. The truth is, a 3PL's bread-and-butter is in fulfillment. As much time as you spend on it, you're no match for a business that is modeled on fulfilling orders, stocking inventory, and every single detail that goes into those processes.

As an e-commerce professional, you're no stranger to the "time is money" concept. 3PLs are highly efficient, which in turn saves you money by reducing the task of ecommerce fulfillment to a streamlined process that just works. Outsourcing this huge chunk of your business gives you time to do other things that could have a greater impact on your business.





What to Look For When Choosing A 3PL

It's your product. We just help you deliver it.

Your product is unique to your brand and a 3PL will make sure you stay on brand through every stage of your shipping process.

Technology, relationships and location are a few of the considerations when choosing your new business partner.

What to Look For When Choosing A 3PL (cont.)

1. Solid relationships with all the major shipping companies.

A good working relationship with companies such as UPS and FedEx as well as knowledge of the U.S. Postal Service will go a long way.

2. An understanding of international shipping.

You might not ship internationally now, but it could be part of your company's future growth. Make sure your fulfillment partner clearly understands all of the documentation issues and the special preparation those shipments require.

3. A location that is central to your market.

For example, because of our location in the south-central U.S., most packages we ship to addresses east of the Mississippi arrive in 2-3 days without expedited shipping. A good location is a big plus when it comes to being able to ship effectively and efficiently. A central location can help in the battle of Amazon Prime mentality where customers have come to expect next-day delivery and free shipping.



What to Look For When Choosing A 3PL (cont.)

4. A solid and professional business reputation.

How many years has a fulfillment firm been in business? Is it a member of professional industry associations? We always provide a list of references. If your fulfillment partner doesn't offer references, ask for them. Call those businesses and ask how long they have been a client. Ask if they have had any problems and how satisfied they are with the service they are receiving.

5. Inventory management software (IMS).

These computerized systems track every aspect of your inventory and can help your

business in multiple ways—by showing you who is buying your product, what products are big sellers, alerting you when supplies are running low. If a fulfillment firm hasn't invested in an IMS system, steer clear of them.

Are You Ready To Make A Decision?

If after reading our guide you have decided that outsourcing your fulfillment is the right choice, the next step is deciding what 3PL you will choose. Narrow down your choices, ask for references and take some tours. This is a big decision! If you still have questions you can contact our team here at Bluegrass and we will be happy to help.

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About

From inventory counting to our pick, pack, and ship service, the Bluegrass fulfillment team provides you with the support and data you need to help your business thrive.

Receive real-time inventory reporting and an accessible, scalable warehouse fulfillment team that can handle the peaks and valleys of your product supply and demand. Our fulfillment team is ready to bring your order fulfillment to the next level.

Our Commitment

As the needs of businesses have evolved, Bluegrass has adopted new technologies and solutions. We continue to meet our clients' growing needs by adding crucial services, from the physical processing of mail to highly interactive campaigns to fulfillment services that extend your company's capabilities.

Let's Work Together.

TO LEARN MORE, VISIT:

WEAREBLUEGRASS.COM

OR CALL:

800.928.6245

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