

7 questions to evaluate 3PLs for retail readiness

Retail success depends on delivering your products at the right place and time, correctly configured, and ready for sale to customers.

Whether you're a major U.S. retailer managing thousands of containers a year, or a new entrant in the U.S. market looking for a complete outsourced solution, you need to be sure that your 3PL has the specialized services, experience, and retail market knowledge to deliver the industry's best retail distribution solution.

Included are 6 key questions to ask potential 3PL providers as you look for a "Retail Ready" partner.

1. What is your strategy for omnichannel fulfillment?
2. Can you accurately manage my inventory right at the port of entry?
3. Can you pick, pack and ship my goods at the "each" level?
4. Can you replenish my stores?
5. Can you get my goods ready for the store shelf?
6. Can your systems handle the complexity of my orders—and stay up and running around the clock?



1.

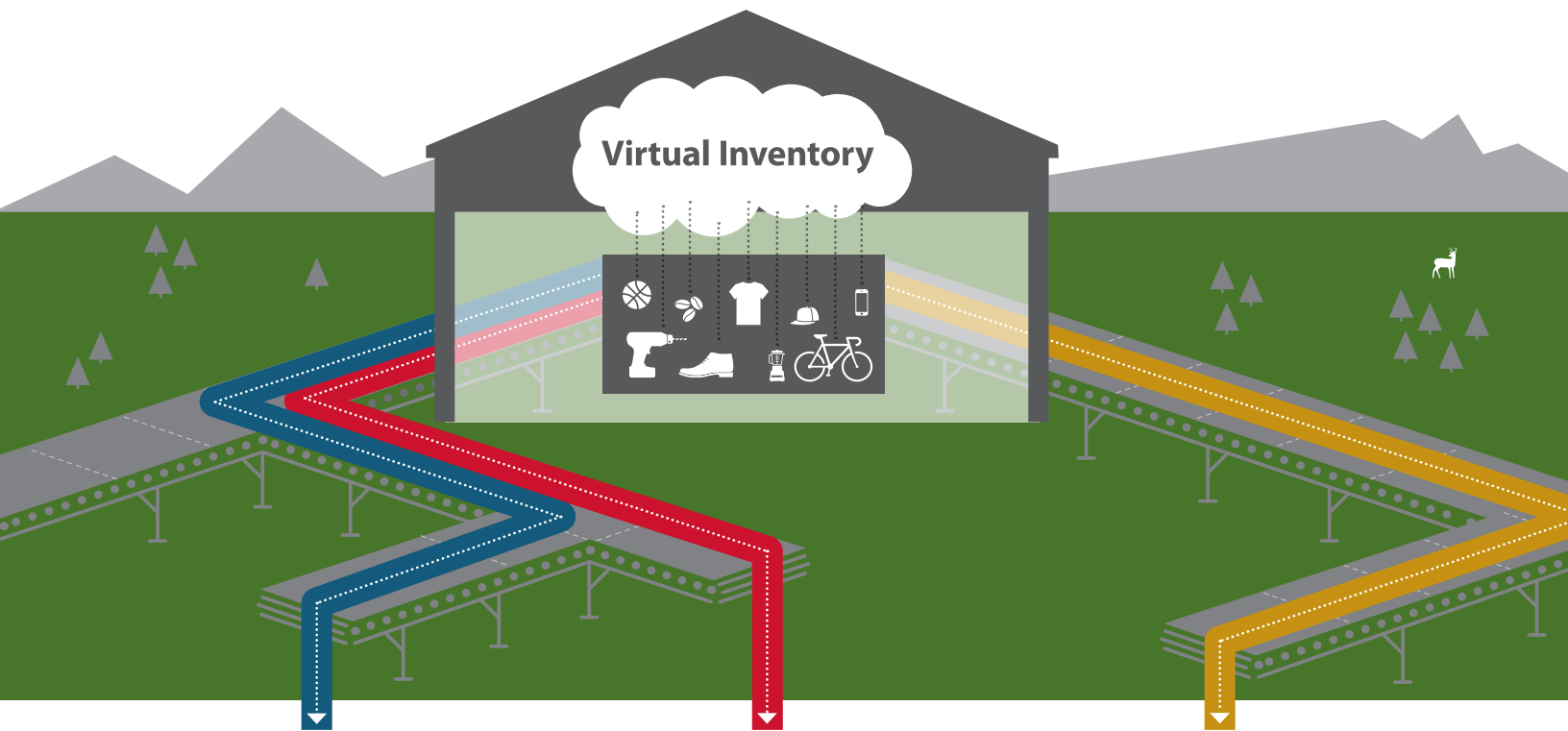
What is your strategy for omnichannel fulfillment?

It's the hottest topic with retailers and retail manufacturers today—how do I fulfill orders to major retailers, wholesalers, specialty stores, and direct to consumers—seamlessly, without duplicating inventory? A Retail Ready 3PL will have processes, systems and facilities that allow you to maintain one physical inventory, but distribute to multiple channels.



Things to look for:

- Single physical inventory and multiple virtual inventories in one system
- Pallet, bulk, or each picking, as the channel requires
- Integration to ERP systems and popular web front-end storefronts
- Specialty storage and automation for ecommerce fulfillment
- Specialized pack stations for gift wrap or special orders
- Full integration to all major parcel shipping systems such as FedEx and UPS



Direct to Customer

Integration with all major ecommerce platforms, scalable drop ship and returns management programs, domestic and international parcel shipping optimization.



Direct to Retail

On-time store delivery and replenishment in the most challenging markets, value added services to deliver shelf-ready product, expedited returns management.



Direct to Wholesale Distribution Centers

Seamless transitions at the port of entry, accurate routing to distribution centers, integrations with all major retailers, seamless sku-level or case-level picking.



2.

Can you accurately manage my inventory right at the port of entry?

Establishing distribution locations at the port of entry provides retailers ultimate supply chain flexibility, providing immediate visibility and access to inventory. A Retail Ready 3PL can deliver accurate, real-time inventory visibility from the time your goods are picked up at the port of entry until they're shipped to your stores, DCs or customers. The 3PL should be fully capable of providing inventory availability by SKU, size, color, or any number of critical retail attributes, and will employ the latest RF and RFID technology when processing your goods into and out of active inventory locations.



Things to look for:

- ASN receipt and RF scanning
- Palletized, racked, and GOH storage options
- LIFO/FIFO management
- Lot and serial number control
- Cycle count programs
- Vendor managed inventory
- Online, real-time visibility to on-hand inventory



3.

Can you pick, pack, and ship my goods at the “each” level?

Today’s leading retailers need the flexibility to ship goods in any configuration—cases, pre-packs, or individual items. A Retail Ready 3PL has the ability to handle the most demanding retail distribution order profiles and the experience to ship correctly at the “each” level—ensuring that customers receive the right quantity, color, size, or order configuration.



Things to look for:

- Stock replenishment and directed put-away
- Full case, pre-pack, and each picking
- GOH item-level picking
- Minimum shipment management
- Kitting and pre-pack
- Ability to ship to DCs, stores, and direct to consumers
- Parcel shipping system interface
- Scanning and bar-code printing
- Returns management



4.

Can you replenish my stores?

A Retail Ready 3PL will offer store replenishment capabilities to stay on top of seasonal and year-round merchandise, peak and slack seasons, and returns management. A full-service solution includes store delivery transportation that employs the right mix of dedicated delivery assets, 3rd party LTL partners, and integration to parcel shipping solutions. And your 3PL needs to understand the complexities of store deliveries — malls, stand-alone stores, lift gates, and in-city deliveries should be a part of their everyday business.



Things to look for:

- Automated induction and sortation systems for cross-docking and preparing store delivery routes
- Truckload optimization and TMS technology
- Scanning and bar-code printing
- Mobile scanning for store deliveries
- Specialized equipment for metro and small store deliveries
- Returns management, including tote management and merchandise quality inspection / restocking



5.

Can you get my goods ready for the store shelf?

A Retail Ready 3PL will offer a wide array of value-added services at each gateway location—they should be equipped to respond to changes and get product ready for sale, regardless of your needs and without shipping your goods off-site. From quality inspection to labeling and repackaging, make sure that your 3PL has the experience and internal resources to get your goods ready on time, every time.



General Value-added Services

- Kitting
- Sub-assembly
- Repacking
- Quality inspection/repair
- Light manufacturing
- Re-ticketing
- Labeling
- Promotional/seasonal packaging
- Security control application

Apparel Value-added Services

- Sewing
- GOH (garment-on-hanger)
- Label changes
- Folding
- Unpack and hang; hanger change
- Polybag
- Size ring
- Needle hole
- Alarm attachment
- Clip, button, and belt



6.

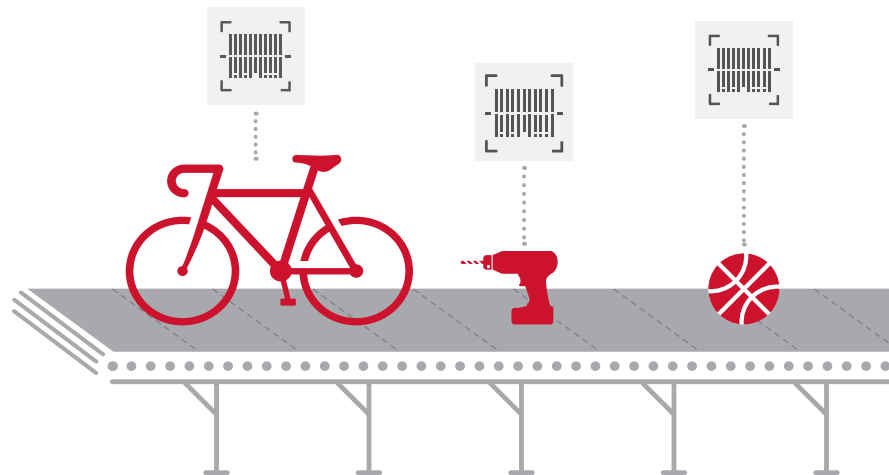
Can your systems handle the complexity of my orders—and stay up and running around the clock?

Your 3PL is an extension of your business and as such should be able to handle any and all aspects of your order profile. And, just as importantly, their systems need to be secure, backed-up, and fail safe in the event of a disaster. A Retail Ready 3PL will offer systems that are designed for retailers and retail manufacturers, the ability to operate their own system or yours in the warehouse, and enterprise-grade disaster recovery and backups to ensure you're up and running all the time.



Things to look for:

- Complete, real-time, distribution life-cycle management for even the most complex inventory management and fulfillment challenges
- Tested integration to all major ERP and order management systems
- Ability to run 3PL systems or your standard/proprietary system in the warehouse (SAP, PkMS, etc.)
- Highly trained and experienced staff
- Off-site backup, co-located fail-over systems, formal disaster recovery plans



7.

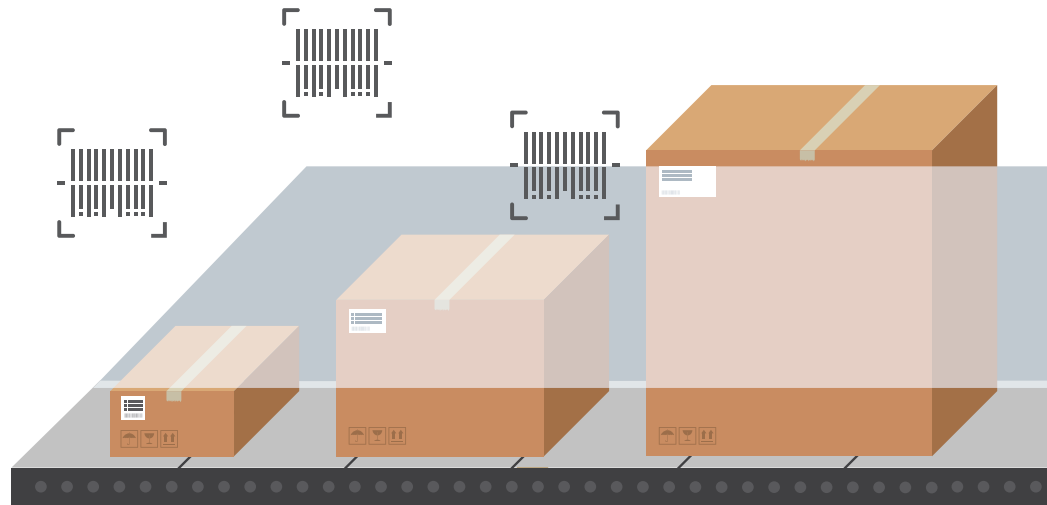
Are you ready to handle RFID?

You know it's coming—more and more major retailers are requiring that the products they buy be RFID tagged. A Retail Ready 3PL not only understands RFID requirements, but has the hardware in place to receive RFID tagged goods or encode and apply tags on site. They've integrated RFID scanning technology into their WMS and can use it for outbound scanning, reducing errors and eliminating potential chargebacks.



Things to look for:

- RFID hardware in place and tested
- RFID scanning integrated into WMS system, working alongside traditional RF scanning
- Ability to encode, print and affix tags on site
- Experienced IT and operations staff that understands RFID technology and retailer requirements



About Ryder System, Inc.

Ryder System, Inc. (NYSE: R) is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions, including warehousing and distribution, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, leasing, maintenance, commercial truck rental, and used vehicle sales to some of the world's most-recognized brands. Ryder provides services throughout the United States, Mexico, and Canada. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmental stewardship, corporate social responsibility, world-class safety, and security programs.

ryder.com

