

The Case for 3PL Fulfillment Solutions: Why and How

3PL warehouses facing constant change are supporting client evolution to unlock rapid growth.

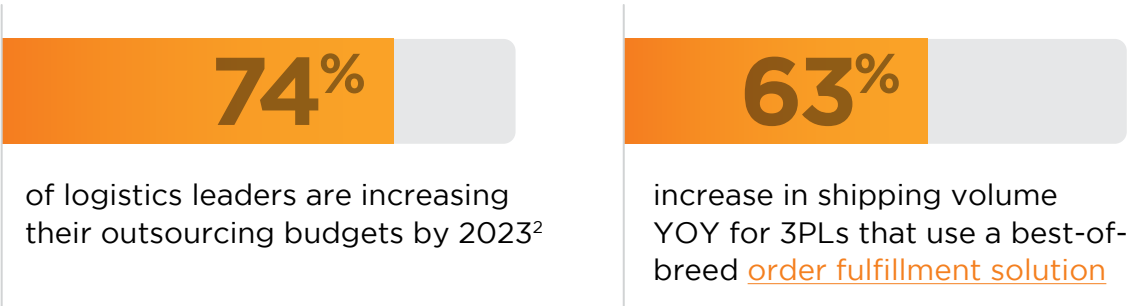


With the explosion of Direct-to-Consumer (DTC), third-party logistics (3PL) firms are performing miracles with their clients' needs. They need new service offerings to unlock new revenue streams. For many, their clients' problems are their own operational problems, too.

This ebook highlights the top trends that make 3PL fulfillment solutions an urgent priority, rather than a future consideration. You will learn how investing in these solutions helps your business meet rapid channel changes, volumes, and new client demands to accelerate growth.

The super nimble 3PL

Your clients want confidence (and they're investing in it). Are you?



3PL fulfillment solutions empower your warehouse to be super nimble in handling the most profit-eroding challenges facing your business today:

- High volumes & rising logistics costs
- Support for new warehouse processes & ways of selling
- Inefficiencies in customer service, IT & billing
- Labor & seasonal challenges (for you & your clients)
- Speciality services that are expensive to deliver & always in flux

Trends leading 3PLs to step up their order fulfillment tech stack

1

Order volume isn't slowing, especially with the rise of DTC

2

Pressure's rising to support new processes & services

3

3PLs must take ownership for end-customer experiences

4

Labor & seasonal challenges continue to harm your clients

5

Specialty services are king, and will continue to evolve

6

The 3PL market - active, but competitive




1 Order volume isn't slowing, especially with the rise of DTC

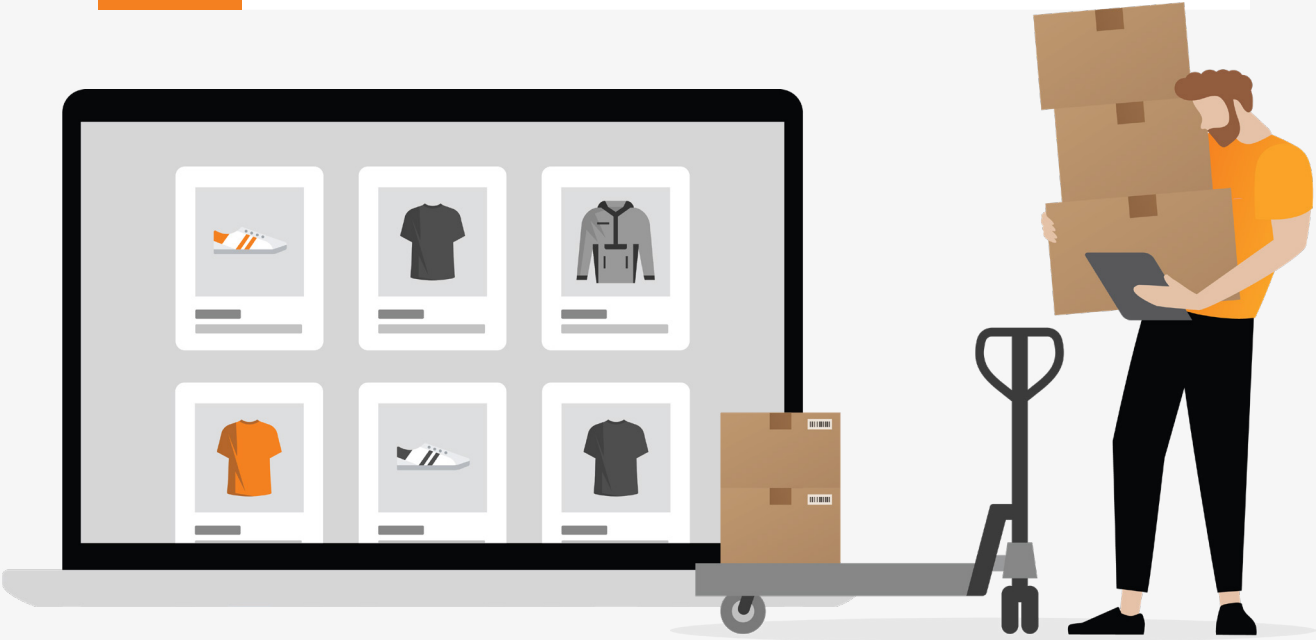
Ecommerce presses on:



24% Global [ecommerce share of retail sales](#) will rise from 20.8% in 2023 to **24%** by 2026



8.9% increase in global retail ecommerce sales in 2023³



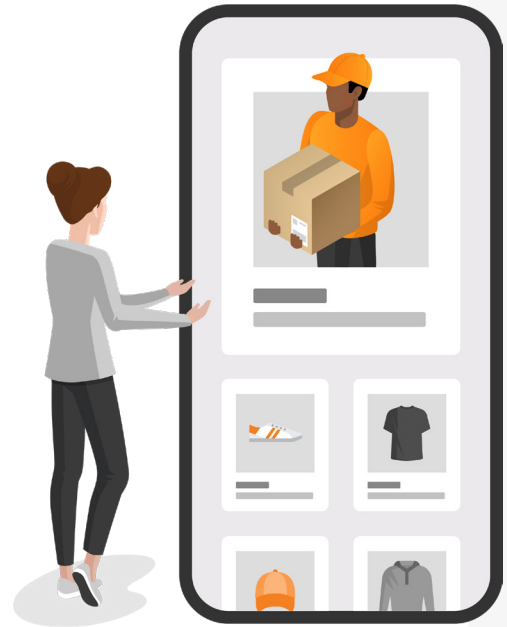
DTC demand is pushing your volumes even higher:

81%

of consumers plan to buy from a DTC brand in 2023¹

61%

of clients predict that DTC channels will contribute more than ½ of their overall sales by 2026¹



The cost impact:

Volumes have inflated your clients' logistics costs to 11% of their total sales. They have delivery expectations to meet; is your warehouse prepared to go even faster? Can you deliver the confidence clients need without overhead problems in your own operations?

- **50%** of shippers increased their 3PL spend in the past 2 years
- Their top goals: Operational Efficiency (**56%**) and Cost Reduction (**47%**)⁴

2

Pressure's rising to support new processes & services

On top of volume, 3PLs must support a new crop of complexities and expanding sales models. Which keeps staff on the phone, emailing back and forth, and walking the floor a whole lot more.

More customer service headaches



73%

of 3PLs interact with their customers on a daily or hourly basis

Higher technology expectations



93%

clients believe strong IT capabilities are important in a 3PL partner



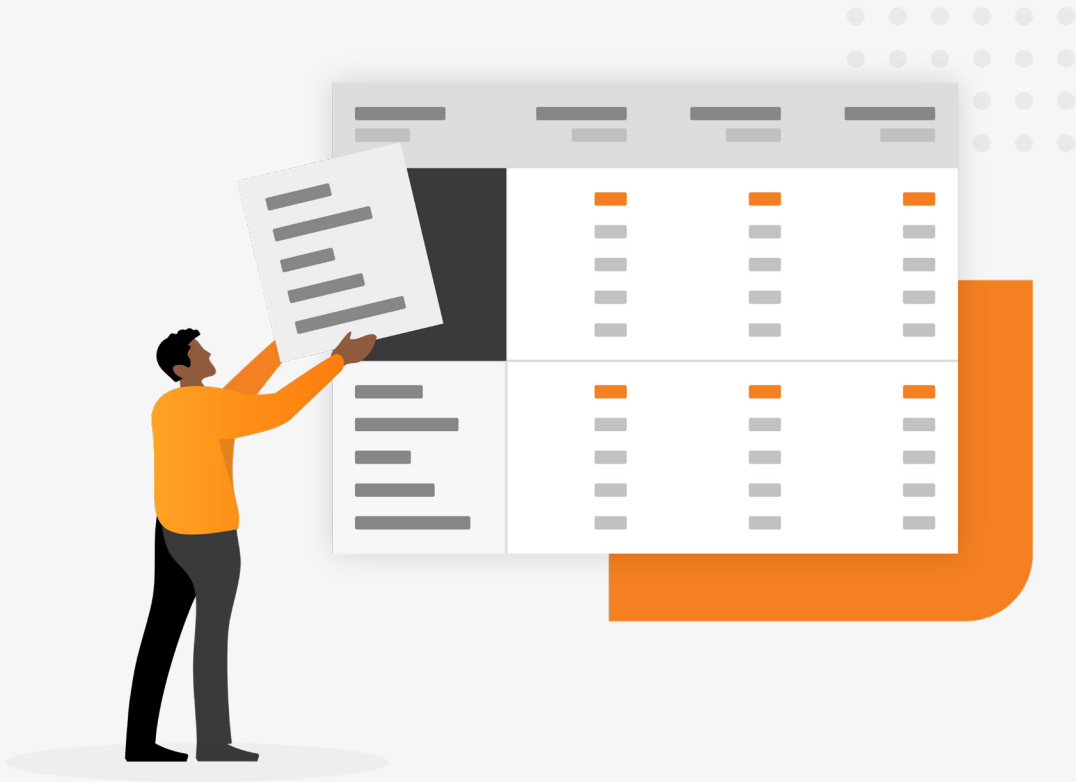
55%

Yet, only 55% are satisfied with their 3PL's IT abilities

More complicated billing & contracts

- Time-consuming billing & auditing tasks
- Lost invoices because billing isn't tied into receiving, putaway, picking & packing
- Services you're not getting paid for
- No way to identify unprofitable clients
- Contract renegotiations that fail to factor in new complexities

Modern 3PL fulfillment solutions automatically plug into your warehouse management, order tracking, and client billing systems to save massive amounts of time and capital.



3

3PLs must take ownership for end-customer experiences

Your clients are in a cut-throat race for superior customer experiences. Can your 3PL enable this (and take ownership)? Or does your lack of technology limit their progress? What are they up against?

50%

of competitors offer next-day delivery¹.

48%

can easily combine separate orders for delivery at the same time¹.

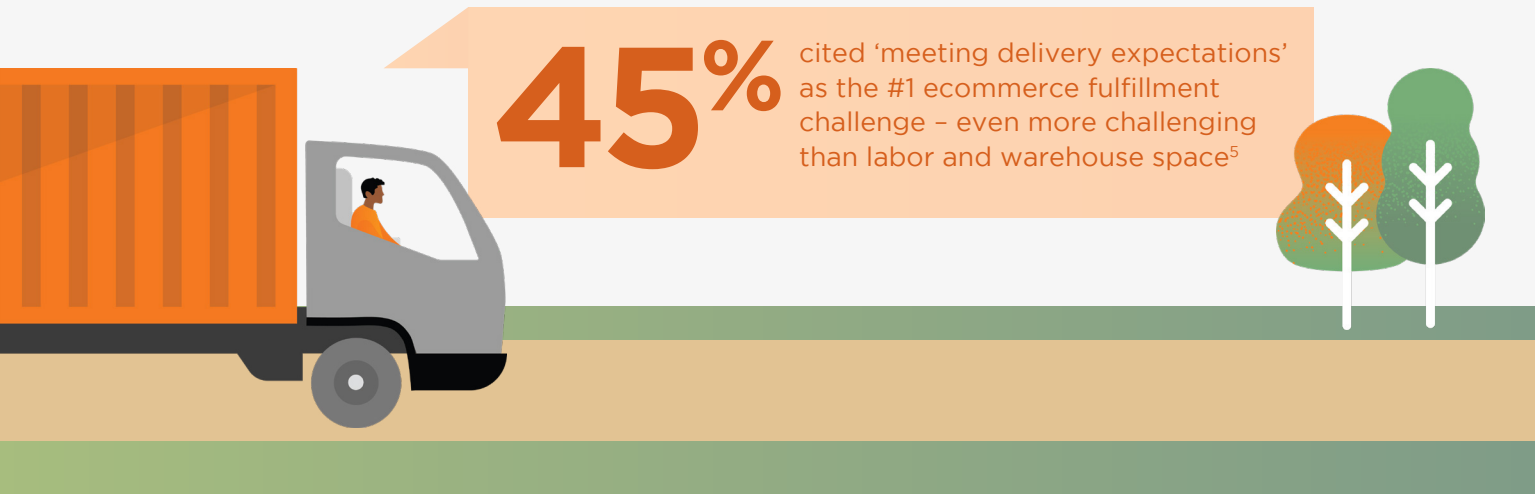
43%

can split orders from more than one location¹.

A 3PL fulfillment solution levels up your delivery capabilities with intelligent order routing and automated pick-pack-ship – significantly reducing logistics costs, delivery times, errors, out-of-stocks, and more. All with transparent, real-time order tracking and accountability.

45%

cited 'meeting delivery expectations' as the #1 ecommerce fulfillment challenge – even more challenging than labor and warehouse space⁵



4 Labor & seasonal challenges continue to harm your clients

59% of companies have seen labor costs increase in the past year⁵

77% say labor has affected their operations in some way⁵



As a result,

50%
saw slower order processing times⁵

46%
saw delivery delays⁵

39%
noted customer service failures frequently⁵

Peak season trends are fueling the fire:

- **3 out of 5** clients say peak season is getting more challenging
- **Nearly half** say peak season is now a year-round event
- Yet, **30%** are responding by **hiring up**

Put your oxygen mask on

Highly efficient, easy-to-learn 3PL fulfillment solutions alleviate seasonal hiring and labor-related disruptions, providing a true partnership to your client when they need it most:

- 3PLs that use these solutions **have seen** a **135%** increase in labor efficiency per day alongside a **72%** increase in daily shipments after implementation
- Train new & seasonal staff very rapidly
- Onboard new clients in 30 minutes

79%

of businesses say a WMS or OMS would increase profitability during peak season

**STILL
HIRING**
Apply today!

Anybody?

**NOW
HIRING!**

Urgently

**HELP
WANTED**

ALL positions open

Join our team!
Please?

**SEASONAL
HIRES**

5

Specialty services are king, and will continue to evolve

The operational cost to support ever-evolving value-added services is going up. But these services are essential to further pump your revenue streams, such as:



Custom kitting & bundling



Retailer-specific SSCC labels



Multiple marketplaces with complex shipping options



Technical support for third-party integrations (which can be productized)



Real-time order tracking, receiving, pick/pack/ship & billing activity in one central portal



Continuous improvements fueled by real-time KPIs in a comprehensive, easily digestible view

3PL fulfillment solutions are built to optimize your operations for change. Support the most in-demand services. Attract new clients, and keep existing ones happy, without slowing down your own teams.

6

The 3PL market - active, but competitive

THE GOOD NEWS

Clients see value in a 3PL, and that's not slowing down.

- Global 3PL market size will be **\$1,998 billion** by 2023, a 8.6% CAGR from 2022-2030
- **40%** of omnichannel companies said inventory management is the #1 aspect they would like to improve in their operations over the next 12-18 months

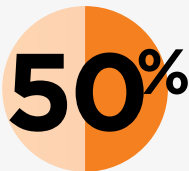
THE BAD NEWS

Your competitors are also investing in robust fulfillment technologies to win contracts:

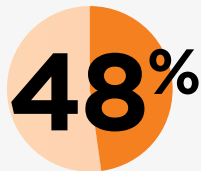
- **96%** of 3PLs have approved tech budgets for enhancing readiness & continuity planning
- **69%** of 3PLs are currently using a warehouse management system (WMS)
- **49%** of 3PLs are using an order management system (OMS)



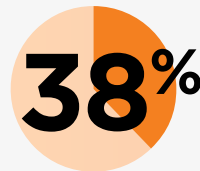
Where are they **investing in order fulfillment** (and where should you)?



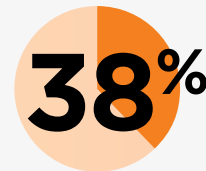
Data Analysis & Visibility



Labor Management & Scheduling



Domestic Transportation & Logistics



Warehouse Distribution & Operations

Is your 3PL leaving money on the table?

Maximize your earnings potential with a 3PL fulfillment solution.

- ✓ Manage more clients with varying supply chain processes
- ✓ Automate billing activity & capture, tied to your WMS
- ✓ Increase shipping volume while reducing costs & errors
- ✓ Capture ALL revenue opportunities
- ✓ Close your clients' labor gaps
- ✓ Onboard new clients & staff in <15 minutes

¹ Source: Deposco [report](#), The Rise of Direct-to-Consumer in North America, Feb 2023

² Source: Gartner via [Food Logistics](#), Dec 2021

³ Source: [Global Retail Ecommerce Forecast 2023](#), eMarketer, Dec 2022

⁴ Source: [DCVelocity](#), April 2023

⁵ Source: Logistics Management, [2022 Ecommerce Fulfillment Trends Report](#), May 2022

**Learn more about
Deposco's fulfillment
solutions for 3PLs**

Explore now





Who is Deposco?

Deposco is how fast-growing businesses rapidly scale their supply chain fulfillment operations. So they can see what inventory they've got, where it is, and where to position it to fulfill demand when It's Grow Time.

It's the only solution that provides this much actionable insight into both your supply chain and the broader marketplace. Streamlined into **One Solution, One Focus, One Team.**

Over 3,000 of the world's fastest growing 3PL, retail, ecommerce and DTC businesses rely on Deposco's Bright Suite of supply chain fulfillment applications. We're supporting over \$10 billion in sales and over 43 million consumer orders annually. Last year alone, we saw total shipment growth increase by 78%.

#ItsGrowTime

www.deposco.com

Ready to grow smarter?

Speak with a Deposco expert to start your growth journey!

[Get a Demo](#)

