



## 5 Principles For Choosing A Fulfillment Partner

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Stretched resources often force a plateau in business growth for successful catalog and internet retailers. When space and staff run thin, scaling operations for long-term or even seasonal expansion is difficult to achieve. On this growth plateau thousands of retailers have chosen to bypass expensive obstacles and outsource order fulfillment operations to a specialized provider. This is never a light decision to make, but it has allowed them to expand operations with the provider's infrastructure and expertise while spending fractions of the cost to build their own. In turn, they have reinvested that capital to grow the business – a significant competitive advantage. If you find yourself on the growth plateau and you're ready to outsource fulfillment, remember these five principles to choose the right provider for you.

### Growth is the Point

Enabling your retail business to resume its growth is the most important reason to outsource fulfillment. Be sure to identify the specific factors that limit your growth today and outline your future objectives before beginning your search for a fulfillment provider. Your growth inhibitors could include warehouse space, workflow inefficiencies, staffing availability, depreciating equipment, insufficient warehouse management systems (WMS), or increasing shipping costs among others. Make sure your provider offers the services that address each of the factors that impact your business. Show them the staple metrics you want to achieve such as increased order value and orders per day, keeping seasonality in mind of course. A good fulfillment partner will supply the infrastructure you don't have and align their resources to scale with your growth strategy over time.

### Experience is Key

A fulfillment provider with background in your product category will likely be best equipped to meet your needs. Consider the specific demands of your product and the equipment, processes or expertise required to handle it. Most food products, for example, will require temperature-controlled facilities, specific handling standards for cleanliness, and perhaps separate storage capabilities. High fashion apparel on the other hand may require some hanging rack space and a wrinkle steaming process before shipment. Be sure to find fulfillment providers who have either handled similar products or have the capacity to accommodate your needs.

### **Industry Partners are Important**

Be sure to find a provider with enduring relationships in the fulfillment and logistics industry. No company is an island unto itself. Order fulfillment providers must maintain strong relationships with key related service providers in order to supply you with the best results. Such key partnerships include shipping carriers like FedEx, UPS and USPS with whom the fulfillment house has negotiated competitive high-volume rates. You'll receive the benefit of those rates and the shared attention from those carriers.

Your fulfillment partner should also have strong relationships with preferred vendors and consultants for ancillary services like database and list management or advanced internet marketing. The stronger and broader your provider's network of industry partners, the better positioned you'll be to take advantage of new growth opportunities.

### **Simple is King**

Many order fulfillment providers offer a greater breadth of services and expertise than the basic pick/pack/ship operation. These services can include customer contact centers, vendor management, product kitting and assembly, product photography, product personalization, ecommerce support, and creative marketing services. The more your fulfillment partner provides, the less you'll have to manage directly as your business expands. When in doubt, follow the "KISS" (Keep It Simple, Stupid) principle. Your outsourcing partner should "kiss" your headaches goodbye and simplify your hands-on management in as many ways as possible.

### **Do What You Love**

Far too many entrepreneurs and owners sacrifice their valuable time and staffing resources in the tangles of operations management. Instead, focus on what you do best and enjoy most; selling great products to happy customers and growing your business. You don't have to be a know-it-all (or a do-it-all) to be an incredibly profitable direct retailer.

And thank goodness for that, because nobody likes a know-it-all anyway.

### **About the Author**



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Steve serves as Vice President of Business Development for Fifth Gear, a provider of outsourced order fulfillment and contact center operations for retailers. Formerly Stark Bro's Fulfillment Services and Sigma Micro, LLC, Fifth Gear's expertise spans nearly 30 years of outsourced order fulfillment operations and order management technology systems. Steve provides guidance for retail companies seeking order fulfillment, contact center and technology services, advising only the best combination of customized offerings for each client's growth strategy. For more information about outsourced order fulfillment, contact center and technology services, you can contact Steve at [swarren@infifthgear.com](mailto:swarren@infifthgear.com), or 317-713-8601.

