Selecting the right fulfillment partner...

A recent AMR study revealed that 30% of the customers surveyed did not have satisfying delivery experiences.

According to analyst David Schatsky of Jupiter Communications, “Fulfillment is the weak link. It was the top source of dissatisfaction from customers. The frequent and much-publicized failure of even the most successful of e-tailers to deliver goods on time has served as a wake-up call to the industry: Fulfill as promised or lose customers for good.”

The failure of many e-companies to deliver products when they promise has played a large role in deterring potential customers from shopping online. As reported in a recent Boston Consulting Group study, 23% of consumers who experienced a failed purchase attempt (resulting in part from delivery problems after the sale) stopped shopping at the site in question, and 28% stopped shopping online altogether.

Selecting a fulfillment company is a big decision. A mistake can create unhappy customers and cost you thousands of dollars...

At the same time selecting the right company can save you time and money, free up space and personnel...
This “White Paper” has one purpose – to help you make the right decision.

During our 18 years in the fulfillment business and after hearing every horror story out there, we have identified a set of questions we ask before we will accept any new client. We want to make sure that we only accept clients for whom we are a good fit.

In this “White Paper” you will find 8 Critical Questions that you, and every business, should ask before agreeing to let anyone touch your fulfillment.

Before we get to the 8 Questions, here’s some preliminary information that will help you determine if outsourcing your fulfillment is even a good idea for your business at this time.

“If you are spending more time on operations, shipping logistics, and strategies than you are on marketing and growing your brand, you need to take a close look at your current value judgments.”

If It’s Not Broke Don’t Fix It:

Order fulfillment is your company’s last chance to connect with the consumer; it is the final perception they experience with your brand. It is what your customer will remember. It is your brand’s promise.

If you are spending more time on operations, shipping logistics, and strategies than you are on marketing and growing your brand, you need to take a close look at your current value judgments.

If you have problems with falling short, slow processing, incorrect and sloppy shipping, complicated returns, etc., you are putting your relationship with your customer at risk.

It is imperative that your team evaluates your core competencies and aligns that with the best use of their time, energy, and resources.

If you are spending more time on operations, shipping logistics, and strategies than you are on marketing and growing your brand, you need to take a close look at your current value judgments.
Tell-tale signs of needing to outsource:

- When you are spending more time in logistics than you are marketing and growing your brand.
- When you aren’t delivering the product with enough care and accuracy as you usually do.
- When you have outgrown your space and cannot expand your inventory without moving or acquiring additional space.
- When you are spending more time hiring, training and managing your workforce than you are on development.
- When you are ready to grow your business, but are confined by your resources.
- When you are considering investing in logistical order management software and warehouse space, rather than investments to grow your product line.
- When your customer base is growing and dealing with vendors, and big box stores are getting in the way of your success.
- When you are relying on your staff to go beyond their core competencies and make decisions about operational logistics.
Freedom and Pay off of outsourcing order fulfillment:

- Order fulfillment is the operational side of a retailer’s business and it is rarely their specialty. Look at some of the benefits you can achieve with outsourcing.

- Supplier connections: You avail yourself to bulk discounts that are offered to volume shippers, i.e. shipping supplies, printing discounts, reduced rates with FedEx, UPS, freight companies, etc.

- Experts that specialize in the latest software technologies to streamline your order processing, inventory control, tracking, customer data and fulfillment practices.

- Lower your investments, overhead in warehouses, equipment, computers, software, maintenance, and have access to high-tech computer technology.

- Up-scale or down-scale on demand, your business can grow as needed and isn't subject to the barriers of people, space or technology.

- More time and resources to create new product, market and grow your business.

- Outsource hiring, training and managing operational staff. No additional payroll, benefits, expense, or human resources.

- Manage order volume fluctuations. Outsourcing allows businesses to easily scale operations to handle spikes and lulls in order volume due to seasonality or volatile economic conditions.

Determine what you need from a fulfillment company:

First of all, determine what your immediate needs will be. Where are your constraints? Operational bottlenecks?

- Seasonal fluctuations
- Shipping/operational efficiencies
- Warehouse space
- Current order management software systems
- Inventory/reorder logistics
- Limited resources for growth
- Value-added services being limited due to resources
Size does make a difference! Fulfillment companies come in all shapes and sizes and if the scale isn’t right, chances are they won’t meet your individual needs.

Every client has special needs and if you have a product that has specific storage requirements or you anticipate that you may experience exponential growth or have a seasonal downsize, you need someone that can expand or shrink on demand.

Finding the fulfillment house whose size and services is a perfect fit for your company requires asking the right questions. Many of our current clients have shared with us nightmares about hiring a company, which was not a good fit. They were either lost with a company that was so huge that even talking to the same person was impossible or with a company that couldn’t address their needs as they grew.

Listen carefully to answers you get to these questions and do your due diligence to dig a bit deeper and past the sales push.

Will we have a dedicated account manager?
Can you download orders directly from our website?
If my orders suddenly tripled in size, how would you manage?
Do you send an online receipt to our customer when they order?
Will our customers have an online tracking delivery service available?
Do you support order management software?
Can you help us with promotional printing and bulk mailing?
How will you handle our inventory and manage reorder points?
How do you back up and store our data?
Do you specialize in direct to consumer and B-to-B fulfillment?
What types of (or level of) customer service do you offer?
Do you have space and staff to scale up or down based on demand?

Is my business a good fit with your fulfillment company?
Every company is going to tout their efficiencies and how fast they get product out the door. They may talk about customer service, etc. But where the rubber meets the road is two-fold: What do their clients say about them in regard to their philosophy of doing business? What is their level of integrity, their honesty? How do they problem solve and do they want a win/win relationship with their clients?

And number two… follow the money…. How do they bill?

Let’s face it, they have all or most of your product, they have the ear of your customer, they can be the voice of much of your business, and they are the final contact with your customer. This involves a lot of trust!!! And it may be the reason you have delayed outsourcing your fulfillment.

Today we don’t trust our week’s vacation plans without consulting Trip Advisor. We don’t buy a snow blower or a vacuum without reading the reviews. Do your due diligence and make sure you talk to their references. Look for companies that offer all-inclusive package pricing or cost per order that includes almost all services and materials.

*Can I have a list of references, preferably some of your current clients?*

*Can you send me a sample monthly billing in regards to the services that I have requested?*

*Are you a member of the Better Business Bureau or any other organizations that support your industry?*

“What is their level of integrity, their honesty?”
(Buyer Beware: This is not an actual question, so to be consistent with the other seven points, you should rephrase it to be a question, such as “Is that incredibly low quote to good to be true?”)

Sure fulfillment companies can offer you some drop dead incredible rates. But in the end, do they deliver? Most of the time they deliver the product and then they deliver the BILL!

“Is that incredibly low quote to good to be true? After you bear considerable costs in delivering your product, your first bill might be enough to give you sticker shock! You compare apples to apples. What does that incredibly low rate include? Does it include most shipping supplies? Do they charge extra for receiving? Picking, packing, warehousing, invoicing, handling, insertion of promo materials? Copies? How are returns handled and charged? What if THEY make a mistake?

Is their billing straightforward or do you need your lawyer to read their monthly invoice? Be VERY clear on what is included. Send a list of sample orders and ask them for complete billing in regards for all above.

How can you improve our freight and shipping?

If I send you sample orders can you price them out for me?

Will you give us a complete list of fees for add-on services, above and beyond our service agreement?

Do you have a “touch charge”?

How will you handle returns?

How do you handle mistakes?

(You should hear about how they absorbed the re-shipping costs and also how they expedited the correct product to your customer)
Make sure to scrutinize the entire picture of advantages of outsourcing to the “right” fulfillment company. Companies often remain stuck in the thoughts of “We have always done it this way”, or “It is more cost effective for me to pay for my warehousing and my employees than to ship my product to a fulfillment house?”

Make sure you are asking ALL the right questions and then do the math; your remuneration may be quicker than you think and have long lasting returns. Not to mention the added opportunities for growth.

Your soft considerations are often the most elusive. Are you or your employees spending more time on logistics and getting the product to the customer than creating new product?

Are your employees really the right people to be making decisions about the latest advances in fulfillment software, staying current with routing guides and requirements? Should they be sourcing the latest in efficient shipping equipment, shipping suppliers, etc.? And, is that where you want to be spending your resources?

How does your rates compare to other fulfillment companies in regards to warehouse storage fees?

Explain to me the process of downloading my orders directly from my website?

If my product requires specialty packing, how would you order custom boxes and would I get wholesale pricing on these?

Do you currently deal with Target, Walmart, distributors? (List the big box retailers or distributors unique to your business here.)

If you get a chargeback from a large retailer, how is that handled?

What are the benefits of me handing over my order fulfillment to you?
A stellar fulfillment house will have a reputation and a history of making people’s businesses better. After all, they are involved with your customers, they will have a strong interest in wanting to work with you and help you grow, as that only leads to more business for everyone.

Make sure you ask for their references and then ask this question of their current customers: How has XYZ Fulfillment made your business better?

What investments have you made in your company that will have a direct benefit to me?

Can you give me an example of an “idea, product, or procedure” that you have suggested or implemented that directly resulted in your growing your client’s business?

What do you do that keeps your company on the cutting edge of the fulfillment business?
If they ship tractors and you manufacture food supplements, chances are they are not going to be familiar with the FDA mandates, health requirements, and storage facility compliances that revolve around shipping your product. They won’t be familiar with routing guidelines demanded by retailers and could incur chargebacks levied for non-compliance.

If you plan on doing business overseas or you are an overseas manufacturer, make sure the fulfillment company is familiar with the laws, licenses, banking, shipping, duties and other requirements for doing business in the USA. This knowledge is an ever-changing landscape as we pole vault through our technological age. Your familiarity with it can be invaluable to you as a manufacturer and make a huge difference to your relationship with your customers, besides saving you a bunch of hassle and money.

Do not undervalue the benefits that a great partnership with an outstanding fulfillment house can create for your business.

Approach your questions here as how they directly relate to your particular products and needs. i.e., if your business requires temperature controlled storage? Or if you have certain government regulations in which you must comply.

I have a company that sells____________, what relationships do you currently have that will help streamline getting my products out to my customers?

How do you handle EDI orders?

What system do you use to download orders from my website?

How do you handle chargebacks from large retailers?

How do you keep yourself updated with current _____compliances or routing guides?

How do you handle labels that must be applied, as per requirements by certain retailers?
A reputable fulfillment company will understand that this is a daunting mission and will have no problem in:

1. Providing you references,
2. Participating financially in some of the outlay involved in setting up your business with them,
3. Providing you with complete billing samples,
4. Guaranteeing your complete satisfaction or be willing to dissolve the relationship and return your product immediately,
5. Offering full disclosure in regards to the entire capabilities of their operation,
6. Being honest with you if they are a good fit and can fully meet your requirements,
7. Fully disclosing what constitutes additional charges up front,
8. Offering a list of additional services and any fees for future reference,
9. Verifying a history of being in business for a long time, retaining both clients and employees over that same period.

Make sure you ask them to supply information on all of the above.
When we are approached by businesses and e-commerce businesses, at Wright Fulfillment our first endeavor is to find out if we can be mutually well-suited business partners. We don't pretend to be all things to all businesses.

Our promise is our word and our goal is to create a long lasting relationship. Most of our clients have been with us for 18 years and a good deal of our employees have been here for the same amount of time.

We take pride in our impeccable extraordinary service, and our commitment to keep your customers happy is a mandate with our clients. Our staff and logistic systems will establish customer confidence, trust in and loyalty for your products.

If we both decide that we can have a win/win relationship, our promise to you is to make your transition with us as seamless as possible. We will provide you access to our shipping partners to get your goods to us at the most reasonable rates. We will guide you every step of the way and advise you on ways to streamline your order and shipping processes through efficiencies that will save you both time and money.

We look forward to seeing how our expertise, infrastructure, and technology can help grow your business. Please feel free to contact us with all your questions, concerns, and ideas. Call us and let us give you the freedom to grow your business.

Partnering Up

In life timing is everything... In business it's imperative.

Please note we specialize in both business-to-business and business to consumer fulfillment and warehousing. Please visit our website for additional information www.wrightfulfillment.com or call 541.488.3344.