

Webgistix Corporation

Ten Secrets to Successfully Outsourcing Your eCommerce Order Fulfillment

How to Choose the Right eCommerce Fulfillment Solution

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There are many reasons why you may be considering outsourcing your eCommerce order fulfillment, but the strongest ones are also the most obvious: it can save you a great deal of time, money, and effort, and allow you to focus more resources on growing your business. Outsourcing your order fulfillment also makes it easier than ever to track and manage inventory, and deliver products to your customers quickly. Finally, it will grant you peace of mind regarding the reliability of your order fulfillment.

Here are ten rarely known tips that you should keep in mind to get the most out of your fulfillment provider:

1: Ask how much information you have access to.

One of the keys to running an effective operation is knowing what's going on. Find out just how much information your fulfillment partner's software and services will provide. Here are a few questions to ask:

- *Will they give you access to real-time inventory information?*
- *How comprehensive is the inventory information?*
- *Will they show you how much they charged you for certain services?*
- *Will they provide the information manually or is the process automated and instant?*
- *Is the software simple and easy to use?*
- *Is the software accessible from mobile devices?*
- *Will you receive an alert if your inventory is running low?*

The level of information an outsourcing partner gives you should be considered part of service they provide, so be sure to take that into account before making a decision.

2: Ask about their location.

Location matters. The faster your customers get their orders, the less likely they are to return the item and the more likely they are to do business with you again. If you want your merchandise to reach your customers quickly, it is important to make sure your fulfillment provider has more than one fulfillment center located strategically around the country. Be attentive to where your potential fulfillment partner's operations are located.

3: Choose a company that specializes in eCommerce order fulfillment.

Choose a company that was built with online order fulfillment in mind. Beware of traditional shipping companies that have jumped onto the eCommerce bandwagon in hopes of attracting your business, because there are vast differences between standard shipping and eCommerce order fulfillment.

For one thing, the best online fulfillment companies automate their electronic processes, integrate with shopping carts, use detailed case-management programs to track information, and give you access to that information 24/7. A traditional shipping company has to deal with both offline and online orders, resulting in processes that aren't optimized for your business. Their order handling is often manual, inefficient, and inaccurate.

4: Choose a company that owns its own warehouses.

Ask your potential fulfillment provider if it owns and operates its own warehouses. Just as there are traditional shipping companies that dabble in eCommerce order fulfillment, there are eCommerce fulfillment providers that dabble in shipping. These are actually virtual companies that outsource the entire logistics process to a warehouse operator. This means that instead of relying on a single company for your fulfillment needs, you would be, in effect, relying on two. A fulfillment provider that operates its own warehouses would be able to check on your product personally when asked, allowing for greater efficiency and less complications. Request a tour of your fulfillment partner's warehouses to get a sense of how they operate.

5: Choose a fulfillment provider that is compatible with your business model.

The demands of an eCommerce retailer for order fulfillment can vary drastically depending on the type of merchandise to be carried in inventory, the amount sold per month, and the size of the items. Like eCommerce retailers, there are fulfillment companies that cater to every niche, and it's best to find a company that is compatible with your business model. For example, a small eCommerce retailer that typically sells twenty t-shirts a month would not be a good fit for a fulfillment provider that ships out thousands of orders a month for its other clients. Typically, order fulfillment companies will provide deals for companies that carry the type and amount of merchandise they want; make sure to find one that's a good fit.

For these reasons, it is critical to know how much merchandise you are planning to sell and how your merchandise will impact your fulfillment operations. These are a few things to consider:

Size: The size of the merchandise is important because the larger your items are, the more space they take up, which is a cost the fulfillment provider will have to pay.

Dimensional Weight: Dimensional weight is one of the main determiners of cost when calculating shipping, and the fulfillment provider will pass this cost on to you.

Type: All fulfillment providers have different policies on what they can and cannot ship. For example, if you're selling food or other perishables, you will most likely need to find a specialized fulfillment provider with refrigerated warehouses.

Source: Where are you getting your merchandise, and is it properly labeled with SKUs? Some fulfillment providers will not handle merchandise if it does not have the correct identification, while others will.

6: Work with a fulfillment provider who will scale with your needs.

Before you make a final decision on a fulfillment provider, ask yourself a few questions:

- *How much do you intend to boost your sales in the foreseeable future?*
- *Will you be carrying the same kind and amount of merchandise?*
- *Will you be introducing new merchandise on a regular basis?*
- *Do you plan on expanding overseas?*

An ideal partner today might not be the right choice in the future. A fulfillment company that excels at shipping small numbers of items can get bogged down by a large number of orders, and some might not even have the space required if the growth in orders or number of products is too high. Thus, be sure to choose a provider with your future plans in mind, as switching fulfillment providers involves moving a great deal of merchandise and changing a lot of procedures, as well as a long, disruptive downtime in order fulfillment that could cost you business.

7: Low cost and stellar service don't go together.

In eCommerce order fulfillment, you get what you pay for. We all want a good deal, but at a certain point quality pays for itself many times over. There is nothing worse than waiting a few weeks for an anticipated item, only to open the box and find the merchandise broken or find the wrong product. In fact, research has shown that speed is one of the most important factors in reducing the number of returned items and canceled orders. Choose a quality fulfillment

provider with a strong record in order accuracy and speed. Your reputation for quality will grow, and the increase in sales will more than offset a slightly higher cost.

8: Ensure that a fulfillment provider will maintain a certain level of service.

Many fulfillment services guarantee high levels of accuracy and shipping within 24 hours, yet it is important to recognize whether these promises are supported by their policies. For top fulfillment companies, mistakes are rare, but they can happen, and you should be prepared. For example, how will the fulfillment provider compensate you for a late shipment, an order sent to the wrong address, or broken merchandise? Will they pay for the shipment in full? Will you have to fill out paperwork to get a refund, or will the fulfillment company automatically credit your account?

Another thing to investigate is the culture behind the fulfillment company. Find out if they promote a culture of pride in excellence, or if they have more of a “we’ll deal with it when it happens” attitude. Ask them how, internally, they measure the performance of their customer support staff, warehouse supervisors, and their teams. It should be clear that fulfillment providers who actively provide incentives for customer responsiveness and thoroughly examine their own mistakes are more committed to quality than those who do not.

9: Quality customer service is essential.

At first glance, eCommerce fulfillment might seem like a service that does not need customer support as much as others, but the reality is quite the opposite. Real-time communications are sometimes necessary should complications arise, such as a delay on an inbound shipment from your suppliers. Your fulfillment provider must be willing to accommodate your specific needs in those circumstances. When deciding on a potential fulfillment provider, make sure to ask them about their customer service solutions. Ask them these questions:

- *Can you accommodate my transaction volume if I run a promotion?*
- *Do I have dedicated customer service?*
- *What times and days are they available?*
- *Do they guarantee a response within a certain timeframe?*
- *How will you compensate me if you make a mistake?*

10: Ask how much you get.

It's incredibly important to get a detailed list of all the services, features, and benefits that the fulfillment provider offers. There are often things that are not explicitly mentioned, for example:

- *Whether or not they give you free software upgrades*
- *The types of shipping materials they use*
- *Type of insurance coverage for your merchandise*
- *Shipping service(s) they use*
- *Whether or not they have expertise with international paperwork*
- *Their experience with bulk shipments*
- *Whether or not they have experience shipping to other countries*

An experienced company that is confident in its offerings will not hesitate to provide a full list of services for you, as well as a number of references. Not only will that give you an overview of what to expect, but this makes it easier to compare them to the competition. One thing to be aware of, however, when doing a comparison across order fulfillment companies is that businesses will often charge different rates for the same services. When receiving a recommendation, please note the prices of services can vary wildly and current prices might not reflect those that were used in the past. Also understand that the actual quality of each individual service will be different among service providers.

Of course, there are many other things you should take into account before making your decision. But if you keep these tips in mind, you will be well on your way to successfully outsourcing your order fulfillment and being able to focus all of your attention on the things that really matter to you: the growth and success of your business.