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Complying With Big-Box Retailer Requirements

Complying with big-box retailer regulations is not a one-person job for 3PLs. An integrated team approach is the best way to ensure your company, as a logistics provider, is able to be absolutely reliable to the retailer. Specifically, customer service, compliance, and transportation and operational services equally aid in the assurance of complying with big-box retailer regulations.

Customer Service

Serving big retailers starts upfront with strong information technology infrastructure. An integrated warehouse management system executed by highly trained customer service representatives with the ability to work on a number of different customer software systems will keep retailer orders coming. Whether your company uses RedPrairie, Manhattan or some other robust WMS, valuing and thoroughly training your CSRs are essential actions to build and maintain retailer relationships. CSRs are the first point of contact between a customer and your company, and they need to understand retailer guidelines as or even more intimately than your compliance department. These friendly faces—or voices, if they communicate primarily by phone—of your company help ensure, for example, that boxes with slight mislabeling issues get relabeled in a timely fashion. They move the daily operations of your retailer accounts along smoothly, navigating bumps in the road with ease and a smile, if they are valued, trained and challenged appropriately. They are the human faces behind the efficiency-driving EDI transactions your company relies on to function: order processing, invoicing, pick-up and delivery data.

Compliance

If you have not hired or assigned a dedicated compliance professional in your company to help with labeling and ensure on-time deliveries and shipping, you're doing it wrong. Often, as a 3PL, you will find the retailer itself is not your customer. Your customer is a small manufacturer or consumer packaged goods company that wants to attract or retain big retail customers. What now? Your dedicated compliance professional—should they be motivated—will find a key retailer contact with whom to build a relationship. This key contact at the retailer can help your 3PL monitor changes in requirements. A key contact can even give your company a heads-up on major transformations, like a sneak peek of the retailer's new supply chain strategy or put in a good word for your 3PL to provide more third-party logistics services.

Similarly, the precise labeling and packaging requirements of large retailers can be daunting. Assigning at least a part-time compliance professional to handle these details will serve your business well. That professional can populate, maintain and update a vendor compliance intranet site, listing all labeling, packing and transport requirements for each retailer. That same person can make sure your company offers detailed tracking. Have the ability to provide box-level detail to your customers and their big-box retailer customers through the use of unique package identification standards from the Uniform Code Council (UCC).

Transportation and Operational Services

Efficiently routing products and meeting big-box retailers' strict must-arrive-by date requirements are essential steps in compliance. At WSI, we like to say, "When your product is delivered to our warehouse, that's where the inspection starts." Item number set-up in our WMS is verified there, the labeling and packaging are inspected and any irregularities are worked out before the product ever is loaded on a truck headed to a retailer. In many of our facilities with retail accounts, the use of advanced warehousing, like RFGen, pick-to-voice and scan audit stations, eases the process of picking and shipping.

"Be extremely detail-oriented and cover all the bases, from customer service to transportation to the labor pool," said Mark Weum, a leading WSI retail account sales manager. "It's a total team effort."

Additionally, being proactive about labor considerations is important. If Walmart gives your hair product customer another \$1 million in logistics business because the big-box store is happy with your 3PL performance, make sure you know ahead of time where your company will get the additional people needed to work in the warehouse. Proactive considerations for a tight labor market include offering full-time positions to part-time or temporary warehouse workers with strong performance, and giving those full-time employees benefits.

Finally, if you make mistakes, own up to them. Examine your operational processes and design them with compliance for big-box retailers in mind. If you stick to their requirements—and keep up on them in your frequently updated intranet—your 3PL should be able to challenge chargebacks with detailed historical reports of what you did correctly.

Complying with big-box retailer requirements isn't always easy, but it pays off in the result of a cohesive 3PL team, satisfied employees and continued business.



Multiple Channels Are Making Supply Chains More Complex

The global consumer packaged goods (CPG) logistics market is forecast to grow at a compound annual growth rate of 5.98% from 2016 to 2020, according to a Research and Markets study entitled *Global CPG Logistics Market 2016-2020*. For CPG logistics providers who are looking for and finding new ways of helping customers get their products directly to end consumers, this forecast may be conservative.

Commenting on the report, an analyst from the research team said: "One trend that is impacting the market positively is the dominance of integrated service providers. Integrators provide all types of logistics services and can act as both 3PL and 4PL providers."

Logistics providers have to be ready to manage inventory, from production right through to the end customer, and handle returns as required. Customers are demanding flexibility, transport acceleration, transport postponement, and effective and sufficient inventory levels. They want final-mile distribution and digital visibility along the entire integrated supply chain.

For logistics providers, finding the right balance between speed, costs, and inventory equilibrium levels is the key to success. It's also about offering integrated management by using the entire service portfolio of extensive origin value-added services like quality control, labeling, reconditioning, packaging, and co-packaging; along with multi-vendor consolidation and multi-country consolidation.

To be successful, providers must offer global transport solutions (across all transport modes and in accordance with specific needs), customs brokerage, and distribution center operations, as well as final-mile deliveries into retail outlets and direct to end-users.

CPG supply chains are also becoming more varied and interconnected, servicing logistics providers with more opportunities to service their customers; but these opportunities also create a higher degree of complexity. Complexity drives the

need to be more creative in the solutions we propose.

A perfect example of a creative solution was one that we suggested to a major global bath appliance customer who was paying high warehouse fees to store product that would not be released to stores until weeks or months later. The DB Schenker team recommended shipping the product from its Asian manufacturer by ocean, thus taking advantage of weeks stored at sea in transit at a lower cost than in the warehouse.

Another unique offering that DB Schenker launched in Europe last year is Netlivery. It offers small and medium businesses a customized sales and logistics service. We help them get into e-commerce and online sales quickly, taking advantage of DB Schenker's complete range of web-based logistics and digital sales functions, using proven delivery models. From the presentation of products on the web to order fulfillment and payment, shipments, returns, repairs and even customer service – virtually everything can be done from the single-source DB Schenker platform.

Each module in Netlivery can be adjusted to the customers' specific requirements and quickly integrated into new or existing channels. With its pay-as-you-play model, business customers are only charged for the services they need.

In addition, the shift from multi-channel retail to omni-channel retail has increased the importance of e-commerce and its integration with the other channels. A clear example is the "click and collect" or BOPIS (buy online pickup in store) business model.

DB Schenker is taking this model one step further and investigating the possibility of having consumers place their orders online and pick them up while commuting through train stations and transit hubs. Consumers can order online and pick up their purchases on their way to the office or home.

In light of changing retail and e-commerce markets, the opportunities for CPG logistics providers to increase revenues are only limited by our imaginations. It's all about flexibility and speed.



Global Retail Expansion: The Convergence of Marketing, Customer Service, and Supply Chain Strategies

As the global market becomes ever more connected, more and more retailers are struggling to keep up with their international expansion. Brands who never anticipated going global are finding that they all of a sudden are, thanks to the progression of e-commerce and increasing customer expectations.

Wisely, this is where many are seeking assistance, and leveraging their cross-functional leadership's knowledge and expertise to align their strategies and goals in relation to global retail and e-commerce expansion—a process that should also be embraced by any logistics professionals that would like to see better forecasting and less stranded inventory.

Omni-channel Expansion Strategy

Setting up localized websites to target global buyers with online orders is certainly the first step, and an important one to get right. However, it isn't enough to rest on. You can certainly begin digitally, but as sales increase in a country it becomes vital that you have inventory positioned there, along with customer service and a retail footprint, allowing you to quickly scale sales at a reduced total landed cost and provide customers with the quick delivery times they expect.

Omni-channel Marketing With the Right Platform

With an omni-channel approach, the chance for success within any single market increases—however careful consideration should be given to which markets you choose to pursue. The same is true for digital marketing. Trying to launch into 50 new currencies and languages will be confusing and costly, with a high risk of mistakes. Take a tiered approach, identifying the key markets to expand into first and making sure your localization process is implemented properly. It's highly beneficial to work with a digital agency such as Red Hot Penny, who are familiar with localization not just in terms of currency and language, but right down to the difference in cultural expectations, both for marketing and e-commerce platform customization. Having the right experts in your corner could easily be the difference between success and failure, and getting it wrong can be a costly mistake.

Omni-channel Customer Support

Once you have begun to enter new markets, you must be ready to field calls, emails, visitors, and social inquiries—from the

locally preferred social networks—rapidly, effectively and with the nuances of a local. Supporting multiple languages can be effectively achieved with the help of the right outsourced partner, like Sutherland Global Services, that can be your omni-agent as you conquer the world. There's a high demand globally for U.S. and European retail brands, but consumers still want—and expect—localized customer support in their own language and at hours convenient to them.

Omni-channel Logistics and Transportation

For U.S. retailers, a tiered approach can lead to a steady and sustainable growth. Starting with countries with the same or similar languages like the United Kingdom and Australia will allow you to access global markets and test strategies with less of an upfront investment.

Once you're able to validate your approach, you can branch out into other countries and regions like Canada, New Zealand, Hong Kong, and Scandinavia. Other areas in the EU, China, and Japan are also lucrative, but incredibly different, and require an experienced hand to navigate. At the end of the day it's better to start with a solid foundation for successfully scaling your operation.

An intercontinental fulfillment option from the United States is a good place to start, working with a global air freight forwarder that is able to manage the entire omni-channel retailing process in-house, from down route access at origin through line haul and local injection services at destination. In short, regardless of the distance, urgency, or budget, there are options.

When you reach global scale it's beneficial to look at outsourced geographical locations to hold inventory for all sales channels close to key consumer markets, as the omni-channel logistics service moves away from sales-specific distribution centers. This benefits consumers with a far more seamless and consistent experience, providing an improved and standardized delivery experience even in global markets, and benefits retailers with improved fulfillment speed from one region to the next.

It should be noted that returns management is one of the key roadblocks to developing a global e-commerce offering, and an effective worldwide returns policy is a vital stepping stone towards true omni-channel retailing excellence. Ensure that you choose the right provider for a warehousing solution that is able to provide a one-stop returns service with a bigger global reach than anyone else in the business.