

## Logistics Best Practices

1. ***A logistics strategy includes all components of the fulfillment process.*** Provider costs, service levels (product availability, lead time), value-added services (packaging, labeling), returns and flexibility (alter strategy based on customer needs) should all be included. Do not focus on just one of these areas as they all are integrated pieces of the supply chain.
2. ***Plan for your demand, predict it.*** Demand forecasting is not an exact science, but it is getting closer. Demand forecasting can be used to understand your future logistics needs and help you plan for them.
3. ***A flexible order-sourcing strategy can reduce logistics and distribution costs.*** Order sourcing is often set up to be fulfilled by the closest geographical location. However, other factors such as lead time, subsequent orders, manufacturing costs, backlogs, availability and reliability of transportation can influence the best source for the order.
4. ***Understand your order profiles, mix of products, size of orders, and lines per order, when establishing your picking strategy.*** Since picking product is the most labor-intensive process in the warehouse, optimization based on your order profiles is critical. Often, 80% of the orders are made up of 20% of the SKUs, optimizing the fulfillment process can drastically reduce labor costs. Place more frequently picked products in the easiest to reach locations, lay out pick areas to minimize excess travel, and compromise between manual and automated systems. Ensure your picking strategy is aligned with WMS.
5. ***Control the returns process through “returns authorizations”.*** These pre-approved returns will simplify and expedite this process. RA (or RMA – return merchandise authorization) labels can be shipped with the order to eliminate the need for a customer to ask for an RMA prior to returning the item.
6. ***Consider using multiple carriers, ship by lowest cost.*** Many retailers only ship via one carrier as it is easiest. Since each carrier calculates costs differently, using multiple carriers and selecting which carrier and method to use for each order can help them save shipping costs and reduce transit times for customers. Having multiple shippers may help you offer shipping upgrades with little additional cost.
7. ***Workflow planning is key when implementing a Warehouse Management System.*** Inbound workflows start with receiving the products at the warehouse and how they are “put away”. Outbound workflows start with the fulfillment of the product when it is “picked”. The WMS software should be able to be optimized to your current workflow process.
8. ***Utilize handheld scanners in the return process with RF screens of RMA #, SKU, quantity and disposition, for optimization.*** The improvement in labor efficiency will quickly pay for the cost of implementation. Ensure the scanning systems are integrated with analytics solutions to ensure a 360 view of the business.
9. ***RFID technology enables visibility of the movement of goods throughout the supply chain.*** When an item is used, purchased, or consumed, then triggers initiate the correct and appropriate action from the supplier all the way to the raw goods procurement. Global Data Synchronization Network (GDSN) should be implemented as well, to ensure all trading partners are using common data standards.
10. ***Companies that ship more than 500 packages a day should consider replacing their manual work processes with an online packaging system.*** Online packaging systems can reduce space (no need to store packing materials), improve time and save money (by creating operational efficiencies).

**For 1000s of Best Practices and Advice across 100s of topics:  
Join eCommerceKnow-How.com!**

# eCommerce Diligence™ Checklist

## Logistics Key Questions to Ask Providers

### Company

---

1. How long have you been in this business?
2. What size or types of clients fall into your “sweet spot”?
3. What type of products fall into your “sweet spot”?
4. What peripheral or supporting services do you offer (e.g., technology, process analysis, transportation)?
5. Who are your current partners? Who have you worked with in the past?

### Products/Services

---

1. What type of training do you provide?
2. What support services are available?
  - a. Are there human beings I can reach during reasonable hours (chat or phone) or do I have to wait over 24 hours for an email response or callback?
  - b. Is your support team located in the US?
  - c. What is your SLA for support issues?
3. Do you have a support knowledgebase, community forum, or applications that are shared by customers?
4. If you provide fulfillment services, where are your distribution centers?
5. If you provide fulfillment services, are there any types of products that you can't fulfill?
6. Which third party product technology ecommerce platform providers have you worked with in the past? Do you have your own?
7. Which third-party product technology Order Management System platform providers have you worked with in the past? Do you have your own?
8. If you provide Call Center services, what are your minimums? What type of skill sets (up-sell, support, moderation) do your reps have?
9. Do you provide customs brokerage, duties, taxes and export management for international shopping? How do you handle this? Is this managed in-house or through a partner?

### Features

---

1. What key features are included in your solution?
  - a. What features are on our roadmap?
  - b. Which features are critical to our strategic direction?
2. What is your product's competitive advantage over other packages? Why?
3. Do you and how do you support various order sourcing strategies? Drop-ship networks? Splitting of palettes?
4. How do you support fulfillment functionality?
5. How do you support RFID technology?
6. Do you and how do you support a third-party model versus a private warehouse model?
7. Do you and how do you support on-line packaging?
8. How does your platform integrate with other Order Management Systems, including back-office systems, other online shopping channels and/or point solutions?
9. Do you have a management console?
  - a. What can I do with it? Is it web-based, application-based, other?
  - b. Does it include reporting and a dashboard?
  - c. Please describe your reporting capabilities and provide a list of standard reports.

### Pricing

---

1. How do you price your services? Based on Revenue or per activity?
2. What are your specific price drivers?
3. Are there any additional fees (e.g., implementation, transaction costs, revenue sharing)?
4. What's the length of a typical deal/contract?

**For 1000s of Best Practices and Advice across 100s of topics:  
Join eCommerceKnow-How.com!**