

E-COMMERCE BUSINESS SCALING & SIZING

3PL GROWTH MODELING

2023 SP247 ON-DEMAND REPORTS



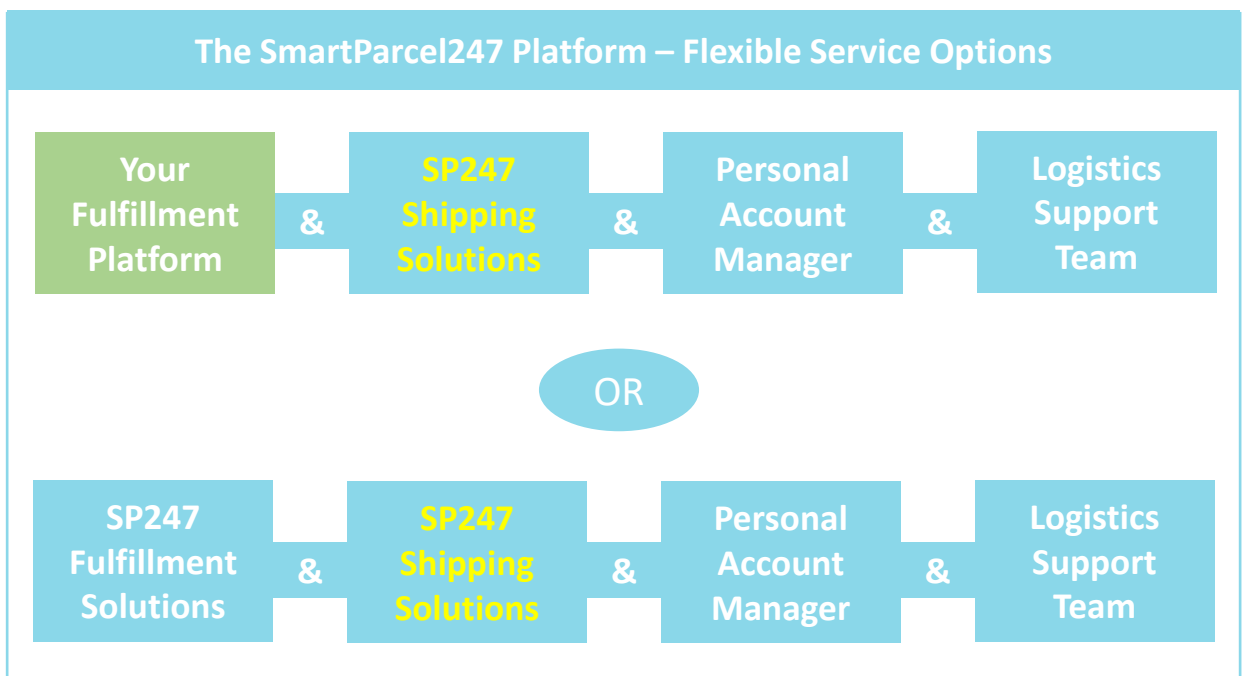
The SmartParcel247[®] Solution Guide
With Value Added Services

INTRODUCTION

The Smart Parcel 24/7 (SP247) Platform is made up of two core systems: our fulfillment/warehousing services and our hybrid shipping services.

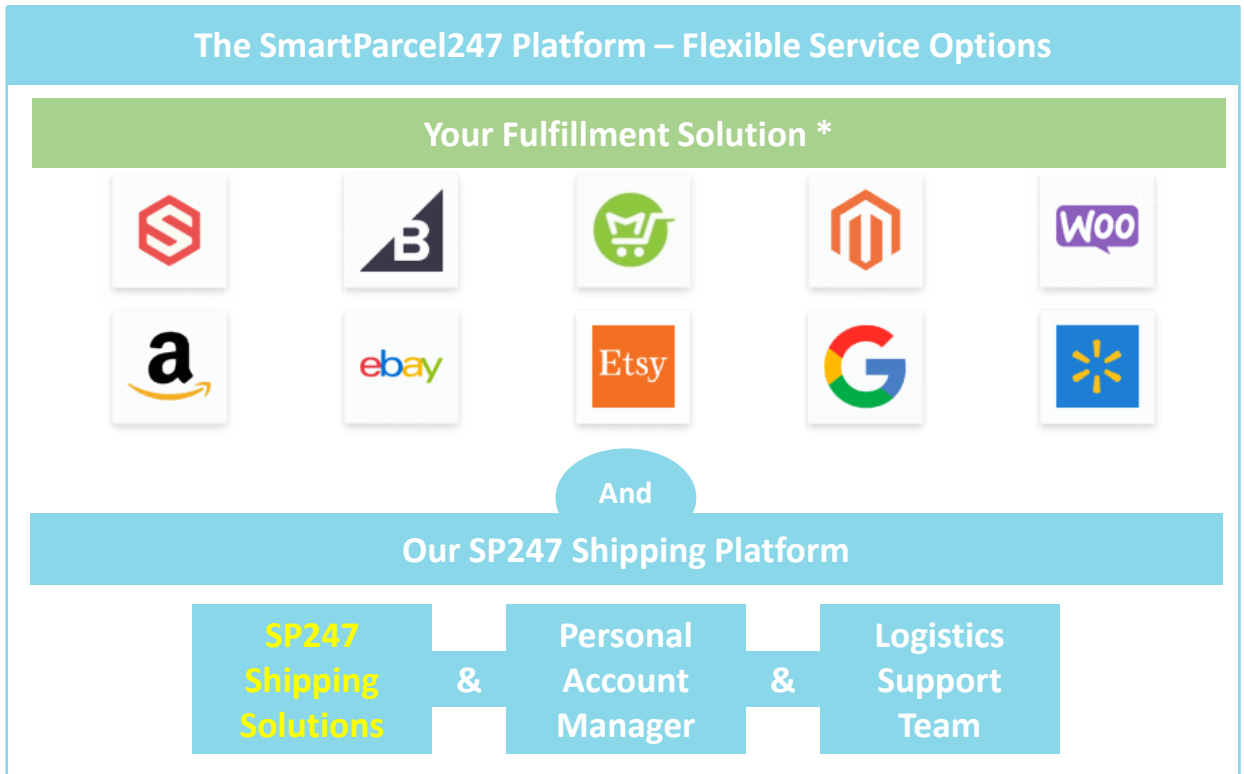
These systems can be used independently or together, allowing you to select the best shipping and fulfillment options for your business:

1. Seamlessly integrate your fulfillment solution with our SP247 Shipping platform or
2. Utilize SP247 Fulfillment/Warehousing Platform and SP247 Shipping platform



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3PL SERVICE SOLUTIONS



Whether you are looking to transition from a home-based fulfillment operation or looking for a more robust national or international service provider, we can help. We know it is a huge leap for small and medium-sized ecommerce businesses to place themselves in the care of a third-party logistics (3PL) company. Switching to cost-effective, dynamic shipping solutions or transitioning to a 3PL fulfillment provider does not have to be daunting.

This guide will show you how to choose the correct shipping or fulfillment company for your business needs and make an informed decision.

Knowing that SmartParcel247 is a different 3PL solution, please take a few moments and look over its services and solutions.

* This is a partial list. Contact us about your platform.

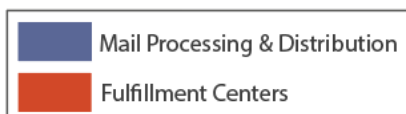
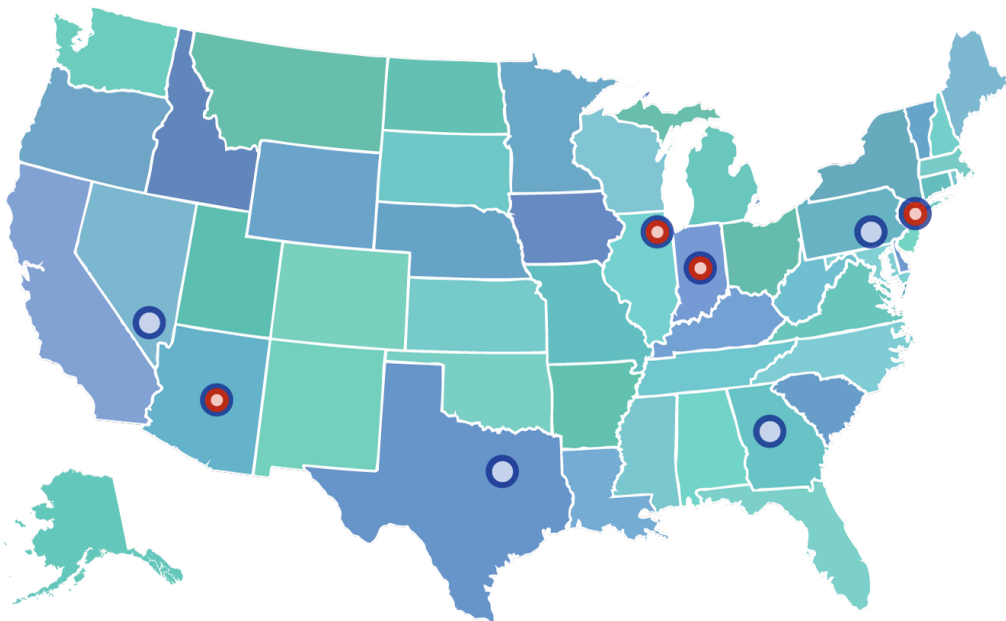
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Proving a **Courier-like Service**
at a **Postal-like Price.**

SmartParcel247 Highlights

- ✓ Strategically placed locations to expedite shipping quickly and effectively
- ✓ Expedited pick-up (with optional on-site-labeling)
- ✓ Optional Pick & Pack Fulfillment
- ✓ Expedited delivery to the USA, Canada, and all points overseas
- ✓ Dedicated Customer Service Manager
- ✓ Continuous evaluation of your deliveries and recommendations for improvements in your solutions



ECOMMERCE GROWTH 3PL SERVICE SOLUTIONS

2023 GLOBAL REPORT

The SmartParcel247 Solution Guide
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PART ONE

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Time to Consider Partnering with a 3PL

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1 Time to Consider Partnering with a 3PL

There are many factors to consider when transitioning to a third-party logistics (3PL) provider, such as timing, contractual obligations, and unique solutions. It is never too early to start researching potential 3PL partners to find the right fit for your business. To help you make an informed decision, be sure to evaluate your potential 3PL for the following:

Points of evaluation

Data & Technology

Modern 3PL providers offer more than just traditional pick, pack, and ship services. They rely heavily on technology, analytics, APIs, and integrations. At Smart Parcel 24/7 (SP247), we use state-of-the-art technology to streamline the fulfillment process. From labeling to inventory tracking, technology helps us help you have a smooth inventory flow.

Our proprietary SP247 Warehouse Management System (WMS) acts as a control center, compiling fulfillment metrics across all our centers. Our SP247 Merchant Dashboard provides:

- Fulfillment performance and SLA insights
- Order status and inventory count visibility
- Algorithm that selects the fulfillment center closest to the end customer with available inventory.
- And much more...

We also offer multichannel support and EDI integrations to keep all DTC and B2B fulfillment under one roof.

1 Time to Consider Partnering with a 3PL

Parcel Shipment Processing & Fulfillment Centers

Having access to multiple fulfillment centers is a significant advantage, as it allows you to split your inventory across several locations to reduce shipping costs and time. Smart Parcel 24/7 has fulfillment centers across the world. Our SP247 shipment services provide data to help you choose how best to split your inventory. We continue to expand into additional locations and add more capabilities to meet your growing needs.

Service Level Agreements and Partner Accountability

Transparency and accountability are crucial when partnering with a 3PL provider. When choosing a 3PL, be sure there is full visibility into operations. The provider should be held accountable against agreed-upon service-level agreements (SLAs). These SLAs can range from shipping orders out on time to the speed at which the provider receives and stows your inventory.





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PART TWO

Contemplate Using a 3PL

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Switching to a new 3PL can be intimidating, especially if you've invested a lot of time and effort into your current provider. However, sticking with an inadequate fulfillment partner can do more harm than good in many cases. It can limit your scalability, impede growth, lead to a poor customer experience, and even result in over-spending.

With your current 3PL, you might think

- - "We'll find a better one later"
- - "There is too much going on right now"
- - "We're making enough changes as it is"
- - "We've paid the startup investment for this one already"
- - "We don't want to have to integrate a new system"
- - "The service is bad, but they mean well"
- However, settling for an unsuitable 3PL isn't worth it in the long run.

E-commerce is a fast-paced industry, and customer expectations are continually evolving. To stay competitive, you need a 3PL that offers security, consistency, accuracy, and speed. If your current provider isn't delivering, it's time to consider a better 3PL.

Here are some signs that you could benefit from a new provider:



When to Partner with a 3PL

Your Customers Define Your Order Fulfillment Issues

Your reputation is at stake with every order you fulfill, so you need a 3PL that can ensure accuracy and speed. While logistics can be unpredictable, the right provider can help minimize errors and correct any mistakes.

If your current 3PL isn't meeting your expectations, your customers will let you know, whether with active feedback or from a loss of business.

Forward Thinking Partner

As e-commerce evolves, so do customer expectations. If your current 3PL hasn't expanded their technology, operations, services, and/or locations since you started working with them, it's a sign that they might be complacent and will not be able to keep up with the industry. Your business needs a forward-thinking 3PL with efficient and reliable resources to help you scale. 'Good enough' isn't good enough when it comes to fulfillment for your business.



3PL Not Growing with You

If your order volume is increasing, and your current 3PL can't help you hit the next level of scale, it's time to move on. This is particularly true for small businesses with a single location.

If you're looking for nationwide coverage or want to expand your business internationally, you need a 3PL that can centralize your operations and help you reach that international growth.

Technology Not Doing the Job

Your 3PL should have technology that includes order and inventory management capabilities. If you don't have immediate access to order status, inventory levels, and tracking information, it will be challenging to address customer concerns and restock inventory.

A good 3PL should offer a logistics platform that not only integrates easily with your e-commerce store but also makes managing bundling, subscriptions, and SKUs across channels simpler and more efficient

Finding Value for Your Investment

When it comes to hiring a good 3PL, it is important to make sure you are getting exactly what you pay for. If you hire a cheap 3PL, you may not get the best service. On the other hand, if you pay a premium, the value should be completely reflected in what you receive.

A good 3PL can enhance your conversions, average order value, and customer loyalty. Look for a provider with transparent pricing structures and no hidden fees. The right 3PL for your business will be one that is more than worth what you are paying.



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PART THREE

Plan & Implement a Smooth Transition to Your New 3PL

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Switching from a familiar 3PL provider to a new one can be a challenging experience. At SP247, we strive to make this transition as seamless as possible by ensuring a controlled and well-managed process that minimizes risks and sets you up for success. Here are our recommendations to help ensure a successful transition to a new 3PL provider:

Determine how to move inventory from your current 3PL

Transferring inventory from your current 3PL to a new one requires careful planning. There are two primary options:

Option One:

- Send new inventory directly to your new 3PL, and let the old provider fulfill orders until the inventory runs out. Once that happens, the new 3PL can start fulfilling orders.
- Leave some inventory with your old provider and send a portion to the new 3PL. Then transfer the rest to the new provider once they are up and running.



Determine how to move inventory from your current 3PL

Transferring inventory from your current 3PL to a new one requires careful planning. There are two primary options:

Option Two:

- Keeping 15-20 days of inventory (by SKU) with the old provider, accounting for freight transit time and the time needed for the new provider to receive and store your inventory. You can then send the remainder of your inventory to the new provider.
- Once you're ready to go live with the new provider, turn off the store sync with your old provider to prevent duplicate orders from being shipped.
- Create a freight order with your old provider to send the remaining inventory to the new provider.

Old 3PL Expectations

Your old provider may make a counteroffer to try to retain your business, but this often causes delays and complications. It's important to ensure that your old provider understands and follows your new provider's processes to prevent any issues with the transfer of your inventory.

Reevaluating Your Supply Chain

With a new 3PL provider comes at least one new fulfillment center, which may result in longer transit times for inventory from your manufacturer. It's essential to consider this when determining when to replenish inventory and the ideal reorder quantities.

3 Plan & Implement a Smooth Transition to Your New 3PL

Make sure to:

1. Share your new provider's address with your manufacturer(s).
2. Provide instructions on their inbound inventory receiving process, including any labeling or shipment organization changes.

Old Fulfillment Center Phaseout

It's best to keep some inventory at your old provider until you've fully transitioned. This helps to prevent disruptions and delays for your customers. Keeping inventory at your old provider while shipping inventory to your new provider can help prevent backorders as you get set up with the new provider.

Once you have ample stock with the new provider, you may offer a sale to clear the older stock. Be sure to route the orders from the sale to the old provider to make sure that location has been cleared of your remaining inventory.

Keep Your Customers In the Loop

Even with a smooth transition, unexpected issues can arise, and your customers may be affected. It's crucial to communicate with them about the changes to their shipping experience.

Use your store's product pages, shipping or FAQ pages, transactional emails, social media, and banners on your website to inform customers of any changes. Transparency is key in customer communication, and customers will appreciate knowing what to expect.



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PART FOUR

SP247 Minimizes Risk

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At SP247, our team collaborates with your brand to find the optimal solution tailored to your unique needs. Below are some highlights of the benefits you receive when you choose SP247 as your fulfillment partner:

Dedicated Implementation Specialist

SP247's Implementation Specialists are experts in their field, making it easy for your business to onboard and customize the process according to your requirements. This designated point of contact will work with you throughout the implementation process for a seamless transition.

You will receive dedicated training sessions covering account configuration for your stores, products, and orders. The training sessions will also cover shipping options, inventory flow, operational processes, and other preparations before your first shipment. Additional touchpoints will follow once you go live and start shipping with us.

Dedicated Account Manager

Apart from the Implementation Specialist who sets up your business for successful fulfillment with SP247, you will also be paired with a dedicated Merchant Care team for day-to-day inquiries, requests, or issues through chat, phone, and email.

After the implementation, you may qualify for a Merchant Success Manager who serves as your dedicated consultative advocate, catering to your business's strategic needs and discussing proactive opportunities for growth.

It's About Capacity and Experience

SP247 has a proven process to ensure a successful partnership, with additional steps for merchants with the most complex needs or largest order volumes.

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Your Unique Needs Requires Special Technology Configurations

Once your store is synced, we'll help you import your products and orders, including variants and bundles and merge products if you sell on multiple stores. Once an order ships, SP247's technology pushes shipment tracking back to your ecommerce store, keeping your customers updated on their delivery progress.

Reduced Shipping Costs and Speeds

SP247 enables your company to distribute inventory through our SP247 International Fulfillment Network. Our software automatically routes the order to the distribution center that ships the order to your customer in the fastest and most affordable way.



Strategic, data-driven insights

SP247's built-in analytics tool provides your business with quick access to the following insights:

- Sales velocity and which products are bestsellers or slow movers.
- Inventory days until stock runs out based on SKU velocity.
- Customer locations versus shipping locations (with the ability to compare current and ideal distribution)
- Demand trends compared to previous periods.
- Transit times and average cart value by shipping method (to see which methods are most attractive to your customers).
- Inventory levels held at any SP247 fulfillment center at any time in the past.
- And much more!



PART FIVE

5 SmartParcel247 Onboarding FAQs

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Here are some commonly asked questions for businesses transitioning to SP247.

Inventory Management

1. What should I consider when transitioning from self-fulfillment or an existing 3PL?

To ensure a smooth transition, you should consider two factors:

- Inventory turnover – Product Depletion
- Current inventory – Your Warehouse or Current 3PL

Be sure to start transitioning before you go live with SP247. This will allow for enough time to replenish your inventory. Keep in mind:

- Transit time varies based on its origin.
- It takes several business days from when we receive your inventory at our fulfillment facilities before we can use it to fulfill orders.

2. Should I deplete my existing 3PL's stock before sending only new stock to SP247?

It's considered best practice to deplete the old stock before sending new stock to SP247. However, we can arrange for you to send us a portion of the inventory from your old 3PL while leaving the rest with them.

3. What happens if my existing 3PL does not follow SP247's receiving guidelines?

When an existing 3PL doesn't follow the SP247 Warehouse Receiving Order (WRO) guidelines, the inventory will be moved to an 'On-Hold' receiving area. SP247 is updated with a link to the correct documentation.

4. How do you establish inventory counts, and what happens when the old 3PL's inventory counts don't match?

We'll sample a carton and count inventory based on the number marked on the case. If it's incorrect, we'll count all items.

5. What if my old 3PL hasn't shipped everything to SP247?

We will update the SP247 WRO with the received counts, and you will be notified when this is completed. If you find that some inventory is missing, contact your old 3PL directly.



Freight

1. How does the inventory transfer from my current 3PL to SP247 happen?

You'll be responsible for organizing freight from your old 3PL to SP247. If you need help finding a freight provider, we can recommend one of our partners.

2. When considering the volume, how long will it take to receive the inventory?

Our commitment is to receive and store inventory within three business days, if all receiving guidelines are followed. And as an FYI, on average, we have been able to complete this within one business day.

Orders

1. When should I transfer all my orders to SP247?

You can start fulfilling all your orders through SP247 when your inventory is stowed at our fulfillment center, and your account is fully set up.

2. Should I pause online sales while you receive the inventory?

You don't need to pause your online sales if you plan to leave some inventory with your old fulfillment provider. Once you're set up with SP247, you can route orders to us instead of the old provider, ensuring a seamless transition for your customers.

3. Is there a specific 'go live' date with SP247?

Yes, we will have a 'go live' date to indicate when we start shipping your orders to best manage the launch and finalize the transition.

SP247 Action Plan

To ensuring a smooth transition we:

1. Establish your SP247 account and sync your platform and products. Set up SP247 Shipping Option Mapping (SOM), allowing you to map the shipping methods sent for each order.
2. Send inventory (all new or some of the old) to an SP247 facility.
3. Test a few orders.
4. Finalize switching fulfillment from your current method to SP247.
5. Begin syncing orders.
6. You go live with SP247.
7. Send the remaining inventory from the previous 3PL to SP247.





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PART SIX

Summary

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Value Added Service Solutions

If you're considering outsourcing your shipping and fulfillment, or switching to a new 3PL provider, SmartParcel247 (SP247) may be the right fit for your business. We understand that finding a trustworthy partner is crucial to the success and growth of your business, which is why we're here to assist you throughout the entire process.

We offer a global omni-shipping and omni-fulfillment platform that caters to businesses in various regions worldwide. Our platform integrates with major ecommerce software, allowing merchants to streamline their fulfillment operations and have their orders efficiently picked, packed, and shipped.

SmartParcel247 is here for You.

At SP247, we provide real-time data and analytics, along with comprehensive support and numerous tech partnerships to enable businesses to develop scalable and affordable fulfillment strategies.

To start a conversation about how we can help your business, we invite you to reach out to us today for a short phone call. Let us show you how we can help your business grow with our high standard of care and partnership approach.

Visit SmartParcel247.com to learn more or to [request a pricing quote](#).



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Business Strategies You'll Want to
Implement



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