

THE COMPLETE GUIDE TO ONBOARDING WITH A NEW LOGISTICS COMPANY



BROUGHT TO YOU
BY



The Complete Guide to Onboarding with a New Logistics Company

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Onboarding with a new logistics provider can be a challenging time. If you're moving from self-fulfillment to outsourced logistics for the first time, you might be learning a whole new order processing lingo. Even if you're a seasoned eCommerce pro, switching [3PL services](#) companies means learning new systems and procedures.

Still, your orders don't stop just because you're moving to a new [fulfillment warehouse](#). You want to avoid any hiccups that could lead to delays and [backorders](#). If you know what to expect, you can anticipate challenges and solve them before they hold up the transition.

At Red Stag Fulfillment, we take onboarding seriously. We have staff dedicated to helping new clients get integrated into our systems and set up in our warehouses. We've based this guide on our onboarding process. Other logistics companies may have slightly different approaches and procedures, but the basic outline should be mostly the same. We hope this guide helps you have a better onboarding experience, no matter who your new 3PL is.





BEFORE YOU START WITH A NEW 3PL

The on-ramp to a successful onboarding process with a new logistics company starts before you choose your 3PL. Picking the right [order fulfillment](#) company for your brand is vital. It's worth investing the time to thoroughly research your options. Going with a fulfillment center that isn't a good match for your eCommerce company can turn into a painful and costly mistake.

CLARIFY YOUR ORDER FULFILLMENT PRIORITIES

The first step is to get clear about why you're looking for a new logistics company. **If you already use a 3PL, list what's not working for you.** Make sure your new fulfillment provider meets the needs that the old one couldn't.

For eCommerce businesses that have been handling fulfillment in-house, **list your pain points.** When you outsource your fulfillment, you can say goodbye to everything from staffing headaches to storage space issues. You may feel reluctant to hand over your order

fulfillment to someone outside your company. That's understandable. Excellent fulfillment is vital to growing your business. However, you may be surprised at the results when you outsource your order processing to a top-notch 3PL like Red Stag Fulfillment. We treat our clients' customers as if they were our own.

Red Stag Fulfillment's warehousing professionals pack each order carefully and efficiently, following the client's specifications. You might even find that professional fulfillment **reduces your error rates, lost stock, and returns.**

CHOOSE THE RIGHT FULFILLMENT COMPANY FOR YOUR NEEDS

Every eCommerce business is different, and so is every [eCommerce fulfillment](#) company. Make sure the 3PL you choose **has experience working with the types of products you sell.** If you sell food products, you need a fulfillment center that is prepared and equipped to handle food items. If you sell clothing, choose



a warehouse set up to store, process, and ship clothing orders. Whatever you sell, you want a warehouse familiar with items like yours. One question many people forget to ask is the typical weight shipped by the 3PL. Most eCommerce packages weigh less than 1 pound. Therefore, most eCommerce warehouses are set up to [pick, pack, and ship](#) smaller parcels. If you sell bulky, heavy, or oversized products, you'll get better service from a company that regularly ships larger items, like Red Stag Fulfillment.

We have warehouse space specially-designed to accommodate larger items. Plus, because we ship so many bulky products, **we have become experts at reducing dimensional (DIM) weight charges.** We work hard to keep shipping costs for our clients' larger items as low as possible.

Ask your 3PL, “what’s the typical weight you usually ship?”

SERVICES, BENEFITS, AND PRICING

When you're deciding on a new 3PL, consider the total value you will get from your logistics provider. Most eCommerce companies are, understandably, cost-conscious when it comes to fulfillment. However, as with many things in life, the option with the lowest upfront costs might not be your most economical choice, once you consider all the costs and benefits of using a particular logistics provider.

When you look at costs **you should factor in not only the fees for fulfillment services but also the money that your 3PL can save you.** For example, Red Stag Fulfillment has a [zero shrinkage policy](#). If we break or lose an item

from our warehouse, we pay you the wholesale cost. If shrinkage was one of your pain points, reducing product loss in the warehouse could boost your bottom line.

SIGNING A FULFILLMENT AGREEMENT

Once you have found the [best 3PL company](#) for your business, it's time to sign the agreement. Make sure the terms work for you. Some companies require a contract that locks you into their warehouse for a set period. At Red Stag Fulfillment, our agreement doesn't have a fixed term. You can leave anytime you like — just give us 30 days' notice to wrap up your account. We want to win your business all over again, every month.

TROUBLESHOOTING

Here are some of the most common issues to look out for as you're choosing your new logistics company.

Provide as much information as possible upfront

The more information you provide about your business, the better the 3PL can assess how well it will meet your needs. **Share your expected order volume, typical order weight and size, eCommerce platforms,** and other relevant information.

Ask about add-on services

Logistics companies can do more than just pick and pack orders. Perhaps extra services, such as kitting or customization, would benefit your business. Make sure the 3PL you choose can handle your unique needs.



How many fulfillment warehouses are best for your business?

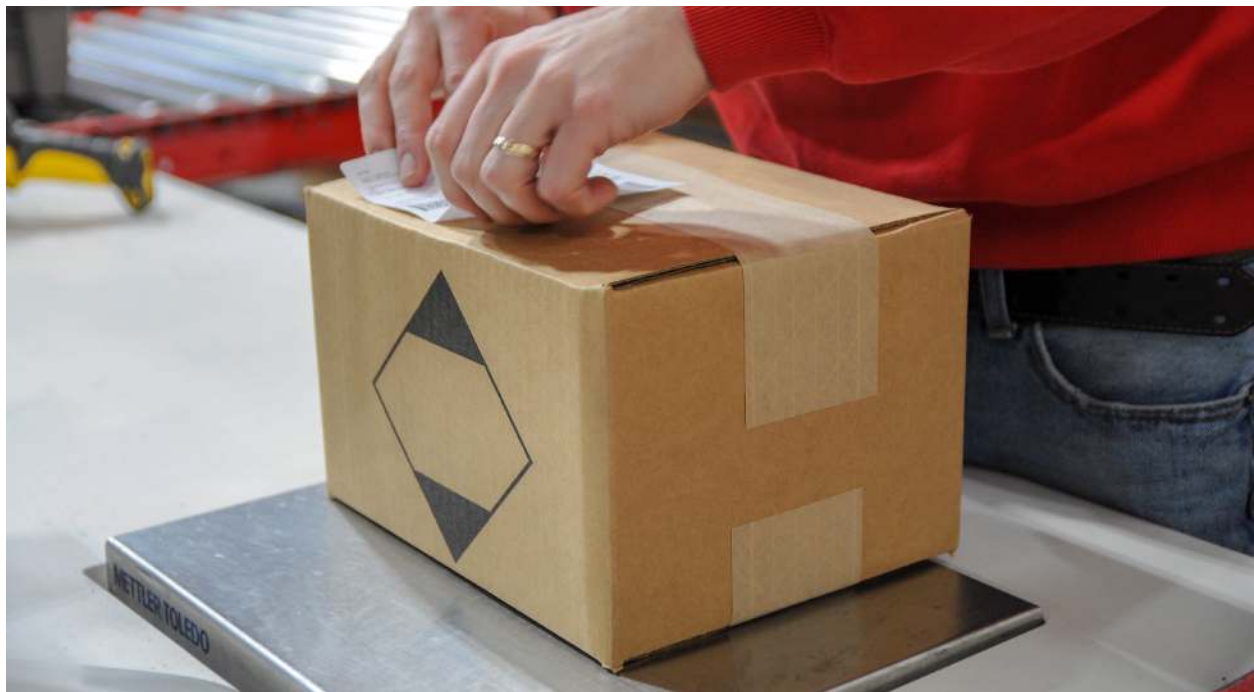
Fulfillment center location is one of the benefits of outsourcing your fulfillment. Make sure your logistics provider has warehouses that can reach your customers quickly. **Strategic warehouse locations will lower shipping costs as well as delivery times.** However, placing your items in several warehouses will increase the amount of inventory you need to keep on hand. Choose the smallest number of locations with the maximum [national fulfillment](#) reach to optimize your eCommerce fulfillment.

Read the agreement thoroughly

We know: agreements are long and boring. It's tempting to skip the fine print, but don't do it. You don't want to be surprised by additional

fees, such as a monthly charge for each warehouse location. If you know that upfront, you can factor that into your decision about how many warehouses to use. (Red Stag Fulfillment doesn't charge this fee, by the way.) **If you are aware of potential issues ahead of time, you can work with your suppliers and the logistics company to reduce or eliminate extra service charges.** And, at the very least, you won't be surprised by unexpected line items on your first invoice.

Up to the point where you review and sign the service agreement, you'll be working with the sales team. After that, the onboarding team will take over to make sure your transition goes well.





BEFORE YOU SHIP YOUR INVENTORY

You've chosen a fabulous 3PL that will help your eCommerce business reach new heights. Congratulations! Now the real work begins. The transition is a tricky time. It needs to move as quickly as possible so there's little or no gap in your orders going out. At the same time, **you need to check and double-check your systems to make sure your orders flow smoothly from your shopping cart to your new 3PL warehouses.**

Here's how to prepare to ship inventory to your new logistics company.

PROVIDE COMPANY INFORMATION

After you [sign the fulfillment services agreement](#), you'll need to provide some additional information to get started. Some, if not most, of this information may be collected before you sign the services agreement, in which case this is an opportunity for it to be double-checked and confirmed. At Red Stag Fulfillment, each new

client receives an email with forms to fill out. These forms cover all the information that we need to ship your orders, including:

- ▶ Billing information
- ▶ Primary contact person for your company
- ▶ What information you want on your packing slips
- ▶ What sizes of boxes you use
- ▶ How many orders you expect to ship each month
- ▶ How many SKUs you will send to our warehouse



It's a good idea to turn around this information as quickly as possible. The sooner your fulfillment company has your information, the sooner they can set you up in their system.

CONFIGURING YOUR FULFILLMENT DASHBOARD AND INTEGRATIONS

Once your 3PL has added you to their system, it's your turn to get set up. Make sure your [eCommerce platforms](#) are talking to your fulfillment dashboard. Take the dashboard for a test drive to be sure you understand how to use it.

Ask your 3PL to help you figure out the best warehouse locations for your fulfillment.

At this point in the onboarding process at Red Stag Fulfillment, we provide a system demo. We show new clients how to add SKUs and ASNs, and we answer any questions you might have. As you begin to load your information into the system, you will have a couple more decisions to make. What locations do you want to use to fulfill your orders? Do you want to ship from one warehouse or more than one? The answers to these questions will depend

on several factors. One is the geographic distribution of your customers. Are they concentrated in one region or spread across the U.S.? Another factor is the size and weight of your products. For example, Red Stag Fulfillment has configured some of its warehouse spaces to accommodate the largest items. If your inventory includes oversized items, we would suggest sending your stock there.

ADD YOUR SKUS

The next step is to add your SKUs to the system. **Be sure and include every SKU you plan to fulfill with your new logistics provider.**

Include as much information as possible about each SKU. Weight and dimension information will help the warehouse understand what kinds of storage spaces your products need.

SHARE SALES DATA WITH YOUR LOGISTICS PARTNER

Sharing sales data is something you might not think to do. Of course, if your eCommerce company is a startup, you might not have much sales data yet. However, if you've been in business for a year or more, information about your sales patterns can help your new logistics provider give you better service.

If you usually have a seasonal rush in the summer or during the holidays, your 3PL can prepare and provide the extra storage space you need. By understanding your business growth, your logistics partner can project staffing and space needs into the future.

Data about your business lets your fulfillment center plan ahead.



If you feel reluctant to share proprietary data with a vendor, here are a few things to consider.

1. Your service agreement should include a confidentiality clause and/or a mutual non-disclosure agreement (NDA). (If it doesn't, add one.) Whatever data you share with your 3PL will not go beyond the warehouse walls.
2. It's a best practice to provide visibility among the elements of your supply chain. Connect your order fulfillment company with your suppliers, and they'll find ways to work together better, which will save you money. Provide sales data, and your fulfillment warehouse will be prepared to handle a crush of orders or scale back for slow periods.
3. Make your logistics company your business partner: that's the way we approach our clients at Red Stag Fulfillment. We do everything in our power to help your business succeed. We know that your success will help our business grow. When you share sales data with us, you give us the opportunity to become an even better partner.

PROCESS A TEST ORDER

The final step before you start pushing orders to your fulfillment warehouse is a test order. You create a dummy order in your shopping cart system. The logistics provider monitors it to make sure your cart connects properly to its system. Then, you check to confirm that information from the warehouse got pushed back to you.

To create the fake order, the warehouse will manually add a (nonexistent) item to inventory. It's a good idea to do this before your physical inventory arrives at the warehouse. That way, there's less risk of a stockout because the 3PL doesn't have to make an adjustment to actual inventory after it "pretends" to fill this test order.

TROUBLESHOOTING

Here are some issues to look out for when you're starting the onboarding process.

Run systems tests

Testing is worth your time investment. You want everything to be running smoothly once you start sending orders to a new warehouse. Work out any glitches, so your systems integrate fully with your new 3PL before your first order comes through.

Clarify expectations for box sizes

Let your logistics company know what sizes of boxes you use. That way, the warehouse will be prepared with enough of the right-sized boxes for your orders. Shipping boxes may seem like a small detail, but having the right box sizes in place can save a lot of headaches when you start working with a new 3PL. Plus, you might end up with extra shipping charges if your products initially ship in boxes that are bigger than they need to be.

The tech that powers logistics is just as essential as the pickers and packers who fill your orders.





BEFORE YOU SHIP YOUR FIRST ORDER

Congratulations! You are in the system, set up, and ready to go. Now it's time to ship physical inventory to your new 3PL and start filling orders.

CREATE AN ASN FOR EACH OF YOUR SHIPMENTS

An ASN is an advanced shipping notice. The ASN lets the warehouse know what products to expect and the timing of inbound shipments. The fulfillment center can reserve a time slot on the dock, so staff can quickly process your inbound inventory.

If an order arrives at the warehouse without an ASN, the receiving team won't know what to do with it. That could mean a delay in processing. In a worst-case scenario, your order might even get turned away. **Always submit an ASN when you have stock coming into the warehouse.**

SHIP INVENTORY TO THE FULFILLMENT WAREHOUSE

Ship your inventory from your current warehouse to your new 3PL. The hard work on your end is almost over. You can give your order fulfillment to the capable hands of your new fulfillment partners.

PUSH ORDERS TO YOUR NEW 3PL

Once your inventory is on the warehouse shelves, it's time to push orders from your shopping cart to your 3PL. In time, this process will be seamless and automatic. **In the beginning, you might want to keep an eye on your orders in case there are any hitches.** The onboarding team at your logistics company should do the same.



TROUBLESHOOTING

As you start to process orders with a new 3PL, here are some pain points to watch for and avoid.

Double-check product specs

Incorrect product weights or dimensions can cause problems very quickly. Your fulfillment warehouse probably uses an application programming interface (API) like [RSF's technology](#) to transmit the weight and dimensions of the packages shipping each day. Part of our onboarding process at Red Stag Fulfillment is to confirm product dimensions. When we receive the first shipment of each item, we double-check its weight and dimensions.

Be aware of shipments that may require special services

You might get an unpleasant surprise on your initial bill if there are aspects of your fulfillment that incur special charges. One of the most common issues is floor-stacked or floor-loaded containers.

When suppliers send shipping containers of products, they want to use every available inch of space. Instead of loading on pallets, they fill the entire shipping container with products. That makes sense from a shipping economy point of view, but it can lead to extra fees at the warehouse.

On the receiving end, **floor-stacked containers are much more labor-intensive to unload than trailers**, which are usually loaded with stock on pallets. A forklift operator can unload a full or partial truckload of palletized stock quickly and easily. However, floor-stacked containers have to be unloaded by hand. If your inventory arrives in floor-loaded containers, you might get

billed for an extra receiving charge.

Work with your suppliers and your 3PL to avoid this charge. It may be more economical to arrange for your containers to ship palletized products than to pay for unloading floor-stacked inventory.

Initial backorders

The first orders your new fulfillment company fills are likely to be backorders. It's hard to avoid a gap when your products are in transit from one warehouse to another while the orders keep coming in.

If you and your new logistics partner have done an excellent job with onboarding, these initial backorders aren't a big issue. For example, at Red Stag Fulfillment, we can take a full truckload of stock and turn it around in a day. We use [cross-docking to fill backorders](#) directly from the receiving dock and send them to shipping without putting them on the shelves. However, we can't do that if we don't have all the information we need in our system. Putting stock on the shelves just to take it off again can cost a couple of days delay. **Quickly clearing backorders is one more reason to ensure the information and documentation you provide to your new logistics company are complete.**

Refine packaging to minimize shipping costs

Lean on the expertise of the staff at your 3PL. They may have suggestions to improve your outbound packaging. And that can save you money on shipping, particularly if you sell oversized products that incur [DIM weight charges](#).





WORKING WITH YOUR LOGISTICS PROVIDER

During your first couple of months with a new logistics provider is the perfect time to solve your fulfillment challenges. Both you and your 3PL should **give your fulfillment extra attention to ensure that all processes are running smoothly and everyone has the right information.**

At Red Stag Fulfillment, our onboarding team usually works with new clients for 30 to 60 days to fine-tune our operations to our clients' needs. Once we're sure that order processing is humming along, we assign a permanent account manager for each client.

From this point on, your outsourced fulfillment should run smoothly. But there still are a few things to watch out for as your business matures and grows.

KEEP COMMUNICATIONS CHANNELS OPEN

Continue to share as much information as you can with your logistics company. Open communications channels between the warehouse and your manufacturers, so these elements of your supply

chain can work together to improve operations. Let your fulfillment partner know your projected sales volumes, so they can be ready to meet your needs.

REQUEST EXTRA SERVICES, AS NEEDED

Don't assume that the extra fulfillment services you need aren't possible or that they are too expensive.

Many fulfillment warehouses can add custom touches to enhance your customers' unboxing experiences or improve your operations.



If you want to offer custom embroidery on your towel sets, ask if your 3PL can provide that service. The ability to offer just-in-time customization could boost your sales.

At Red Stag Fulfillment, we offer [kitting and assembly](#), among other special services. If you let us know what you need, we'll do everything in our power to help you fill that need.

As your shipping volume grows, you may become eligible for deeper discounts on your shipping costs. Ask your 3PL about lower shipping costs with higher package volume.

Look for additional shipping discounts as your volume grows.

TROUBLESHOOTING

No matter how good your logistics operations are, problems can crop up. Here are some potential issues to keep in mind.

Refine inventory management to avoid stock-outs

Managing your supply chain is one of the biggest challenges for most eCommerce businesses. You don't want to tie up all your capital in your inventory. But you also don't want to run out of stock before the next shipment arrives from your supplier.

Inventory management means setting safety stock levels, so you don't end up with backorders. You'll also want to set reorder levels based on your demand forecasts and your knowledge of your supply chain.

Even though you don't see your products come and go on the fulfillment warehouse shelves, you still need to take an active role in managing your inventory. Fortunately, your 3PL deals with more inbound and outbound inventory than most companies, so it probably has some wisdom to share.

Monitor fulfillment costs

Conduct regular audits to make sure that your product pricing covers your fulfillment costs. **Analyze the total cost of fulfillment, which includes what you save on warehouse rental, shipping, and staffing.** Don't forget to include the amount of inventory lost to shrinkage into your total fulfillment cost (or savings).

Plan for regular maintenance of online systems

It would be nice if you could set up your electronic systems once and be done. Sadly, that's not the world that we live in. Operating system and server updates can affect the IT that powers your eCommerce fulfillment. **Plan to do regular maintenance to keep all your integrations and apps current.** That will help you avoid business disruptions due to technical issues.

Your logistics company can help you with inventory management best practices.





LET RED STAG FULFILLMENT HELP YOU FIND YOUR FULFILLMENT HAPPY PLACE

To grow your eCommerce company, you need two things in a logistics provider:

- a) A good match with your business model, and
- b) An excellent fulfillment company.

Red Stag Fulfillment isn't the right match for every eCommerce business. However, if you are a good fit for our 3PL services, **Red Stag provides industry-leading fulfillment that can help your business thrive.**

If you're looking for a new fulfillment provider or if you just have questions about onboarding, we'd love to [talk with you](#). We're here to help.

GET STARTED TODAY

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