



USA Fulfillment

How to Choose the Right Fulfillment House for Your Company

*Why “decent” doesn’t cut it for
companies that care about their
customers*

made with
Beacon

Introduction

This eBook defines an opportunity for you to learn how the world of Fulfillment can help launch YOUR company to new heights.

What does your fulfillment process say about your company? Anybody can field calls or open emails from customers ordering products. Anybody can box up your stuff, slap a label on it and get it to the customer. And maybe that's all you're looking for – a basic, lowest-cost way to complete the sales loop.

But maybe you should consider how a better process delivered by a more committed partner can help you increase sales and lifetime customer value. The back end of your sales loop – fulfillment – can be a lackluster experience or it can dramatically boost brand reputation and loyalty.

If quality and excellence are part of your customer commitment, you owe it to yourself to read this e-book.

Share it with your key people. Then consider what the right fulfillment partner could do for you.

Chapter 1

Why Use a Fulfillment Company?

Why would your company even consider outsourcing your warehousing, pick/pack and shipping operations?

Outsourcing your company's fulfillment creates tremendous efficiencies.

- You want to get out of the back-end logistics business. That way you can focus on core business goals. Things such as product development and customer acquisition.
- You want to improve service levels. Your in-house personnel just can't seem to get it right, so you're spending money but losing customers.
- You need to reliably meet volume fluctuations – without sacrificing customer experience. You tried outsourcing once, but the company charged you an arm and a leg when things got busy.
- Your brand cannot afford anything less than consistently excellent customer experiences.

Using a fulfillment company is a smart business investment that can pay off handsomely. You can save money through efficiencies, and – with the right partner -- you can actually boost revenue through increased sales, brand loyalty and customer lifetime value.

You can outsource your entire fulfillment process or just part of it – pick/pack, kitting, credit card processing or customer care services. So how do you go about evaluating fulfillment companies to find the right partner? Read on . . .

Chapter 2

People You'd Love to Meet

Who's doing the work at your prospective fulfillment company? The process should be seamless, so customers think they're dealing directly with you. That means everything your fulfillment team says or does reflects on your company. They are the voice of your brand. That is a tremendous responsibility.

If you expect top quality customer contacts, you need a fulfillment company with great people. Great people are:

- Friendly and conversational, whether they're on the phone, live chat or email. Companies who value their US customers are now insisting on US-based customer care agents.
- Knowledgeable about your products, so they can answer questions and make recommendations if needed.
- Empowered to ensure "first call resolution" if a customer service issue ever arises. Mistakes can happen, but quick resolution can turn unhappy customers into brand loyalists.

You can't have great people without comprehensive training and support.

Customer care representatives should have easy access to your products as they're speaking with customers. They should be able to use your products. That way they can speak from first-hand knowledge, not a script.

Look for a fulfillment company that provides ongoing, diverse training opportunities, both in-house and in the marketplace. For example, will a manager from your fulfillment company visit you personally, to see how your company works and meet your key people? Look for a partner that attends industry events such as IRCE to stay on top of the latest trends and best practices. A valuable fulfillment partner not only educates their own team, they share that knowledge with clients. That way, you, too, will benefit from the latest information and innovations.

The best fulfillment company sets the highest standards for their people. And they measure performance. Ask how they rank for:

- Average seconds to answer. Industry standard is 30 seconds. You can do better. Look for a partner that can average 20 seconds or less.
- Call abandon rate. Industry norm is 3% or less. Look for a partner whose average is half that.
- Order accuracy. Avoiding returns saves money and avoids the reputation damage that comes from frustrating customers.
- Order accuracy and fill rates. Do customers get their full order when (or sooner) than they expected it?
- Inventory accuracy. Near-perfect inventory accuracy saves you money by virtually eliminating shrinkage. Look for that rare partner that can consistently average over 99.9% inventory accuracy. They're out there!
- Employee turnover. A low attrition rate will show the ability of the fulfillment house to maintain great employees. When employee turnover is low, employees are happier, and usually doing their job much better!

Ask if they are willing to custom-tailor their service levels to meet your specifications. Ask if they quality-check everything before it goes out the door. And ask if they measure return rates and reasons, to help you improve product development as well as customer experience.

Look for a company that is proud of its people and its facilities. Request an on-site facility visit before signing a contract so you can get a first-hand look at the organization, the on-floor workflows and the cleanliness of the facility. And, don't forget to talk to the people who will actually perform your fulfillment. Are they happy? Motivated? Knowledgeable? Get a sense of the company work ethic because you're going to be relying on this partner to represent your brand.

Chapter 3

State-of-the-Art Fulfillment Facilities

An effective fulfillment house uses up-to-date warehouse management systems and order management systems that integrate their entire operation. That streamlines your fulfillment process from end to end, ensuring the highest quality customer experience. Quick delivery. No mistakes. Look for a company that houses all their operations components in a single facility. That reduces the risk of communication breakdown or delays that happen when information or products move from one facility to another.

Ask what equipment the company uses to weigh and label packages. Do they automatically compare costs based on package dimensions versus overall weight to make sure you're paying the appropriate shipping cost? Do they charge extra to do that? What checks are in place to make sure the right products get to the right place?

But beware fulfillment companies that rely too heavily on machines to handle your orders.

Automation should enhance a company's ability to provide high touch customer service, not replace it. Customers notice every detail, so you can bet they will notice the difference.

Cost of customer acquisition is a common measurement for companies. You need a certain dollar amount in sales to cover that cost. But then what? The lowest up-front cost is not necessarily the lowest long-term cost when it comes to fulfillment. Choose a partner that is committed to your entire customer experience. One that has great people backed up by a great facility. That way, you can be taking customer order calls instead of customer service calls – making money instead of just spending it.

Chapter 4

State-of-the-Art Customer Care Facilities

If you're looking to outsource call center activities, you really want *customer care*, not just someone to answer the phone and take email orders. Even the greatest people cannot provide swift, accurate order processing without state-of-the-art equipment that keeps them informed and efficient.

So look for a company that supports their customer contact team with the latest tools and technology that integrate seamlessly with the rest of the fulfillment operation.

Representatives should be able to see orders and inventory. They should have redundant systems that ensure continual program support for your customers. Ask if calls can be recorded, and if each one has a disposition code. You'll need that to monitor the quality of customer contacts and continuously improve their experience. Ask what kind of reports you will receive? Can they be customized? Will you have real-time access to data?

Be aware that most fulfillment companies do not even have a customer care center, let alone one focused on providing high touch service.

Chapter 5

Complete Service Capabilities

It's not "full"-fillment if your outsourcing partner can't do it all. Choosing a comprehensive all-in-one shop streamlines functional processes and communication. You have a single point of contact -- a working partner that knows you and your business. Things don't fall through the cracks. You get consistency, reliability, accountability and peace of mind.

Look for a fulfillment house with experience in handling your type of products. For instance, at USA Fulfillment, we're small package specialists. Ask about their track record when it comes to performance metrics like order accuracy and time to delivery. Find out where your fulfillment partner is located and whether all their operations are housed together. Do they have state-of-the-art technology and equipment to fill your orders efficiently and cost-effectively?

How flexible are they? Scalability can be a serious challenge for many companies.

Look for a partner that can handle large volumes on a regular basis and ramp up or down with ease to handle fluctuating volumes without excessive charges.

Only a one-stop fulfillment house can provide the efficiencies and end-to-end customer experience you need to build long-term brand loyalty.

Chapter 6

Safety and Security You Can Count On

Your fulfillment house must be able to protect your inventory from shrinkage. They must be able to protect confidential company and customer data. And if you're in the dietary supplements, health or beauty industries, your fulfillment partner must be able to protect the condition and efficacy of your products. Many fulfillment companies cannot do all that.

Do your due diligence when selecting a fulfillment partner.

In your due diligence, make sure prospective fulfillment partners are:

- Level 1 PCI certified
- FDA registered (if applicable)
- ISO 9001:2008 certified

Make sure the entire facility is fully secured, with keycard access and monitored 24-hour video surveillance. Make sure the technology systems used are secure and have redundancy and disaster recovery plans. A fulfillment partner should have your back when it comes to safety, continuity and legal compliance.

Chapter 7

Customization

Your company and products are unique. Standardized fulfillment offered by most companies provides predictable results. But is that enough for your brand? The most supportive and profitable fulfillment process is one that is custom-tailored to meet your company's requirements, including timing and quality. So look for a fulfillment company that can customize their services based on your specific needs.

Do you need high-touch customer contact?

Depending on what you sell and your type of customers, a script-based order taking service may be all you need. You'll find plenty of fulfillment companies that can handle that for you. Often their call centers are overseas, which may save you money as well.

However, if your clientele expects to have an individualized conversation when placing their order, you will be better off choosing a US-based fulfillment partner that employs friendly, knowledgeable agents.

Do you need customized services?

Does your company require custom-tailored pack and ship, kitting, assembly or gift wrapping on an ongoing basis or for special promotions? If so, ask prospective fulfillment partners if they offer the kinds of specialized services you need.

Insist on a partner who listens to your customization needs and then executes. Or better yet, proactively makes those suggestions to you.

And ask if those services extend beyond packing and shipping tasks. For instance, you may need a partner with access to creative designers who can help re-brand your packaging. The right fulfillment partner will be committed to helping you deliver a “wow” customer experience.

Do you need customized reporting?

Without measurable results, you don't know if your fulfillment house is doing their job as promised. Without frequent reporting, you don't have the data you need to improve sales, product development, or customer relations. You should insist on a fulfillment partner that can provide real time access to the detailed information you need.

For instance, a system such as Crystal Reports can connect you with fully automated reporting, with customized reports based on your specific performance metrics. Look for the ability to choose your preferred reporting frequency and recipients. Be sure you'll have a unique portal for 24/7 access to your data and reports.

Chapter 8

The Extra Mile

We've talked about the importance of people, facilities and comprehensive service capabilities when it comes to choosing the right fulfillment house. We've outlined why you should consider a company that offers a high degree of service customization. These are essential ingredients if you hope to build a working relationship that produces exceptional results. But how do you know which company to pick?

Look for a partner that practices "high touch" customer care.

Look for the one that goes above and beyond. It's called "high touch" customer care. And, while true high-touch service is rare in the fulfillment industry, it does exist and it does work!

As you're evaluating fulfillment companies, ask what they can do for you that isn't on their official "menu of services." A valuable working partner will be clearly committed to helping clients (you) build stronger customer relationships that result in more sales and higher customer lifetime value. That's how high touch philosophy works.

Chapter 9

Environmental Consciousness

In a shrinking world, we believe you should choose a fulfillment company that is committed to environmental stewardship. Not just with words, but through their business practices.

Choose an eco-friendly "green" partner.

Do they:

- Give preference to eco-friendly products when purchasing?
- Take maximum advantage of recycling opportunities throughout their operation?
- Install facility efficiencies that substantially reduce energy usage?

Your fulfillment partner should do all those things. "Going green" matters today. Having an eco-friendly fulfillment partner reinforces your positive brand image with customers.

Chapter 10

Fulfillment as a Branding Tool

You spend a lot of money investing in customer acquisition, but then what? Does your fulfillment process exceed customer expectations and reinforce your brand value? Or is it a let-down?

Customers notice every packaging detail, so every customer contact matters in fulfilling your brand promise to those customers.

If your brand stands for top quality, you must choose a fulfillment partner that can guarantee the highest quality from ordering through package delivery. The right partner can transform your customers' experience from good to dazzling. That's the kind of branding that increases sales, loyalty and customer lifetime value.

A fulfillment house that cannot do that for you is, well, just another shipping company.

Chapter 11

What is High-Touch?

High touch is a value-based, customer-centric philosophy that sets the best fulfillment companies apart from typical vendors. You may have heard the term used elsewhere, but choose a company where high touch isn't a slogan, it's how they conduct their business.

You should expect nothing less than the best from your fulfillment partner. Hold them to the highest standards – they should aspire to exceeding “industry norms”.

Choose a company you're convinced will work diligently to deliver an exemplary experience to every one of your customers.

Here's why:

- Fulfillment companies that practice the “high-touch” philosophy put their own team members first.
- In turn, those team members loyally serve your customers.
- When your customers are delighted, they are brand loyal.
- Companies who enjoy higher customer brand loyalty due to better customer care and superior customer fulfillment experience are loyal to their fulfillment partners.
- The high-touch fulfillment company rewards its team and so, the cycle goes...



Everything your partner does reflects on your company – it's your brand's reputation on the line. "High touch" should dictate how they speak with customers on the phone or via email. How quickly and accurately they fill orders. How quickly customers receive their package. And – the highest touch of all – how they turn each customer's "unboxing" experience into a delightful event.

Conclusion

Ultimately, choosing a fulfillment company should be about fulfilling your company's needs and desires when it comes to customer care and order shipment.

Look for a fair price from prospective vendors, but don't make it your sole or primary consideration. The cheapest possible fulfillment is not likely to produce the best possible customer experience. And when it comes to your customers, you never get a second chance at a first impression. So, seek value from your fulfillment partner.

Do they understand key customer metrics? Do they understand *your* customer? Do they understand the importance of customer lifetime value? A great fulfillment partner will probably not be the cheapest on an RFP, but will provide measurable return on investment on any incremental cost associated with their services.

So, here are the 5 questions you must ask when looking for a value-based fulfillment partner:

1. What kind of people work there? Can I meet them?
2. What are their facilities like? Do they have what it takes to handle all my fulfillment needs quickly and accurately?
3. How secure is their facility? Will my inventory and data be safe? What if I have regulated products that need special protections?
4. What makes this company so special? Are they really any different from the others?
5. Am I confident they will deliver the highest possible service in every way to my company and my customers?

What Now?

It's time to take that next step towards
being fulfilled with your Fulfillment
Provider.

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