

It's Time to Consider Outsourcing!

Why Should You Outsource Your Distribution and Fulfillment?

An industry expert recently defined third party logistics (3PL) as:

"That part of the supply chain process that plans, implements and controls the efficient flow and storage of goods, services and related information from the point of origin to the point of consumption, in order to meet the customers' requirements."

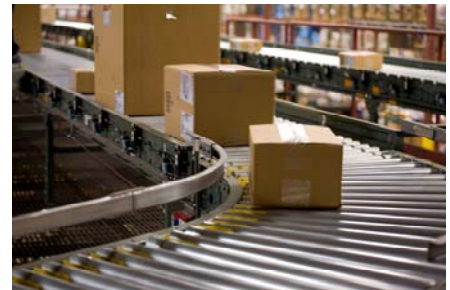
The elements that make up the modern day third party logistics (3PL) industry continue to evolve and expand, as do the services logistics providers offer.

This expansion continues to be accelerated by four dominate trends in the industry:

- The growth of e-commerce
- The rise of international trade; particularly container-based imports
- The increase velocity required to bring products to market
- The outsourcing of logistics functions

The one key trend that has accelerated the logistics industry's growth and expansion more than any others is the general trend of outsourcing. In fact, the outsourcing trend is as much a cause of industry growth as it is a result of other trends.

More and more business owners and chief executives are deciding to turn over their supply chains to logistics experts who specialize in driving performance and efficiencies. So what factors lead to the decision to outsource?



The Desire to Save Money

Companies who outsource name cost savings as the number one reason to turn to a third party logistics (3PL). In fact, there are numerous areas a company can leverage a logistics partner to gain efficiencies.

- No need for a warehouse to store goods
- No need for forklifts and warehouse/inventory management systems
- Shipping costs become cheaper by pooling greater volumes
- Seasonality or volume spikes and dips become more manageable
- Staffing and human resource cost are reduced

The Desire to Do It Better

Outsourced distribution and order fulfillment is performed by an expert in the field who has the experience and the resources not only to do it better, but also cheaper. If you are not in the business to manage inventory, pick and pack, fulfill and process orders and manage returns, why not outsource to someone who is? Not only are costs reduced, but the level of customer service is increased.



The Need to Keep Up With Technology

It's difficult to keep up with the daily technology changes in today's distribution and order fulfillment. At its base, real-time visibility in inventory and order status has become a standard. Third party logistics companies (3PL's) use cutting edge technology to reduce costs and streamline the order fulfillment process. It can be difficult and expensive to keep pace with the changing technological demands when it is not your business's primary function.

The Ability to Focus on Your Core Strengths

Business owners who have outsourced their logistics find that they can focus their company's efforts on activities in alignment with their core competencies. Simply put, outsourcing allows everyone to focus on what they do best.

Describe your business...Are you in business to operate a distribution center and fulfill orders?

Outsourcing a piece of your supply chain, or your entire logistics function, can be a way to streamline your business, create efficiencies and actually make time to focus on growth. Why not take the time to look into an outsourced fulfillment or distribution center? It would be a worthy investment.

 **TAGGlogistics**
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TAGG Logistics is a leading, Midwest-based third party logistics provider specializing in order fulfillment, distribution services and packaging, kitting and assembly.

TAGG...We're it!