WHITE PAPER

Enhancing Supply Chain Performance Through Outsourcing



This whitepaper highlights how leading companies are experiencing significant cost benefits and increased efficiencies by outsourcing to third-party logistics providers (3PL's)

LeSaint Logistics
3PL KnowHow™

GROWTH IS ESSENTIAL BUT CAN YOUR SUPPLY CHAIN HANDLE THE DEMAND?

For any chain to perform well – whether it's a bicycle chain or a supply chain – each link must be in sync and strong enough to handle the inevitable bump in the road.

From warehousing to inventory management to the transportation of goods, points of vulnerability in the supply chain can pose significant challenges for manufacturers as well as retailers.

A manufacturer can be expanding their SKU's, broadening their geographic scope or expanding their production output and sales. Regardless of the challenge, the bottom line is that products need to be shipped on time, correctly and without damage. The goal is happy customers, from the retailer all the way through to the consumer.

Reaching that goal, however, is no easy task. In fact, making sure that the right items arrive at the right destination at the right time has never been more critical. Especially in an economy when resources are stretched thin and when retailers and consumers have definite (and high) expectations.

This leaves logistics practitioners across the country asking themselves:

1. Do we have enough warehouse product space to get us through peaks and valleys in demand?
2. How can we maintain a seamless movement of product to meet or exceed delivery times?
3. How can we mitigate and prevent product damages?
4. How costly is it to purchase and implement an inventory management system that provides exacting, real-time measurements?

70% OF SHIPPERS
said the use of 3PL providers has contributed to overall *cost reductions*



83% OF SHIPPERS
said the use of 3PL's has contributed to *improved customer service*

THE 2016 20TH ANNUAL THIRD PARTY LOGISTICS STUDY PAGE 12. READ FULL REPORT HERE.

A SMARTER WAY TO MANAGE BUSINESS COMPLEXITIES

Outsourcing operational processes and tasks to a third-party logistics provider can help overcome significant business complexities, such as:

- Movement of product from the port into distribution channels
- Management of space and access to key markets
- Sourcing of the right workforce
- Filling the ever-changing demand for drivers
- Being prepared for unexpected crises, such as natural disasters

Manufacturers who have outsourced to a supply chain expert are finding better ways to manage these business complexities, and by doing so, can turn their attention to focus on their core business of making, marketing and selling quality products.

RESULTS OF OUTSOURCING LOGISTICS ARE PROVEN AND MEASURABLE

In addition to solving day-to-day challenges, outsourcing to a 3PL can help reduce costs. How so? By closing any resource-draining holes in the system, bringing economies of scale to each leg of supply and allowing for seamless contraction or expansion.

In fact, 87% of shippers and 96% of 3PLs commonly agree upon performance expectations, and 80% of shippers and 81% of 3PLs have formal performance reviews, which include the measurement of and feedback on all agreed upon KPIs.

SHIPPER'S PERSPECTIVES:

THE LABOR SHORTAGE

79%
feel unprepared

60%
use technology to lessen the impact

52%
rely on 3PL's to mitigate the effect on their business

73%
interact with their 3PL's daily or hourly



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INITIATING CHANGE

Companies most often seek change through outsourcing when they realize that their business performance is suffering due to shortcomings in the supply chain. As it relates to isolating the sources of shortcomings, the right technology can provide visibility to deliveries, inventory issues and other key supply chain areas that require attention. For many businesses, the investment required to purchase such technology can be foreboding, more so, it may not even be a core competency – and that's when outsourcing makes even more sense. In fact, the 2016 20th annual Third Party Logistics Study cites that nearly 40% of shippers are actually leveraging new technology capabilities from other companies, a trend that is very much expected to continue.



BODUM: A LOGISTICS OUTSOURCING CASE STUDY

When global housewares manufacturer, BODUM, took a closer look at their logistics network about 3 years ago, they realized that they needed better technology and flexibility to manage the e-commerce and retailer requirement trends affecting their business.

Together, LeSaint and BODUM have automated countless manual warehouse processes using cutting-edge technology. LeSaint is also helping BODUM implement faster, more flexible ways to distribute their products to leading retailers and end-consumers. With 50 to 60 retail customers alone, each with their own unique shelving requirements, LeSaint's solutions are helping BODUM be more responsive to rush orders and meet unique fulfillment needs like custom labeling and store display assembly.

As a result of the partnership with LeSaint, BODUM has experienced:

99.5%	99.8%	99.9%	99.9%
on-time shipping	shipping accuracy on orders	putaway timeliness for customers	inventory unit accuracy

3PL KNOWHOW

Product visibility and management every step of the way – from manufacturing plant departure, transporting across continents and seas, all the way through the logistics channel to your customer is critical.

More and more companies are turning to third-party logistics providers like LeSaint Logistics, who provide customers with not only the latest technologies, but also the agility to respond to the ever-changing business complexities in their supply chain.

- LeSaint's TechKnow™ Technology Center accurately tracks the product movement successes throughout the entire supply chain.

- LeSaint's proprietary 360Logic™ operational methodology continually optimizes its customers entire supply chain network.

ABOUT LESAINT LOGISTICS

LeSaint Logistics delivers supply chain intelligence with the knowledge, flexibility and service performance to power your logistics network. We engineer the best solutions for your products – to move them efficiently from manufacturing to warehouses and ultimately, to the end customer.

Since 1983, we've developed customized supply chain solutions that reduce logistics costs, free working capital, reduce risk, and improve customer service.

Call us today at 1-877-Know3PL or visit us at LeSaint.com