

Need to know the best way to Choose a Single-Source Logistics Provider or Optimize Demand Chain Management?

HOW

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Matching supply to demand in today's volatile global environment requires tactical collaboration and strategic partnership to execute efficiently and cost effectively. *Inbound Logistics* is here to help guide you in the right direction. Over the past several years, we have solicited reader input and industry expertise to provide practical and instructive how-to guides that address fundamental transportation and logistics challenges. We are incrementally building a library of industry best practices to help readers turn interrogatives into imperatives.

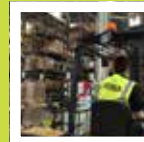
The next 2
installments in
the H.O.W. library
appear on the
following pages:

62



**How to Choose
a Single-Source
Logistics Provider**

64



**How to Optimize
Demand Chain
Management**

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How to Choose a Single-Source Logistics Provider

THE MORE SERVICE PROVIDERS you work with, the more likely you are to suffer gaps in your supply chain. That's why companies looking for maximum efficiency often decide to partner with a single-source logistics provider.

A single-source provider is a third-party logistics (3PL) company that manages your whole supply chain, or a discrete portion of that operation. Rather than contract individually with motor carriers, ocean carriers, drayage companies, warehouse operators or other service providers, you rely on one partner to oversee all your logistics needs.

That arrangement puts one

highly capable company in charge of the myriad moving parts that make up a supply chain. You don't need to worry about slippages that might occur, for example, if a trucking company and a warehouse operator don't communicate clearly about pickups. Your partner ensures smooth operations throughout.

If something does go wrong—a shipment runs late or a product gets damaged—the lines of responsibility are clear, and you know exactly who to call to get the problem solved.

Working with a single source also gives you better visibility into your supply chain: one technology platform, or one contact person, provides all the information you need. With fewer middlemen touching your freight, you save money. And because a single-source supplier has a bird's eye view of your complete supply chain, its experts can spot opportunities to cut waste and gain efficiencies. For example, your partner might pair you with another of its customers to create dedicated round trips.



FOUR QUESTIONS TO HELP YOU CHOOSE A SINGLE-SOURCE LOGISTICS PROVIDER

When selecting a single-source logistics provider, it's important to find a partner with capabilities that fit your company's individual needs. Answering these four questions can help you make the right match:

- 1. DO YOU WANT AN ASSET-BASED PROVIDER?** When your 3PL owns its own trucks, warehouses or other assets, your freight stays in one company's hands, giving you an extra level of security and reliability. But you might pay a bit more for this advantage. A non-asset-based or asset-light provider might offer greater flexibility, allowing you to take advantage of different transportation modes as needed. Decide which values are most important before you ink a deal.
- 2. WHAT ARE YOUR REQUIREMENTS FOR VISIBILITY AND REPORTING?** Do you need to track your freight in real time, or will daily updates suffice? Which key performance indicators (KPIs) do you want your

provider to track and report, and at what level of detail? Can this partner measure performance across every link in your supply chain?

- 3. WHAT VALUE-ADDED SERVICES ARE YOU LOOKING FOR?** Stripping containers, cross-docking, kitting, sub-assembly—whatever you need, both now and in the future, make sure your provider can deliver.
- 4. HOW CAN YOUR LOGISTICS PARTNER HELP YOU IMPROVE AND GROW?** Not only can an experienced single-source provider manage your supply chain as it runs right now, but based on your company's initiatives, it can also recommend strategies for strengthening your operation and becoming more efficient. Your partner should review your processes periodically—your packaging, warehouse activities, transportation routing, and modal choices—and recommend ways to re-engineer your operation, making it even leaner and more effective than it is today.



MUCH MORE THAN A TRUCKING COMPANY.

Celadon Logistics is a full-service 3PL, providing a broad range of value-added, customized solutions in supply chain management, warehousing and distribution. Celadon Logistics is relentless in finding solutions for customers' complex needs and leveraging all of Celadon's capabilities to make them more efficient.



TRANSPORTATION MANAGEMENT

Our many years of experience and use of the latest technology enable us to design and implement supply chain solutions that operate at peak efficiency and effectiveness.



TRANSPORTATION SERVICES

Whether it is truckload, LTL, temperature control, or any other mode, our customer's logistics needs are met in the most effective and efficient manner.



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How to Optimize Demand Chain Management



SHIPPING EVENTS FOR YOUR DEMAND CHAIN DATA FEED

In a perfect world, distribution centers (DCs) would disappear. Retailers and manufacturers would match incoming orders to customer demand so precisely that all products would stay in motion all the time. At most, an importer would operate a crossdock to process incoming goods for the outbound trip.

This super-lean scenario poses major opportunities to reduce expenses. When you're not storing product in a warehouse, you don't carry the cost of that product on your books. You don't have to buy or lease a building to store that product, or hire employees to put product away and then, later, pick and ship it. It also reduces risk and future costs because there is less chance of being stuck holding unsellable goods.

Entirely eliminating DCs is difficult, of course, and for some companies it may prove impossible. Still, the opportunity to drastically reduce a DC footprint and the associated costs is significant, and some companies may even be able to eliminate DCs completely. Under the demand chain

model, the shipper replaces safety stock with information. That means not only a more accurate forecast, but also end-to-end visibility into the progress of every line item on every purchase order you issue. This visibility isolates issues and the events that caused them every time a problem occurs. It then enables you to make

alternative plans and implement corrective actions to prevent that issue from occurring again.

For example, if you learn that a vendor is late in producing one of your items, you can change your shipping plans for that item, moving it to a different container, due to ship two weeks from now. Instead of delaying an entire shipment, the vendor's problem will affect just one line item.

Or if you need that item quickly, you might schedule it to travel as air cargo. Either way, because you detect the problem early, you have time to prevent numerous consequences downstream. Visibility—and the time it buys you—eliminates waste and can save you a great deal of money.



Unless you work for one of the world's largest shippers, you'll probably rely on a third-party logistics (3PL) company, freight forwarder, software developer or other partner to help you obtain the information you need to manage your demand chain. The events that your partner should help you monitor—and, ideally, feed into your enterprise resource planning (ERP) system—fall into four categories:

- **Pre-production events:** Approval of samples; fit log/testing; PO issuance, PO confirmation, PO changes, raw material availability, bill of materials on site, lab dips and/or pre-processing, production scheduling.
- **Production events:** Start of production; first batch inspection; testing; final inspection; packaging; documentary and regulatory compliance; ex factory date (on time); quantity tolerances (in full).
- **Shipping events:** Shipment booking; approval to ship; service selection; cargo receipt; scan pack; palletization; container load planning; export customs clearance; container loading; deliver to terminal; export customs inspection; vessel departure; carrier documentation; export documentation.
- **Destination events:** ETA exception management; Pre-arrival customs clearance; vessel arrival; import customs inspection; container release; delivery to DC or crossdock; unloading of container, POD.



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Go above
YOU
Go beyond



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as a Top 10 3PL for the third year running.

Thank you.

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