



How to Choose a 3PL for Your Ecommerce Business

Learn the top questions to ask and details to consider when sourcing a fulfillment partner, plus practical lessons learned from brands.



Introduction

Whether you're hoping to transition over fulfillment from your home to a professional, preparing to launch a new brand, or looking to move away from managing your own warehouse, you've come to the right place. ShipBob has helped thousands of ecommerce brands of all sizes be more successful online with our industry-leading fulfillment solution.

NOTE: You might be in a situation where you're unsatisfied with your current 3PL. If that's the case, you may also want to check out [this guide on how to reduce risk when switching 3PLs](#).

A common misconception we hear is that working with a 3PL is too expensive. But many brands learn there are hidden costs to fulfilling orders in-house and managing a warehouse, and that partnering with a 3PL can be a smart investment to save you time and money.

The truth is, you don't have to start off shipping at least a thousand orders per month to reap the benefits of having a 3PL partner — many 3PLs are equipped to work with small businesses, too.

The challenge is often choosing the right 3PL that fits your brand's unique needs. The options can seem endless, but the right 3PL should have the technology, infrastructure, support, and expertise to help you grow your business, no matter what stage of growth you're in and what challenges come your way.

At ShipBob, we know we're not going to be the best fit for every business, but we have a lot of information we can share on what to expect throughout the process to help you make an informed decision — regardless of who you evaluate.

In this guide, you will learn the most important questions to ask a potential 3PL, what to look for in a solution, and what else to consider during your search, so you feel confident in choosing the right fulfillment partner for your business.



I've talked to people who think they save money by fulfilling themselves. Their first question is always 'is a 3PL worth the extra expense?'

We see outsourcing fulfillment as a cost-savings and believe it will save you money in the long run. 3PLs negotiate rates, give you back all the time you'd spend stuffing carrier bags, and reduce the errors you'd make.

We looked into opening our own warehouses and hiring employees, but couldn't come close with what 3PLs charge for picking, packing, and shipping.

We'd also be worried about scheduling fulfillment shifts, ordering boxes and shipping labels, and dealing with the extra headaches of running logistics.

Most of all, those are hours we'd spend on tasks that are not scaling our business when we could be using those resources for growth.

You should spend time doing what you do best, and fulfillment is an easy task to take off your plate.

Plus, we really couldn't do it ourselves.

Our order volume has seen ebbs and flows, and ShipBob has fulfilled over 10,000 shipments per month for us, with Black Friday/Cyber Monday and our summer season being our most in demand times of the year.



- Gerard Ecker,
Founder and CEO of Ocean & Co.

Table of Contents

1	Not all 3PLs are created equal	5
2	Preparing for 3PL conversations	10
3	Must-haves in a fulfillment solution	22
4	Choosing the right 3PL is worth it	34



1 | Not all 3PLs are created equal

Courtney Lee is the founder of Prymal, an ecommerce brand that sells coffee beans and a variety of sugar-free, non-dairy coffee creamer flavors.

During the beginning stages of her business, she chose to partner with a local fulfillment provider, but ran into major challenges: “Nothing seemed to come easy. Even getting a reshipment was nearly impossible. I felt like I had to babysit them. Everything was done on spreadsheets and it was very difficult to get the fulfillment data I needed,” Courtney said.

Moving forward, she knew she needed to find a new 3PL that could offer peace of mind, intuitive technology, and more visibility into the fulfillment process, allowing her to reduce fulfillment costs and save time on logistics.

After exploring several fulfillment options, Courtney chose to partner with ShipBob. Ever since her transition, she’s been able to save a substantial amount of money and her business has grown rapidly.

It’s important to find a 3PL you can trust to handle your inventory, provide a positive experience to your customers, and ultimately help you grow your business by saving you time and money along the way.

Looking back at last year’s month-over-month numbers, there’s a big difference between the months I was with ShipBob and the months I was with my previous 3PL. Finding the right 3PL was the final component for me to start feeling comfortable scaling my business.



- Courtney Lee,
Founder of [Prymal](#)

Handing off fulfillment can be scary (but doesn't have to be)

Trusting another company to hold your inventory and pick, pack, and ship your orders can be intimidating. After all, receiving your product in the mail is often the first in-person interaction a customer has with your brand.

Yet finding the right partner can pay dividends. Understanding and following the 3PL's processes, communicating the right information with one another, and providing feedback and transparency are all key in optimizing the 3PL/merchant partnership. Hear from a few brands below on how they moved past fears of uncertainty and maximized their 3PL partnership.

ShipBob has been with us since day one and has since fulfilled nearly half a million orders for us. We get direct contacts that know our account, real-time follow through, and a great customer delivery experience. They are a fulfillment partner that is truly an extension of our brand.



*-Manuel de la Cruz,
CEO at Boie*

The downfalls of selecting the wrong 3PL

There are plenty of bad experiences with 3PLs, but that's partially why you're here — to avoid common issues and reduce the likelihood of them happening to you.

Many brands will work with a small or local 3PL, only to outgrow them. This is a pretty typical path when getting started with 3PLs, but as a brand grows over time, it will hit an inflection point that leads to the need for scalability through more warehouse locations in new markets, the ability to fulfill more orders through new sales channels, and a partner that can handle more complex needs.

While brands like these may regret not partnering with a more scalable solution from the beginning, the decision can luckily also be corrected.

Other brands work with the wrong 3PL altogether. Read the stories below to learn from a few of their mistakes.

Getting overlooked because the 3PL focuses on bigger customers



Torii Rowe,
COO & Co-Founder of

MANSSION



Before ShipBob, we used to work with another 3PL that was terrible. It was so stressful trying to deal with them. We'd have to reach out 3-4 times per day, because there were so many issues and fulfillment errors.

The old 3PL wouldn't take responsibility for any errors they made and getting orders fulfilled would take up to 20 days in some cases. My biggest fear of working with ShipBob first was thinking we wouldn't get enough attention, which ended up being the opposite.

I had a misconception that if we worked with ShipBob when our brand was still young, we'd get overlooked since they also work with a lot of really big brands. I'm super happy we switched to ShipBob. We got a fresh start. It was a very smooth and easy transition.

Being over-promised and left on your own



Dwight Lee,
COO & Co-Founder of

Hero.



Our first 3PL came to us saying DTC fulfillment was too hard and ended up cutting us off around mid-October. The holidays were right around the corner and they gave me one month to find another 3PL. I was scrambling.

I remembered I had spoken to someone at ShipBob very early on.

I dug up his phone number and called, but had assumed that no one would take us so close to the holidays. The rep just said, "Yeah, let's do it!" and we were off to the races.

After losing our other fulfillment partner, I was backed into a corner, and ShipBob really bailed us out. I felt like I dodged a bullet.

Not realizing there are better solutions out there



Nichole Jacklyne,
Founder of Slime by Nichole Jacklyne.



I'm obsessed with the ShipBob dashboard – everything I need to know is there. If I want to know shipping analytics or shipping prices, it's all right there and so transparent.

I love ShipBob's analytics tool. It's so nice to see exactly what the average shipping cost is and make sure the number that my Shopify store has customers paying matches what's in the ShipBob dashboard.

Having those metrics on hand at any point is incredible. Whenever I'm interested in checking data, I can log on right away without having to email anybody for answers.

As I grow my business, I've realized how important analytics and insights are. If I can't see that information, it's going to hinder my ability to grow. Ultimately, we left our old, small fulfillment center because everything ShipBob offered blew them out of the water.

Choosing proximity over quality



John Greenhalgh,
Co-Founder of



We considered ShipBob in our initial search for a 3PL, but decided to go with one in the UK.

This fulfillment provider ended up causing a lot of issues for us. The shipping software they used was inadequate. Orders wouldn't get shipped — and because there was no communication with me, I would never know until I received customer emails asking where an order was.

We realized we had to find a global fulfillment provider with expertise in the locations we need — which led us back to ShipBob. ShipBob's software was much easier to use and gave us a better picture of what was going on with our orders. It gave us the visibility and control we would expect from a provider in our backyard.

Dealing with slow service, constant errors, and no data



Courtney Lee,
Founder of

Prymal

Before ShipBob, my first experience with a 3PL wasn't good. They underestimated the amount of time they would spend on shipping our products, they didn't integrate easily with Shopify, and they were expensive to work with.



When I switched to ShipBob, it was game over! They made the move from my prior 3PL fast and easy, and I saw the benefits of working with them right away. I felt like I couldn't grow until I moved to ShipBob. Our old 3PL was slowing us down. My CPA even said to me, 'Thank God you switched to ShipBob.'

Settling for poor technology and support



Nathan Garrison,
Co-Founder and CEO of

SHARKBANZ

We initially partnered with a small warehouse in the US, but they were also running their own sunscreen company at the same time and weren't able to offer us the level of support we needed.



We then tried using a larger, more established 3PL service, but their services and technology weren't user-friendly at all.

Finally, we found ShipBob, which gave us the best of both worlds and offered a true fulfillment platform. They provide excellent customer service, and ShipBob's merchant-facing software is really intuitive.

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To avoid these nightmare scenarios and countless headaches, we'll walk you through important considerations and tips when evaluating fulfillment companies.

2 | Preparing for 3PL conversations

Procuring new business solutions can take a lot of time and effort, but finding the right fit can save you more time in the long run. But first, you'll need to determine if you should outsource fulfillment in the first place.

Are you ready to outsource fulfillment?

When it comes to outsourcing fulfillment, there is no “right” time that will be the same for every brand. But there are some common signs to look out for. Here is a checklist to help you decide if you're ready to partner with 3PL.

Check all that apply:

- I spend several hours a week packing boxes and shipping orders.
- I don't want to fulfill orders myself anymore (or when I launch my brand).
- I'm running out of space to store my inventory.
- I need more time for strategic projects, like marketing and product development.
- I don't want to invest in a distribution infrastructure (e.g., warehouses, forklifts, equipment, certifications, labor, etc.).

If you checked off any of these statements, then partnering with a 3PL could be worth the investment.

Can startups work with 3PLs?

Even if you're just getting started with ecommerce, you do have the option to outsource fulfillment. For example, ShipBob's self-service [Growth Plan](#) is designed for young businesses or those who are doing a small volume of orders (e.g., 100 orders per month) by using on-demand resources and step-by-step information to complete account setup (in addition to help from our support team, live office hours sessions, and the ability to upgrade to paid premium onboarding for a small fee.

ShipBob's Growth Plan includes access to the same solution that larger brands get, so it grows with you, including:

- ✓ ShipBob's proprietary software, integrations, and analytics tool at no additional cost.
- ✓ The ability to store inventory in any ShipBob fulfillment center(s).
- ✓ Fulfillment services including pick, pack, ship, returns, kitting, and customization.

No prior experience needed



Josh Hollings,
Founder & CEO of
**HUSTLE
DROPS**



I went through ShipBob's Growth Plan program, which made it easy to outsource fulfillment from the start. I followed the steps outlined and everything was automated, from setting up my store, to sending product, to fulfilling orders. Plus, I could always reach out to ShipBob's support team for help.

It was pretty remarkable how a 24-year-old like me with very little money and no prior logistics experience could launch a product and have distribution be automated. I followed the steps, told my manufacturer the requirements to ship inventory to ShipBob, and in a couple days I had 4,000 orders that were ready to ship out.

Go at your own pace, without minimums



Lee Nania,
Founder of



When I contacted a few 3PLs, I learned that many of them are not conducive to startups. There are minimums just to have an account, with fee after fee — \$50 for this, \$50 for that. Once it all adds up, it comes out to be \$250 a month just for running costs, excluding storage, shipping, and more. ShipBob is the only 3PL that had a startup program that allows me to outsource fulfillment without worrying about monthly order minimums.

Qualifications that determine the right fit

During your initial conversations with different 3PLs, you might come across some 3PLs that are not able to work with you. Don't get discouraged. Every 3PL has their own set of customer qualifications, such as:

- A maximum SKU count
- Monthly order minimums and/or maximums
- Product size and weight limitations
- Prohibited products or materials
- Types of orders you need fulfilled (DTC vs. B2B)
- Limitations in where you or their fulfillment centers are located
- Integrations they offer that match where you sell and certain features, services, or capabilities that they can or cannot provide
- Timelines or commitments for when you will get started

Your business is unique. That's why it can take some time to find a 3PL that will provide everything that you need. If you're coming across challenges in finding a 3PL that will fit within your budget, consider the following:

- Are you able to work the cost of fulfillment into your budget? It might not come until you hit a certain order volume.
- Can you test pricing tactics that increase your average order value (AOV)? Common strategies include selling bundles, increasing product costs, and offering minimum spend thresholds for free shipping if your product prices are low.

Also keep in mind that every 3PL is different, especially when it comes to following:

- Pricing model
- How many customers they have and their capacity to take on more
- The order volume they can handle per customer
- Warehouse locations and the total number of them (e.g., some only have local or nationwide locations while others have an international network)
- Methods and channels to contact support
- Where their staff is based

What questions will the 3PL ask me?

To determine a mutual fit, a 3PL will also ask you questions about your business and your needs. It shouldn't be overwhelming (i.e., no lengthy and confusing questionnaires) — just the info they'll need to fulfill and ship your products the most optimal way. To prepare for the conversation ahead of time, have answers to questions related to:

- Sales channels (your tech stack, including ecommerce platform, online marketplaces, and any physical retail stockists)
- Unique product weights and dimensions
- Current monthly order volume (DTC vs. B2B)
- Business projections based on marketing plans, product launches, PR initiatives, and markets that you plan to enter or expand into
- Where your customers are located (to determine which fulfillment location(s) you should store inventory in)
- Packaging requirements (e.g., custom branded boxes) and any customization needs
- Average number of items per order and common order combinations

- Total number of SKUs or unique products (if you sell a red t-shirt that comes in 5 sizes, that's 5 SKUs)
- Shipping requirements (e.g., HAZMAT)
- If you have the proper business registrations set up to sell and ship from each country. For example, ShipBob helps customers get started in each country it operates in by providing introductions to experts in each area:
 - **To sell within the US**, you need an Employer Identification Number (EIN) and an LLC registration is recommended
 - **To sell within the UK**, you need unique Value-Added Tax (VAT) and/or Economic Operators Registration and Identification (EORI) registration numbers
 - **To sell within the EU**, you need unique VAT, EORI, and Union One-Stop Shop (OSS) registration numbers
 - **To sell in Australia**, you need an Australia Business Number (ABN) and Goods and Services Tax (GST) registration
 - **To sell in Canada**, you need to register for your Goods and Services Tax (GST) and Non-Resident Importer (NRI)
- Material Safety Data Sheets (MSDS) or Safety Data Sheets (SDS), which contain occupational safety and health data, and can impact classification, labeling, and other requirements for certain types of products (and can vary country to country).
- Whether your products are barcoded or not
- The shelf life of your products
- Where your inventory will be arriving from
- How long it's taking you to fulfill and ship orders today
- When you are hoping to get started with them

The more data and info you share, the more a 3PL is equipped to help you and offer ways to streamline your fulfillment strategy for the long term. Often, the larger and more experienced the 3PL, the more insights and knowledge they have from working with thousands of brands across industries.

When a 3PL tells you no

When a 3PL tells you they aren't the right fit for your business, listen. It might upset you, but they're being honest for a reason — they want to save you headaches and money. This is often because of any combination of the following reasons:

- They aren't a cost-effective solution for you (e.g., if you have too many SKUs for them and storage will be too expensive for you).
- They can't store or ship your products (e.g., if your items are too big or heavy, require refrigeration or temperature control etc. and they can't handle them).
- Your business is too big or too small for their model.

Questions to ask a 3PL

One of the best ways to understand if a 3PL can help you is by asking: Do you have any case studies I can read demonstrating how you've fulfilled products similar to mine for the sales channels I sell on in locations I want to ship from that solve my pain points?

“**ShipBob made us think about things that we hadn't thought about ourselves. That partnership and being so willing and open to work with their customers has made working with ShipBob such a pleasure.**



- *Jordan Rondel,*
Owner of The Caker

Getting to the basics of their operations, ask the 3PL:

- What are your SLAs?
- What is your order cut-off time to ship orders out the same day?
- What is your average receiving timeline?
- Will you file claims for us through shipping carriers?
- How long does it take you to fulfill orders?
- How long does it take to fulfill orders during the holidays or when my volume increases?
- Do you stop receiving inventory during peak season?

We've been very impressed by ShipBob's high accuracy as well as their ability to meet their SLAs. Before we migrated to ShipBob, this was a challenge due to limited resources and time, and we used to frequently make shipping mistakes ourselves. What we've learned is that ShipBob has an excellent system in place, with all the resources, workflows, and processes needed to quickly and accurately fulfill all of our orders. We don't know how ShipBob does it, but it just gets done.

 waveform lighting

To understand if a 3PL can maintain a long-term partnership, consider these questions:

- If my order volume doubled tomorrow, could you keep up without interruption?
- How do I know your company will be around in 5 years?
- Is your company backed by investors/have access to capital?
- How many customers do you have?
- How many employees do you have?
- How often are you adding fulfillment centers and releasing software updates?

You'll also need to cater your search based on your business's specific needs. Here are some questions to ask depending on what you may need help with.

If you would like to split inventory across geographies someday:

- Where are your fulfillment centers located?
- Do you let me choose the fulfillment center location(s) I'm in?
- How do I know which fulfillment location I should choose?
- Does every fulfillment location have a unified process, systems, and dimensions for storage? Is there a consistent experience across all locations?

If you have or want to sell to customers across the globe:

- Do you ship internationally?
- Do you have fulfillment center locations in other countries?
- How can I track international orders?
- Which international carriers do you work with?

If you want good customer support:

- What hours is your customer support team available?
- What is the best way to contact your customer support team (email, phone, live chat, etc.)?
- Will I have a dedicated implementation and/or account manager?

If you want a memorable unboxing experience:

- Do you use plain, standard packaging?
- Can you use my own custom boxes, satchels, or inserts for my orders?
- Do you have partners you recommend for branded packaging?
- Do you offer kitting, or will boxes have to be assembled before they are sent to your warehouse?

If sustainability is a brand value:

- Do you use any eco-friendly packaging?
- Do you have options for offsetting carbon emissions?

If you are wondering how to send inventory to the fulfillment center:

- What is the process for sending inventory, and what happens if I don't follow that process?
- How long does it take to receive inventory and how much does it cost?
- How do I schedule a dock appointment?
- Can I bring my inventory to you myself?
- Can you help me book freight shipping for my inventory?
- My inventory is manufactured overseas — how do I book international freight?

If you want to offer returns:

- What are my options for processing returns, and what can you do with them?
- Do I have to go through you for returns?
- Can you process exchanges?
- How do you handle damaged or worn returns?
- What returns platforms do you integrate with?

If you are ready to get started now:

- When is the soonest I can get started?
- How long does it take to complete onboarding with you?
- What are the most common mistakes your new customers make and advice you have for a smooth onboarding?
- Are there any minimums?
- How do I connect my online store(s)?
- How long does it take to sync and send my inventory?
- Are there any onboarding or sign-up fees?

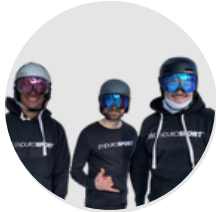
Of course, depending on your business model, product(s), location, and customer base, you might have additional questions or needs. This is just a list to get the conversation started.

Overall, it's vital to work with a provider that will address your business's unique needs, allow you room for growth, and create solutions to any challenges that arise.

Stay organized during your search

To stay organized, you might want to create a list of the “must-haves” such as services, technology, warehouse locations, and pricing. You will also want to come up with a way to help you keep track of the pros and cons and services of each 3PL, such as a scorecard or a comparison table.

Get your questions answered



Tim Fink,
Co-Founder of
**ENDURO
SPORT**
THE SWIM BIKE RUN SHOP



We looked at several fulfillment companies, and ShipBob hands down had the best customer service. They answered all of my questions quickly, walked me through the solution, and how the partnership could evolve.

They broke down all the fulfillment center locations, gave transparent prices, and shared data points I needed to make a good decision.

I didn't receive this data from any other 3PLs. With ShipBob, I knew exactly what I was getting. From day one, I felt like ShipBob was a partner on our team. With other 3PLs, it never felt like a partnership.

Look for a problem-solving mindset



Courtney Lee,
Founder of
Prymal



When it was time to switch 3PLs, I talked to several of them. I had a hard time understanding how many operated, and a lot of the conversations seemed too transactional. I was looking for 3 things: accuracy, cost savings, and access to data.

When I spoke to ShipBob, it was the most personable phone call I've had with a 3PL. They wanted to help solve my unique problems and shared a lot of the ways that ShipBob could help.

Find a partner, not a vendor



Wes Brown,
Head of Operations at
BLACK CLAW



The 3PL/merchant relationship should be a partnership — not just a vendor — so seeking mutually beneficial partnerships are key. I've been passed around the 3PL world, and I'm glad to put roots down with ShipBob. I can't stress enough how much easier my life has gotten since. ShipBob feels like a partner.

Getting to share product feedback and ideas with ShipBob has been so refreshing and reassuring. I've worked with 3 other 3PLs, and no other one has taken this approach. ShipBob implements changes so quickly and doesn't make empty promises.

I was just a name and number to my past 3PLs. ShipBob was automatically different. They offer fairness and equality across all brands.

How many 3PLs should I talk to?

This can be different for every business, as it will depend on your needs (which can help narrow down the search). Google your options, read case studies to hear from existing customers, and start the conversation with any 3PLs of interest.

While a dozen 3PLs is a very large number and a lot of details to manage, start prioritizing 3PLs that are in the locations you want, can integrate with your store, and have helped brands similar to you.

I spoke to 12 different fulfillment companies — but our conversations with ShipBob were the best. Out of everyone we spoke to, they felt the most like a real partnership. They were extremely responsive, made sure to close the loop with us on all the questions we had, and guided us through optimal packaging decisions. Altogether, ShipBob was able to provide us with the bespoke solution that we were looking for, and a sense of partnership we just couldn't find anywhere else.

**- Adelina Zotta & Connor Westby,
Co-Founders of  NutriPaw**

You get what you pay for

When it comes to 3PLs, the cheapest option isn't always the best option. Be cautious of tradeoffs for the lowest-cost option, and closely compare apples to apples. Ask yourself:

- What am I getting for this price?
- Which services are most important for my business?
- How much support will I get?

Dig into each 3PL's pricing

Because each 3PL could have very different pricing models, it can be difficult to directly compare prices. But once you get pricing quotes or proposals from the 3PLs you're evaluating, it's important to calculate your total costs (since some 3PLs have charge line items for every little thing). Ultimately, you'll have to decide for yourself — is their pricing easy-to-understand? Answer these questions:

- What factors go into pricing?
- What is the all-in cost (not just shipping but every fee that adds up)?
NOTE: You may have to calculate this yourself, as some 3PLs make it difficult to do so.
- What are all the potential fees I will be charged (both variable and fixed)?
- Do I have to pay for standard packaging materials and boxes?
- Do I have to pay for each pick?
- Do shipping rates increase each year from the carriers?
- Do you increase prices during the holidays?
- Do you use dimensional weight in shipping price calculations?
- How often am I billed, and what type of invoice breakdown do you provide?
- Do I have to sign a long-term contract?

“We are willing to pay a premium for a premium product. While many 3PLs utilize a complex pricing model that makes forecasting expenses nearly impossible, ShipBob has a clear pricing model so we know exactly what we're going to be billed.”



- Gerard Ecker,
Founder & CEO of
Ocean & Co.

3 | Must-haves in a fulfillment solution

When outsourcing fulfillment, it's important to look for a solution that goes beyond the traditional pick, pack, and ship model. A modern 3PL coordinates with all aspects of the supply chain using technology and automation, helping your business make more informed decisions and ultimately provide your customers with an exceptional experience.

1. Technology: real-time visibility and ease of use

Just because fulfillment isn't happening inside your own four walls doesn't mean you shouldn't be able to know what's happening in real time or make changes on the fly. A tech-driven fulfillment company will provide:

- **Inventory tracking** to view current and historical stock levels as well as inventory status, manage inventory turnover and set reminders to proactively replenish with reorder notification points, bundle your products for promotions, and more.
- **Order management** to filter orders by status, search for specific orders, see a quick timeline view of where your order is in the fulfillment process (e.g., when an order is picked, packed, shipped, etc.), manage recurring subscription orders, and make changes to your orders post-purchase.
- **Shipment tracking** to push back to your store(s) and share with your customers to automatically keep them updated on their packages and estimated delivery dates.
- **Turnkey integrations** with ecommerce platforms (e.g., Shopify and BigCommerce), allowing you to import orders and send data back and forth with your sales channels for a two-way flow of information (or Developer APIs if your brand's backend is highly custom or you've built your own ecommerce store), as well as integrations with other tools you use (e.g., Klaviyo, Gorgias, etc.)

- **Algorithms** that choose the fastest, most affordable shipping route and carrier, and assign each order to the nearest fulfillment center if you use more than one.
- **Reporting and analytics** to provide you with visibility into the 3PL's operations and performance to hold them accountable, pull inventory data for year-end reporting, and view metrics that help you make better supply chain decisions, from demand forecasting scenarios that visualize the impact promotions have on stock levels, to knowing your exact storage cost per unit, and much more.
- **2-day delivery and badges** and estimated delivery dates on product pages to increase conversion pre-checkout
- **Omnichannel capabilities** that enable you to manage and fulfill both DTC and B2B orders through a single platform, and that can handle retail distribution (in which a merchant ships inventory to retail locations, and the retailer fulfills orders) and retail dropshipping (in which an EDI system lets a 3PL ship orders placed on a retailer's online marketplace directly to the end customer).
- **Helpful onboarding and implementation**, along with intuitive software that gives you the ability to set preferences yourself, from adding your packaging preference, to using your own custom branded boxes.

One of the most important elements of choosing a fulfillment solution is finding technology that works not just for you but with you. To keep up with customer expectations and supply chain disruptions, fulfillment technology is becoming more advanced, which makes 3PL technology a key differentiator.

Partnering with a tech-enabled 3PL will give you peace of mind, knowing that they offer endless solutions to further optimize your supply chain as you scale. Be sure to [check out their partner network](#).



We strive to be very data-driven, and ShipBob gives us access to different views of our business. Their analytics tool has been great to have. We can see inventory reconciliations and easily view SKU velocity, transit times, and inventory distribution recommendations.



- Pablo Gabatto,
Business Operations
Manager at
[Ample Foods](#)

Look for intuitive design that's easy to learn



Wes Brown,
Head of Operations at

BLACK CLAW

ShipBob is a tech company first, unlike other 3PLs who are trying to add tech to their existing business. We love ShipBob's software. Other 3PLs have tech that is so antiquated and old, it looks like an AOL compact disk that used to come in the mail.

ShipBob is very forward-thinking and leaps and bounds ahead of reporting in other systems. Overall, there is more transparency with ShipBob that even helps our team manage customer service better. I can see the granular stage the order is in — if it's being picked, packed, in transit, etc.

That enhanced visibility is great. No other 3PLs offer that in my experience. ShipBob's dashboard looks like all the other sophisticated tools I use for ecommerce. It has a comforting familiarity. ShipBob's tech is intuitive and functional, and I could figure out how to use it on my own.

Put the controls in your hands



Gerard Ecker,
Founder & CEO of



With our old 3PL, because of a lack of ownership of the entire fulfillment stack, it was difficult to rectify or identify issues, unlike with ShipBob who owns the entire stack: inventory and order management system, warehouse management system, and their fulfillment centers.

With ShipBob, we are able to mark any combination of SKUs as a unique bundle and select the component SKUs right through the dashboard. Each time that bundle is fulfilled by ShipBob, we see the individual components that are physically picked, and we know that the order went out as expected.

ShipBob also allows us to make changes to bundles on the fly with complete control and visibility, which is important in monthly subscription boxes, holiday bundles, and many more scenarios. With our old 3PL, we had to rely on a game of telephone and someone else to do this for us.

Reduce the need to rely on others

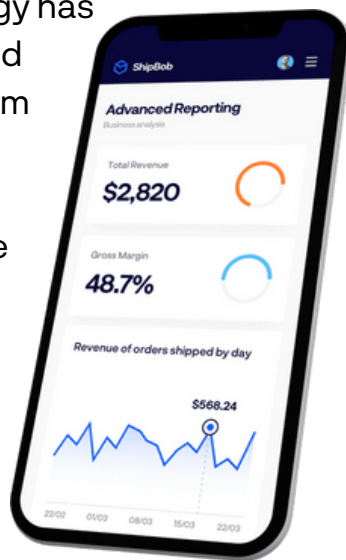


Carl Protsch,
Co-Founder of

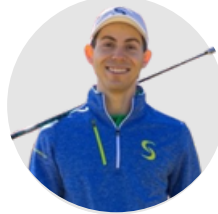


ShipBob's technology provides cost savings. Other 3PLs pass fees onto the client for work they do related to manual processes because they lack the fulfillment technology needed to meet customer expectations.

ShipBob's technology has effectively eliminated the work of a program manager at other 3PLs, while providing immediate visibility into inventory and the ability to respond and make changes myself.



Watch orders get shipped out from afar



Harley Abrams,
Operations Manager at



We are very impressed by ShipBob's transparency, simplicity, and intuitive dashboard. ShipBob's front-end software was the primary decision-making factor for me in choosing them over other fulfillment solutions.

Their software is so simple and intuitive, especially as so many 3PLs have either bad or no front-facing software, making it impossible to enter orders, keep track of what's leaving or entering the warehouse.

It's fun to see orders shipping out instantaneously. I love how fast and efficient ShipBob is. Their shipping costs are very reasonable, and their platform makes fulfillment feel so easy.

2. Operations: reliable and accurate fulfillment

To maintain consistency and accuracy of services across their entire fulfillment network, 3PLs need the right technology, processes, and repeatability of operations at scale, from running optimized picking routes and storing products that are often ordered together near one another, to finding ways to speed up processes without compromising quality.

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They should use a combination of hardware or equipment, automation, software, processes, and safeguards that reduce the possibility of an order going out wrong while holding themselves to their service level agreements (SLAs).

Some 3PLs like ShipBob:

- Showcase SLA badges in their dashboard that allow customers to immediately see the SLA status (e.g., on-time or late) by calculating actual vs. promised timelines.
- Let you edit order details (e.g., when a customer accidentally enters the wrong address at checkout) up until the point the order is being picked.
- File claims with carriers on your behalf for lost-in-transit or damaged orders.

- Use Cubiscan machines and box selection algorithms to help ensure consistency in fulfillment costs by calculating the ideal package size for a given order combination. Cubiscan machines determine the right size depending on the dimensions and weights of the products that are to be shipped as well as your preset packaging preferences. This gives the 3PL insight into the best packaging to use while reducing dimensional weight.
- Use proprietary technology including wearable devices to scan each item as it moves through each stage of the fulfillment process for an entire timeline of each order, so you know exactly when it's picked, labeled, in transit with the carrier, delivered, etc.
- Quickly and clearly display why an order is in exception and can't be fulfilled (e.g., customs information is missing for international shipping, there's an invalid address, the product is out-of-stock, etc.).
- Allow you to upload photos and/or videos of your products for their staff to see and validate as they pick each item.

- Help map their shipping options to your store’s delivery methods (and automatically select the best shipping route, carrier, service, and even fulfillment center that has available inventory and can ship each order to your customer in the most efficient and cost-effective manner).
- Allow you to upload photos and/or videos of your products for their staff to see and validate as they pick each item.

“
Logistics is something you never think about until it stops working, and we’ve never come to that point with ShipBob. Everything just works. We are super happy with ShipBob and very impressed by how well they’ve pumped out our large volume of orders.



**- Sergio Tache,
 CEO of Dossier**

- Enable you to add barcodes, tariff codes for international orders, rules, packaging preferences, and other information at the SKU level that help increase accuracy.
- Give you the control to edit or cancel orders after they’ve been placed, update addresses, and correct any mistakes a customer may have made at checkout.

3. Fulfillment network: locations and total number of warehouses

A common mistake brands make when outsourcing fulfillment for the first time is choosing a warehouse because it's near them. Instead, they should consider a starting location that will reduce their average shipping cost and transit time to reach the most customers, most efficiently.

To really simplify the types of 3PLs there are, the two most typical models are:

Mom-and-pop warehouses: Often a single facility, these 3PLs manage a small operation and don’t typically expand their network.

Global tech-driven 3PLs: With up to dozens of fulfillment centers and a physical presence in multiple countries, these 3PLs are continuously adding more locations based on customer demand.

Most ecommerce brands get started in a single fulfillment center location, which can make the first option appealing. But brands that want to grow seamlessly and leverage economies of scale without having to find a new or additional provider must think through their growth goals to find a partner that matches it.

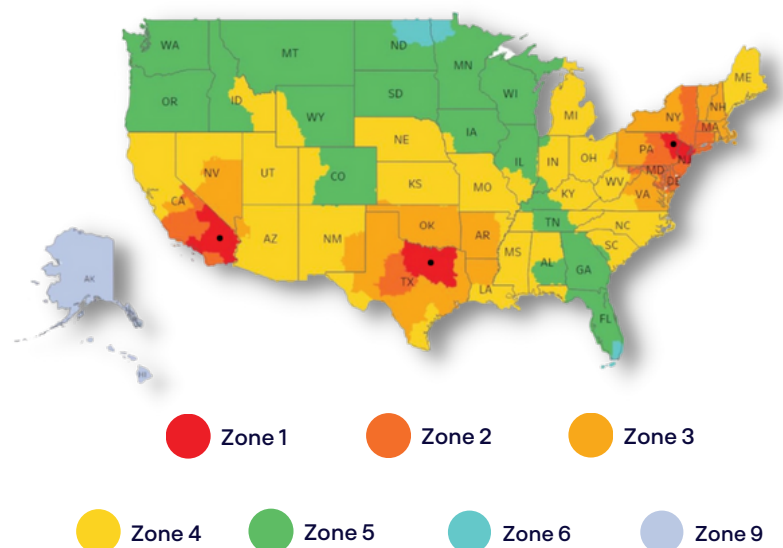
Understanding shipping zones

First and foremost, you need to understand how fulfillment centers located close to your customers can reduce both the distance most orders have to travel the average shipping zones you ship to, a key part of any fulfillment strategy.

Shipping zones are the geographical areas that carriers ship to, spanning from Zone 1 to Zone 8 for domestic shipments in the contiguous United States, measured in groupings of zip codes.

The location from which an order is shipped is the point of origin and located in Zone 1. The address it's shipped to is the destination zone, which will depend on how far it is from the point of origin, with Zone 8 being the farthest away.

Distributed inventory using 3 fulfillment centers in the US



If a package is sent from a fulfillment center that is also near your customer's shipping destination (e.g., Zone 1 or Zone 2), it will almost always arrive in fewer days than a package sent to a higher zone, like 7 or 8 and be much cheaper.

For this reason, working with a 3PL that has fulfillment centers in different regions of the country (that you can even grow into over time) can be vital to making sure your customers' expectations are met through affordable, timely shipping. If fulfillment centers are only located on a coast, or in rural locations, you won't be able to create a truly strategic geographic footprint.

Distributed inventory

3PLs have relationships with shipping carriers that allow them to negotiate discounted rates for their clients; however, the biggest cost savings for affordable shipping come from distributing your inventory across their fulfillment centers, so you can ship each order out from the warehouse that is closest to your customer.

Distributing inventory won't be cost-effective for everyone from the start. As your business grows, however, having a network of fulfillment centers can help you efficiently reach more customers, and some 3PLs will even provide this data to you.

Splitting inventory across warehouses can also help you be prepared in the event that your orders can't leave a particular fulfillment center (e.g., in extreme weather events) that prevent a carrier from picking up in one location, or a building closure. Additionally, you will have backup stock if you run out in one facility.

International fulfillment capabilities

Another mistake more mature brands end up regretting is using separate 3PLs in each country they scale into, having different logins to different systems, support teams, SLAs, processes, and other inconsistencies when managing separate 3PL partners.



We had a local fulfillment partner that could serve one region reasonably well and made sense during our first couple of years before sales really took off.

As we started to hit that first inflection point of growth, it became apparent we needed to look for a 3PL that could help us expand geographically and also drive down shipping costs and expenses.

Since switching to ShipBob from our previous 3PL, our fulfillment cost on comparable orders went down by 25%.



**- Michael Peters,
VP of E-Commerce
Operations at TB12**

Depending on your growth plans, you might want to choose a 3PL that not only ships internationally but also offers fulfillment locations in different countries. Shipping internationally can be expensive and transit times are significantly slower — not to mention that dealing with taxes and import duties every time you ship a single order to an end customer can be a headache.

Partnering with a 3PL that offers both domestic and international fulfillment capabilities can solve these challenges. You can also manage inventory and orders that are being fulfilled across the globe from the same dashboard, letting you work with the same team for a simplified, consistent experience.

“
It only took us 10 days to start shipping with ShipBob. Since then, we’ve seen massive improvement in our business. Two years ago, only 5% of our orders originated in the US; now it’s up to 35%, thanks to the incredibly quick shipping that ShipBob provides.

For us, changing from a 3-week lead time to 3 days through ShipBob is what drove our sales. Even now, one of the primary reviews we get is, ‘My order arrived really quickly!’



- John Greenhalgh,
Co-Founder of
[A Year of Dates](#)

4. Innovation: continuous improvement and growth

Ecommerce is a fast-evolving industry, and the supply chain can be a fragile ecosystem. Modern 3PLs stay on the forefront of new ideas, trends, and customer expectations to bring cutting-edge solutions to brands that partner with them and (literally) keep things moving. Consider the following questions when evaluating 3PLs.

- How often are they updating their software and releasing new features and solutions?
- In what ways have they improved in the last quarter? Year? 5 years?
- Do they take feedback from the customer community?
- What types of automation have they employed?
- What measures are in place to reduce errors, transit times, and shipping costs?
- How do they hold themselves accountable?

- Do they publish any data showcasing performance, or have it readily available?
- What kind of analytics and insights are provided to you?
- Do they take feedback from the customer community?
- How are they making changes and keeping a pulse on the latest supply chain trends?
- How are they investing in your long-term growth, from technological and logistical capabilities to channel and distribution expansion opportunities?
- What is the tech stack used in their fulfillment centers (e.g., a flexible warehouse management system) and does it push all data back to the brand?

Keeping a merchant focus

As told by Waveform Lighting.  waveform lighting

Overall, we are so appreciative of how merchant-focused ShipBob is. ShipBob has been so helpful in making sure we and our customers are taken care of, and it's been such a rewarding partnership. We feel like ShipBob is a partner that's in it together with us.

We never get the sense that ShipBob is just interested in getting our fulfillment fees. It is much more than that — they really care about our success and what makes us successful as a company.

Regularly launching new features



Jordan Rondel,
Owner of
 the CAKER®
Jordan Rondel



Each week there's a new email introducing new features. It's cool. We just implemented custom sender labels so our brand name shows up on the shipping label to further reinforce brand recognition before they even open the package.

And the customer service at ShipBob is exceptional. It's been a symbiotic relationship. We've grown alongside ShipBob. It's been a nice, mutually beneficial relationship.

Following up on what they say they'll do



Wes Brown,
Head of Operations at

BLACK CLAW

We started using a 3PL whose service was okay, but their software was years behind and they made false promises. We realized we needed a global fulfillment provider as our customers in the UK/EU were tired of paying for international shipping.

Our old US-based 3PL at the time gave us the runaround on when they would expand internationally. They'd say 'next quarter,' which turned into 'next year.' Then more time would pass, and it was clear it wasn't really on the roadmap. I felt handcuffed, and waiting wasn't sustainable. Our demand wasn't going to wait for them, so we decided to find another partner who could support us around the world.

Then, we found ShipBob. It was a no-brainer. I always wanted a truly global fulfillment partner — I had been trying to find this solution for years.

I recently attended one of ShipBob's Product Advisory Council events, where a UK fulfillment center came up as a beneficial location, and I can't believe how fast it happened. I'm over the moon that they kept their promises and executed so quickly.

Incorporating feedback from the customer community



Matt Dryfhout,
Founder & CEO of

BAKBLADE
Body Grooming Co.

We've had a long-term partnership with ShipBob since 2016, and we've seen the improvements and evolution of the technology over the last several years. They have definitely adapted to our growth.

If you bring them an idea, they will look into it. They are very cutting-edge, always looking for the next angle to make their business better while keeping their customers happy.

They keep getting better and better, helping brands grow and expand at a ratio that other 3PLs might be a few years behind.



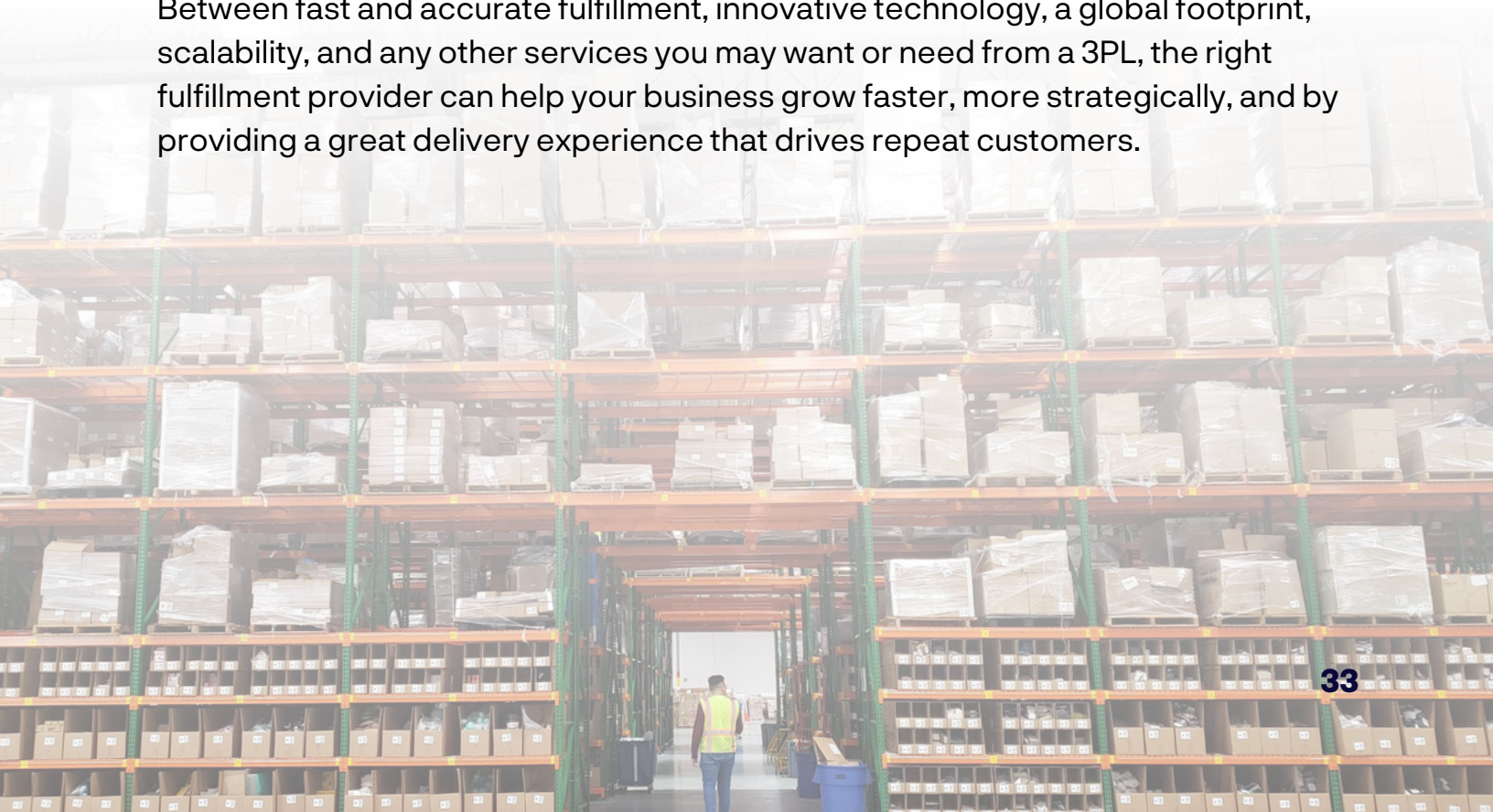
4 | Choosing the right 3PL is worth it

We understand how much logistics can impact scalability, profitability, sales, your reputation, and customer satisfaction, and it can take time and effort to find the right 3PL partner.

If your ecommerce business is ready to outsource fulfillment, choosing the right 3PL can help you save time and money, and give you time back to grow your business.

Finding a partner that will support you for the long term can take time — but the effort is worth it. Before going into conversations with different 3PLs, be sure to plan ahead in terms of future growth goals and how you plan to scale your business. It can be a pain to switch 3PLs as you grow, so it's worth getting it right the first time around.

Between fast and accurate fulfillment, innovative technology, a global footprint, scalability, and any other services you may want or need from a 3PL, the right fulfillment provider can help your business grow faster, more strategically, and by providing a great delivery experience that drives repeat customers.



Partner with ShipBob

ShipBob is a global fulfillment platform that supports thousands of ecommerce brands with a network of 30+ fulfillment centers across the US, Australia, Canada, the UK, and the EU. Offering simple, fast, and affordable fulfillment, ShipBob lets you split inventory across locations to reduce shipping costs and transit times.

Visit ShipBob.com to learn more or to [request a pricing quote](#).



ShipBob offered more flexibility than other 3PLs. They have been a great partner as we've grown. They are dedicated to transparency, and are really committed to their customers and keeping themselves accountable.



- Pablo Gabatto,
Business Operations
Manager at Ample Foods

