



New breed of 3PLs help frozen-food e-tailers get chill

For e-retailers marketing chilled and frozen food products, speed, quality, and accuracy are just the starting points. They're now finding it takes highly customized—even personalized—fulfillment service to keep customers happy. A new breed of 3PLs can help them do that.

A PROBLEM THAT ALMOST ALL E-COMMERCE retailers grapple with at some point in their evolution is how to adapt their fulfillment processes to meet the exponential growth of online sales. This is particularly true with small and mid-sized e-retailers, which account for roughly 90% of all internet retail suppliers.¹

The real conundrum is that this e-commerce growth is somewhat unpredictable. Some internet retailers are reaching their five-year goals within two years and 10-year goals within five years, having completely outgrown their warehouse space and order-fulfillment processes. This unpredictability is compounded by fulfillment challenges that virtually all e-commerce retailers are attempting to deal with, such as:

- Continuous stock-keeping unit (SKU) growth driven by

new-item releases and the need to stock both fast-moving and slow-moving items;

- The small number of order lines per order;
- Under-stocking, influenced by seasonal and trend spikes in product demand;
- High returns from customers due to mis-ordering, mispicks, and shipping damage;
- Customer-driven demand for the fastest delivery at the lowest cost; and
- The necessity for real-time cloud-based visibility of inventory and order movement.

Essentially, e-commerce retailers are realizing it's incumbent on them to develop a better understanding of their customers' needs—and then come up with innovative ways to meet those needs—if they want to gain and retain their busi-

BY JIM MCMAHON



ness. From the moment the online order is placed to when it is picked, packed, and shipped, every step in the process must be handled efficiently, consistently, and cost-effectively. In e-commerce, it is the fulfillment center that provides the most pivotal customer experience. Simply delivering the goods on time is no longer an adequate mission for the fulfillment center. Today, consumers demand more. They want flexibility, and they want options. They are expecting different levels of service. And increasingly, consumers are gravitating to e-commerce suppliers that can deliver a more customized, even individualized, fulfillment experience.

A COOL CHALLENGE

Nowhere is meeting this high level of consumer expectation more challenging than in temperature-controlled e-commerce fulfillment operations. This sector of the food industry has seen consistent growth in both chilled and frozen products, necessitating commensurate expansion and improvement of fulfillment and distribution operations. A study published by the International Association of Refrigerated Warehouses (IARW), “The IARW Global Cold Storage Capacity Report,” shows that 10 million cubic feet of refrigerated space were added to North American warehouses from 2014 to 2016, representing a 2.3% annualized growth rate, approximating the annual growth rate in purchased chilled and frozen food products.

Every aspect of refrigerated and deep-freeze warehousing is moving faster. The consumption of temperature-controlled products, primarily frozen, has increased dramatically, with faster turnover compared with their ambient-temperature counterparts, with an increasing number of products in the -10 degrees Fahrenheit to 38 degrees Fahrenheit range. Maintaining a high throughput rate in controlled environments, along with inventory and fulfillment accuracy, is a much more difficult task than in ambient-temperature warehouses.

Many e-commerce companies providing chilled and frozen food products, particularly mid-sized and smaller e-retailers, do not have the in-house expertise or resources to implement adequate fulfillment models at the speed that the market is demanding. E-retailers must accommodate specific shipment-compliance labeling requirements, order-shipment documentation requirements, manifesting rules, and where applicable, government-mandated track-and-trace regulations. This is in addition to the need for real-time cloud-based visibility of inventory and order movement, as well as overnight- and two-day guaranteed delivery. Further, food e-retailing is a sector where clients are particularly likely to request customized fulfillment services.

To meet these heightened requirements for tempera-

ture-controlled goods distribution, e-retailers are increasingly turning to third-party logistics service providers (3PLs) that are equipped to handle the fluctuating and demanding requirements of online chilled and frozen food fulfillment.

RAISING THE BAR

As e-commerce expands and these e-fulfillment demands escalate, the bar is continually being raised for e-retail logistics executives, who lean on 3PLs to provide solutions. In fact, the use of 3PLs is growing rapidly, expanding at a rate of 12% to 15% annually corresponding to the growth in e-commerce. And to no small degree, this growth includes e-retailers that provide chilled and frozen food products requiring temperature-controlled fulfillment.

Not all 3PLs have the facilities, experience, or operational agility to deliver highly specialized and customized temperature-controlled e-commerce fulfillment services. However, there is a new breed of agile 3PLs that do. One of these is Burris Logistics, a Milford, Delaware-based contract logistics company with a strong presence in the temperature-controlled e-fulfillment market.

“A successful temperature-controlled fulfillment implementation for food e-retailers of any size requires carefully planned processes, scalable operations, and highly efficient systems to address its inherent challenges,” said John Teixeira, senior vice president, custom retail distribution, for Burris Logistics.

Burris, a fifth-generation family-owned enterprise, operates an expanding network of temperature-controlled warehouses and distribution centers from Florida to Oklahoma to Massachusetts. The company provides logistics, transportation, and supply chain solutions coast to coast, encompassing custom retail distribution, public refrigerated warehousing, freight management, and food-service redistribution.

“Both food e-retailers and traditional brick-and-mortar retailers are looking for e-fulfillment solutions,” added Teixeira. “But they may not have the systems in place to provide the data, the analytics, and the visibility they need to have a more efficient and profitable e-fulfillment operation. We can provide those services with whatever level of customization they need.”

“Smaller and mid-sized e-retailers, particularly, are adept with their product manufacturing and marketing, but don’t necessarily have the supply chain understanding to get their order fulfillment executed in a way that is timely and cost efficient,” Teixeira explained. “Consequently, they see a dramatic change in speed to market once we have implemented a 3PL fulfillment program for them.”



FROM ORDER RECEIPT TO DELIVERY

To meet the heightened demands of e-commerce, Burris provides its e-commerce customers with fast and flexible fulfillment options. Such demands require having a streamlined, interconnected system in play, one that fulfills and tracks inventory in real time throughout the entire e-retail fulfillment process. This same system should facilitate order processing by assessing the parameters and delivery options for each order placed and initiate an optimized solution for fulfillment and delivery in real time.

“Managing online fulfillment successfully requires multiple interrelated activities, which are possible only because of sophisticated software engines that capture orders on the front end and process these orders on the back end through fulfillment and shipping,” said Ed Krupka, chief information officer at Burris Logistics. “Leveraging this technology, Burris has expanded its service offerings to provide a comprehensive mix of integrated fulfillment options for its online clients.”

On the front end, with the handling of e-commerce orders, this can include managing the web portal, the website, and updating website content, as well as supplying telephone call centers with live operators who take orders, dispense product information, and provide tech support.

Because of the digital nature of e-commerce, its infrastructure permits the integration of this front-end order management information with systems across the entire e-fulfillment and distribution network. From inventory management through picking, packing, shipping, and delivery, Burris’ sophisticated warehouse management system allows it to record the relevant details of each item inventoried and each order being shipped. Shipments can be tracked through UPS or FedEx, and deliveries quickly confirmed, permitting Burris to analyze transportation costs and performance, and negotiate the best shipping rates and improve service for its e-commerce customers.

“In addition to fulfillment, Burris provides a very comprehensive supply chain portal to help its e-retailers manage their inbound and outbound shipments and do demand planning,” Krupka added. “By helping them to manage their inventory flow into our facilities, we can better service them and their customers.”

This in-depth level of supply chain visibility and customer control is virtually unheard of in e-commerce 3PLs. But it helps to mitigate the problem faced by all e-commerce retailers—having the right quantities of products stocked in the warehouse to fill orders.

Burris’ integrated supply chain analytics capabilities allow it to maintain precise control of its e-retail clients’ orders, their inventory, and their shipments, through every stage of the supply chain and provide the heightened service levels that e-retailers and consumers increasingly expect.

BUILDING THE FUTURE

To prepare for the future, Burris is continually looking to capitalize on technologies that will take its service offerings to the next level. Some of its ongoing initiatives include:

- **Leveraging the IIoT**—Burris is committed to providing cloud access to its analytics at all points within the ordering, fulfillment, and delivery functions. These “edge input” points integrate with the company’s enterprise resource planning system (ERP), warehouse management system (WMS), and shipping programs to deliver an Industrial Internet of Things (IIoT) cloud-enabled capability for its customers, enabling them to access information on their ordering, fulfillment, and shipping activities anytime, anywhere.

- **Cold Chain Blockchain**—Burris’ IT group is currently exploring options for incorporating blockchain technology into its cold chain e-commerce services as another way to enhance security for its e-retail customers. The company has secured the domain www.blockchaincoldchain.com and is looking at initiatives involving digital marketing authentication, loyalty programs, customer identity, and use of cryptocurrency.

- **Next-Day Delivery to 87 Percent of U.S. Population**—Adding to its dedicated e-commerce fulfillment sites in New Castle, Delaware, and Jacksonville, Florida, Burris has opened its third dedicated e-commerce fulfillment facility in Oklahoma City, Oklahoma. In addition, Burris leverages an e-fulfillment facility in California. Combined, these fulfillment sites give the company the capability of offering its e-commerce customers expedited next-day delivery to 87% of the U.S. population.

PERSONALIZED E-COMMERCE FULFILLMENT

In the ultimate example of customized e-fulfillment supporting temperature-controlled food products, Burris has charted new territory by providing specialized and personalized messages and packaging for many of its customers’ individual orders. This custom service has now become a “standard” offering for Burris’ e-commerce customers wishing to maximize their personal touch in their fulfillment.

“This highly customized service, along with our full suite of e-commerce fulfillment services, is part of four complementary business units that we have developed over the past 90+ years,” said Donnie Burris, president and chief executive officer of Burris Logistics. “They are united by one driving principle: to be the very best at everything we do to service our customers.” □

Notes:

1. “Global Business Technographics Data and Analytics Survey,” Forrester Research (June 2017), <https://www.forrester.com/Global+Business+Technographics+Data+And+Analytics+Survey+2017/-/E-sus3671>

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