

O P E R A T O R G U I D E

What Is a 3PL, and When Should You Use One?

A 3PL (third-party logistics) company stores, picks, packs, and ships your orders. You send them the product. They handle the warehouse and the shipping. You keep the customer.

01 Switch to a 3PL when

- ☐ You are packing orders yourself and it is taking time away from the rest of the business.
- ☐ You are running out of space.
- ☐ Shipping errors are costing you customers.
- ☐ You want to sell in more places and you cannot fulfill from one location.
- ☐ The cost of doing it yourself is higher than the cost of handing it off.

02 How they charge

Most charge for storage, for receiving, for picking and packing, and for shipping. Some charge a monthly minimum. Ask for the fee types before you compare. The cheapest rate is not always the lowest total cost.

03 What to check

- ☐ Can they handle your volume.
- ☐ Do they integrate with your store or your system.
- ☐ What is the receiving process.
- ☐ What happens when something is wrong.
- ☐ Who you call when it breaks.

Compare the total cost, not the rate. The cheapest rate is not always the lowest total.

04 What to do next

Add up what fulfillment costs you now in time and errors. Then ask two 3PLs for their fee types. Compare the total, not the rate.