How to Drive Retail Supply Chain Agility and Business Resilience

The aftermath of recent global disruptions has exposed vulnerabilities of modern supply chains, reinforcing the importance of developing retail supply chains that are responsive and flexible – able to easily pivot quickly. While the concept of evolving your supply chain to drive improved holistic optimization may appear complex, it doesn’t have to be. The following outlines steps that minimize risk, accelerate agility and drive business resilience.

THREE KEY STRATEGIES

Create a Retail Logistics Framework that Enables You to Pivot Quickly

Approach selection of a 3PL as a strategic business initiative – because it is. Global uncertainty, increased retailer compliance demands and raised consumer expectations have necessitated this shift. 3PLs should be a catalyst for producing unmatched retail logistics performance levels and supply chain optimization. When making a determination regarding your 3PL, consider the importance of asset-based ownership and its direct impact on driving flexibility and responsiveness throughout your supply chain. An asset-based 3PL owns and operates its trucking fleet, warehouses and proprietary analytics technologies. Ownership of assets translates into improved control for suppliers, enabling you to react and pivot more quickly to drive supply chain responsiveness, efficiencies and effectiveness.

Improve Decision Making with Real-Time Visibility and On-Demand Reporting

Real-time transparency, end-to-end visibility and rapid response capabilities are a must for today’s agile supply chains. This is achieved by creating a technology infrastructure that accelerates suppliers’ ability to identify and manage risk while continuously improving performance. From enterprise software solutions, to on-demand reporting and response, to integration services that connect retailers, customers and vendors, these systems are essential to drive improved decision-making and overall optimization. By partnering with a 3PL that has proven retail logistics technological expertise and can customize systems according to supplier and retailer requirements, suppliers avoid making costly system capital investments and position themselves to remain focused on their core business.
In today’s world, selection of a 3PL must be approached as a strategic business initiative. The right 3PL will accelerate suppliers’ ability to develop an agile retail supply chain that will serve as a business growth driver.

**Drive Cost-Optimization at Every Turn**
Centralized warehousing strategy, retail consolidation and outsourcing value-added service offerings will deliver significant efficiencies and cost savings.

**Centralized Warehousing Strategy.** This approach provides national service from strategically located consolidation warehouses in the central U.S. – offering suppliers improved inventory control and management by eliminating the redundancies of multiple inventory locations across the country. Suppliers also benefit from cost efficiencies due to freight concentration and a shared ‘campus’ model that reduces overhead when compared to the regional warehouse model of some 3PLs. The ability to service many retailers using one inventory is key to cost optimization.

**Retail Consolidation.** Likewise, suppliers that leverage retail consolidation reap the benefits of economies of scale, by sharing truckloads with other suppliers - creating a single, full truckload to the same retailer distribution center. This approach creates the most cost-efficient route to retail by eliminating redundancies, reducing transportation expenses and producing industry-leading performance levels.

**Value-Added Service Offerings.** Build value-added services offerings such as packaging, labeling, assembly and de-kitting, into your 3PL partnership to reduce turnaround and redundancies, while streamlining resource allocation within the overall retail supply chain.

Learn how RJW Logistics can help you drive supply chain agility and maximize business resilience.

Visit our website at rjwgroup.com or call (630) 424-2400. For additional CPG retail logistics insights follow us on LinkedIn at linkedin.com/company/rjw-logistics.