



An executive conversation with **Jeff Jones**, vice president, business development, Saddle Creek Logistics Services

EFFECTIVE RISK MANAGEMENT IMPROVES FULFILLMENT AND DELIVERY IN CHALLENGING TIMES

The COVID-19 pandemic has underscored vulnerabilities in the supply chain many retailers didn't even realize they had. And with demand continuing to rise, many have struggled to fulfill and deliver orders. To discuss how a third-party logistics provider (3PL) can help retailers to mitigate those challenges, Digital Commerce 360 spoke with Jeff Jones, vice president, business development, at Saddle Creek Logistics Services.

How has the pandemic underscored the importance of supply chain risk management?

Most companies have experienced supply chain disruptions of some kind due to the coronavirus pandemic. Importing difficulties, extreme fluctuations in consumer demand, staffing issues, mandates to close nonessential businesses ... the list goes on.

In the wake of the pandemic, retailers and ecommerce companies are recognizing their vulnerabilities and striving to become more agile and responsive to changes in the marketplace. They're making risk management a priority.

How can retailers and ecommerce companies retool their supply chains?

With considerable uncertainty ahead, it is important to take steps now to mitigate supply chain risk. Diversification can be one effective strategy. Instead of housing an entire inventory in a single distribution facility, it may make sense to add distribution facilities in multiple geographies.

It can also help to think about how and where functions like kitting and assembly are handled. Moving those processes closer to the consumer can increase flexibility, improve responsiveness and mitigate risk.

Also, all signs indicate that consumers will continue to shop more online. Greater volume of ecommerce orders generally requires more space and labor as well as specialized facility design, technology solutions and shipping strategies. Companies need to ensure that they have the resources they need to deliver a positive online shopping experience.

What are the benefits of partnering with a third-party logistics provider to avoid supply chain disruptions?

A 3PL can play an instrumental role in helping companies to identify and address potential risks and pivot as needed to accommodate ever-changing requirements.

3PLs are likely to have established facilities in strategic locations to help their clients distribute inventory across multiple locations. With a flexible workforce at the ready, 3PLs can better accommodate fluctuating order volume. They may also incorporate automation and robotic solutions to reduce labor dependency.

Using a 3PL's space, staff and technology can allow companies to be more responsive to the ecommerce marketplace without making a significant overhead investment. And since transportation and logistics is designated as a "critical infrastructure industry," many 3PLs can continue operating even if their clients are required to shut down.

Would you share an example of how Saddle Creek has helped a client overcome supply chain vulnerabilities?

During the pandemic, record subscription company Vinyl Me, Please experienced production issues with their record of the month. Their overseas manufacturer was able to produce the records but lacked the labor to package them in time to meet July order commitments.

Saddle Creek jumped in and handled kitting and assembly for more than 50,000 orders in just two weeks. Having scalable space and staff and experience in providing similar services for other clients enabled us to fill the gap and process orders quickly and accurately.

