Working With a Third-Party Logistics Provider? Here Are 3 Key Steps to Ensure a Seamless and Successful Partnership.



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Brands spend major dollars making positive connections with customers. They seek out touch points to build awareness, create personalized experiences and establish emotional links that drive greater engagement, sales and loyalty. And they are well aware that every interaction counts.

Yet, amid this flurry of activity, there’s one vital relationship brands may be overlooking that can make or break

their entire customer connection: It’s the partnership with their third-party logistics (3PL) provider.

Much like any successful relationship, this connection thrives on clear communication, mutual trust, compatibility and a deep understanding of each other’s needs and objectives. It’s not just up to a 3PL to make the relationship work — it’s a collaborative path that leads to its success.

Going well beyond contractual agreements, here are the three essential strategies brands can employ to nurture a thriving 3PL partnership and enhance their customer experience:

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1. Communicate openly and often

When a brand engages with a 3PL, establishing transparent and consistent communication is key to its long-term success. It starts during the evaluation phase when brands lay out their requirements and leads into the proposal phase when 3PLs share their core competencies. Before a partnership decision is even made, 3PLs should have their implementation plan mapped out, accounting for a brand’s system integrations, inventory management, packing details and carrier preferences, among other leading factors.

Open communication shouldn’t end with a service agreement. For a truly successful partnership, brands can’t take a set-it-and-forget-it approach with their 3PL. They can make warehouse site visits, establish channels for communication and share vital information regularly. The same goes for 3PLs. They cannot simply take over warehousing, inventory management, picking and packing, shipping and delivery without understanding all the nuances of a brand’s business, from a brand’s identity and SOPs to its specific compliance requirements for order fulfillment. Each partner must be willing to go all in on communicating transparently,

frequently sharing forecasting and sales data, providing visibility into inventory levels and discussing any issues, performance metrics and customer feedback that arise.

By fostering a strong collaborative relationship with their 3PL, brands can achieve efficient operations, transparent pricing aligned with expectations, and effective communication tailored to its unique needs. This alignment cultivates a positive customer experience, characterized by predictability and reliability.

2. Treat your 3PL as an extension of your brand

A successful 3PL-brand partnership goes beyond mere transactions. In the most successful partnerships, brands view their 3PL as a true extension of their team. This is an intentional process that takes more than simple collaboration. It requires a willingness from both brands and their 3PLs to integrate themselves into each other's business.

3PLs aren't typically experts in retail, but they are experts in getting products to shoppers. By relegating a 3PL to just operational tasks without integrating them into the broader strategic framework, brands can encounter inefficiencies and missed opportunities.

Take sales and promotions as an example. Say a brand has invested significant time and resources into launching a new product with a splashy ad campaign but didn't inform their 3PL partner of the expected upswing in inventory and sales. This will result in staffing shortages, fulfillment delays and disappointed shoppers. By leaving their 3PL in the dark, and not giving them the opportunity to prepare, the brand didn't support a successful partnership.

Communicating variances, whether it's new SKUs or expected

volume fluctuations, is a simple way to bring the 3PL along for the journey. Brands and 3PLs can take it further by establishing a point of contact who regularly shares updates, discusses KPIs like dock-to-stock metrics or inventory and picking accuracy, and aligns their customer support programs to quickly resolve shopper issues.

Operating as an integral part of a brand's team gives 3PLs the flexibility needed to adapt their operation to address partner needs instead of imposing rigid, one-size-fits-all solutions.

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3. Embrace 3PL technology and the visibility it provides

As retailers look for methods to improve their customer experience, 3PLs embracing technology are rising to the occasion to meet their needs.

It's not enough just to partner with tech-forward 3PLs, though. Brands need to go all in on the technology offered to stay competitive and meet the ever-evolving demands of their customers.

Various technology platforms, such as Order Management Systems (OMS), Warehouse Management Systems (WMS) and Transportation Management Systems (TMS), offer brands real-time insights into their 3PL, fulfillment and delivery operations, drive efficiency and offer visibility throughout their entire operation. What's more, a 3PL's automation, robotics and AI tools can boost productivity, reduce costs and enhance workforce experiences — leading to happier warehouse and delivery associates who perform better for brand partners.

Embracing technology and the 3PLs that adopt it, enhances operational efficiency and provides brands with the visibility

they need to make informed decisions and proactively address customer needs, ultimately leading to a more seamless and satisfying shopping experience.

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Maintaining open lines of communication, viewing 3PLs as a strategic partner rather than a service provider and embracing their technology are all key to forming successful partnerships.

With a strong 3PL relationship, brands can elevate their customer experience to drive brand loyalty and stay ahead of the curve in the increasingly competitive retail environment.

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