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Take It Outside

Free up your crucial resources by outsourcing fulfillment.

By [Melissa Campanelli](#) | [Entrepreneur Magazine - July 2007](#)

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As [your business](#) grows, sometimes it makes strategic sense to outsource critical back-end functions such as fulfillment. After all, outsourcing lets you focus on your core competencies while saving time and money.

"Outsourcing fulfillment allows e-tailers to stay focused on their key ingredients, whatever they may be," says Gailen Vick, president and CEO of Reverse Logistics Association, an outsourcing trade association. "If they have expertise in [marketing](#) or manufacturing, they can focus on that. And no matter how small the firm is, there are partners available."

[Reverse Logistics Association's](#) website offers a free service called RL Quote, which lets you specify the types of services you're looking for and get responses from members. "Smaller companies may be able to find smaller partners," Vick explains.

Some new e-fulfillment companies focus specifically on the small-business market. Consider [Shipwire.com](#), a Los Angeles firm whose [fulfillment service](#) lets growing online merchants outsource the entire process of receiving, warehousing and shipping merchandise.

Shipwire.com's services start at \$29.95 per month for access to a national warehouse network, simple bundled pricing and an open developer network. More than 30,000 online stores have already built Shipwire technology into their operations. According to Damon Schechter, CEO of Shipwire.com and author of *Delivering the Goods*, small businesses spend more than \$50 billion each year bringing bulk merchandise into the U.S., managing that inventory, and packing and shipping individual orders. "For most of these [businesses](#), shipping is an inefficient and unwanted cost center," Schechter explains.

According to Vick, here's what every e-tailer should know about outsourcing e-fulfillment:

- 1. Start now.** Instead of waiting until you're bigger to outsource, start the process as early as you can. "Stay focused on your core discipline and jettison everything else from the very beginning," advises Vick.
- 2. Find "look-alike" partners.** Locate a partner that matches your company. If you're a small e-tailer, you don't necessarily need to work with the biggest e-fulfillment player in the business.
- 3. Be creative.** When you're ready to start outsourcing, let all your partners and vendors know your plans. If you work with a variety of smaller partners, they might be able to team up and offer you an outsourced solution--say, a logistics provider and a repair company--to fit your needs and budget. You'll never know unless you ask.

Melissa Campanelli, author of Open an Online Business in 10 Days, is a marketing and technology writer in New York City.

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