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EXPERT ADVICE

E-Tailers, It's May - Do You Know Where Your Holiday Goods Are?

By Damon Schechter
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Using a third-party fulfillment service to outsource shipping and warehousing needs saves e-tailers time and money, both of which are in short supply as the holiday shipping clock counts down, says Damon Schechter, CEO and founder of Shipwire.

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In 2008, the challenges e-tailers face seem to have risen to new heights: carrier rate hikes, major postal code changes, exploding fuel costs, heightened multinational shipping expectations and uncertain consumer demand in an uncertain economy. This spring, businesses need to re-evaluate their warehousing and shipping strategy to effectively plan for the holiday rush.

Outsourcing shipping needs is the best solution to uncertain rates and demand because it gets the product warehoused closer to your local buyers and allows your warehousing needs to scale as your business does. Not only does this reduce price fluctuations, but customers also get their products faster and cheaper since products stored locally are no longer shipped cross-country.

E-tailers can then spend time and energy on sales, marketing and growing their core business instead of playing "pick and pack." Having a global network of warehouses "on tap," is also a great solution for small retailers looking to establish a local presence without having to invest in expensive infrastructure.

Start Planning Now

If you're an e-tailer thinking about importing inventory -- whether it be toys, electronics or apparel for holiday sales in 2008 -- spring is already time to review your product sources, put in orders and start figuring out the most cost-effective method for getting inventory to the right warehouse and shipped to customers. If your business imports products, getting over last year's holiday bah-humbugs early and planning strategically for the year ahead is critical.

Using a third-party shipping service saves online retailers from the scramble and hassle come December. For a monthly fee, businesses can integrate a complete outsourced shipping service directly into their existing e-commerce [W](#) sites. A good logistics outsourcing service is one that can take over and eliminate all the hassles at once: providing insurance, compliance and returns, 24/7 tracking and analytics.

One of the dirty little secrets of logistics -- one few e-tailers might know about -- is that there's a glut of space available in warehouses during the first six months of the year and, conversely, more merchandise than space the second six months of the year. Whether shipping by boat, train, plane or truck, the closer to September and October you get, the more expensive rates become and the harder it is to meet delivery time lines.

A Basic Time Line

The key to holiday planning is to balance the necessity to get started early with the business reality of forecasting holiday sales accurately.

For businesses importing merchandise into the United States, here is a basic time line to follow:

- **May**

Line up suppliers and solidify product costs. Suppliers will appreciate getting their orders early. It helps with their product development, procurement and projections, and might also enable you to get a discount for your timeliness. Wherever possible, provide purchase orders and payment information to confirm your commitment. Start lining up freight and logistics quotes and delivery time lines.

- **May through June**

Confirm that the manufacturer or distributor has you scheduled and is processing supplies. If you have had a significant product change or are importing something entirely new, make sure you get what you were expecting. Don't be penny-wise and pound foolish with samples -- use a reliable small package carrier with tracking capabilities. Get final freight quotes and schedule shipments.

- **July to August**

Delivery and ship dates are approaching, so reconfirm suppliers' commitments and get the tracking numbers. Shipwire supplies verification e-mails the whole way through the shipping process -- from delivery to tracking to arrival. You can also automatically update your customer's tracking status inside your e-commerce application.

- **September**

Ocean containers should be getting filled and booked for sailing. Have copies sent to check for accuracy. Make sure that no surprises crop up: Freight forwarders and customs house brokers should be familiar to your business, and no new parties should be introduced at this stage. Start marketing and taking back orders if possible.

- **October to Dec. 15**

If you're not using a third-party shipping fulfillment service, prepare to pack and ship orders late into the night. Outsourcing shipping can help you organize and answer freight questions to ensure a smooth holiday selling season in 2008. [E](#)

Damon Schechter is founder and CEO of [Shipwire](#), a provider of Internet-based inventory storage and order shipping services.

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