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Tech Talk: Mattress Firm Uses Online Warehouse

By Elizabeth Wasserman

An eco-friendly San Francisco mattress manufacturer focused on its core business after outsourcing its warehousing and shipping network to an online, on-demand IT company.

Keetsa is a San Francisco-based mattress maker that's environmentally-conscious -- from the materials it uses, the way its products are shipped, and how waste is disposed of. The business, which has about 10 employees, three stores, and a dozen retailers throughout the U.S., launched a year ago by outsourcing its order fulfillment from warehouses in Los Angeles and Chicago and automating fulfillment from its website and retail stores through an on-demand IT company, IT Director Joe Alexander tells IncTechnology.com.

Elizabeth Wasserman: Why did you outsource your warehousing and shipping?

Joe Alexander: We keep prices low to our customers by doing what we do best. Warehousing and shipping is not something we do best. We don't have a lot of experience with that. It helps us keep our costs down to not have to staff and manage a warehouse. For example, if our retailer in New York orders mattresses, we have to ship the order out to them. We don't have delivery trucks. The same holds true if an in-store customer can't take their mattress home in their car. Basically, we e-mail Shipwire, the company we hired, and let them know we have an order, give them the shipping information and they process everything: the logistics and even returns if necessary. We can manage everything here through a single Internet dashboard.

Wasserman: How does this help you in your business?

Alexander: It frees us up to run the stores, help customers, and work on getting our product into the country. We have our own manufacturing facilities abroad and we have to ship everything into the U.S. The dashboard is easily accessible whenever I'm on the road. And I'm on the road a lot. It's Web-based and I can see everything from shipping information to inventory levels. It's very important for us to be able to check our inventory levels online so that we can keep our inventory at a decent level. Also, by having this global network of shipping warehouses on tap, we avoid investing money in the expensive infrastructure of building warehouses. Perfect for the shifting demands of our growing business.

Wasserman: What have the results been?

Alexander: The results have been phenomenal. In a year's time, we've done well over one million dollars in business. The company is going through the roof when most stores are going through economic downturns. We are able to enjoy this level of success in business by focusing on the things that we do best. We're mattress retailers. We're not warehouse people. For us to have something simple in the background to let us do what we do best has been a key component to help us. Customer satisfaction is very important to us. We want to get our products there in a timely fashion.

We chose the online warehouse and delivery service for its flexibility. I'd estimate that using Shipwire has saved us 35 percent versus the traditional warehouse option. Also, as a small business operating in a downturn economy, the fact that there are no annual commitments and pricing plan is flexible so didn't have to marry ourselves to a certain agenda was a huge boon for us. If I tell a customer it's going to be there in three days, I turn it over and they take care of the rest.

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