Taylored Services

"Taylored" Fit Logistics for Customers

One of the challenges faced by the 3PL industry today is to maintain competitiveness through innovation and the application of technology. Taylored Services, a third-party logistics provider, is always looking for innovative ways to enhance quality and drive down costs for its customers. We sat down with Tom McCormack, CIO of Taylored Services to share some insights about his organization's unique value proposition, and roadmap for the future.

Please give us a brief overview of the company

We are a technology-focused 3PL provider in business just over 25 years. The journey has been exciting and challenging. We receive customer orders, pick, pack, and ship it while providing real-time information through a self-service appliance. There are other services we provide along the way such as Inventory control, customer service, routing and other areas that make up the supply chain. We make it "easy to do business with;" due to a suite of technology integration options ranging from spreadsheets to web services. Our in-house IT staff and PMO provide solutions that align with our customers without constraints or dependencies of outside vendors. In our industry, a smooth on-boarding process is a differentiator. We have facilities on the East and West coast. We use 2-Tier-1 warehouse management systems and provide e-commerce, wholesale and retail solutions.

Please walk us through your service offerings and how does it benefit your clients

We provide distribution, fulfillment, ecommerce and VAS services for wholesalers and retailers. Our WMS systems provide functionality that allows us to share inventory across channels in a single site. Our customers benefit as they are able to keep a reduced SKU count, capitalize on administrative and functional savings as a result of our data analytics capabilities and efficient processing as we reduce the customer footprint in our facility. I have seen some extreme cases where a customer had two physical sites where each site was dedicated to processing a specific channel.

We provide integration services and project management for our customers which includes our VP of Engineering, VP of Ops/Integration; an IT Director who

leads the EDI and Apps group, an EDI developer, a WMS expert and compliance manager—each work together with our customer. Our customer benefits as they are able to leverage best practices not only in logistics, but in technology and project management.

The wholesalers our customers sell to require a degree of compliance that often exceeds their ability to comply in an efficient manner. The barrier our customers face is their inability to produce X.12 EDI documents to compliant carton labels to robust inserts for the dot.com component. Our services also include interfacing with our customers' commerce hubs. To round it out, we have a compliance officer on staff dedicated to helping our customers understand and work with compliance. The benefit is clear; our customers are able to leverage our expertise and SG&A (Selling General and Administrative Expenses) enabling them to sidestep CAPEX investments for EDI and human capital investments for compliance monitoring.

How does data pass through your solution?

All inbound and outbound data flows through a gateway that behaves like an ETL tool. The tool handles traditional documents and also acts on data through our published API's. The first point of visibility is the order queue in our OMS where we receive ASN's and orders. The order queue presents the user with options using up to 185 data points

TOM McCORMACK
CIO

that enables them to batch and send to one of our WMS'. Our client services reviews orders for compliance and performs a 'soft allocation' so that only the orders that can be acted on are forwarded to the warehouse.

Once in the WMS; the orders are updated as they move through the wave, pick, pack, and shipping function. The orders will encounter 13 status changes throughout which is displayed on a self service portal for customer visibility. The parcel shipping function is built-in to the WMS and communicates externally with parcel carriers through API's. Once the order ships, carton level detail is passed back to the OMS for data cleansing and immediately transmitted to our customer, a commerce hub or both. Shipping data is transmitted within two and a half minutes from the point an operator invokes a shipping action in the WMS

> Data drives our business and our employees drive the data; investment in our employees is an investment in our future

Case Study

In 2014, we put up a new facility in Chino, CA with racks, sorters, automated conveyance as well as complete electronic integration in 6 months. Included was establishing compliance controls for 15 wholesalers, retail-outlet stores and international shipping. The facility now processes over 40,000,000 units a year and maintains inventory accuracy within a tolerance of .0015 percent. We were acknowledged by the USC Marshall Graduate School in 2015 for providing exceptional services with the "3PL Excellence Award." Since then we have received the TOP100 3PL each year.

Future

Through M&A (Mergers and Acquisitions) initiatives adding an import and domestic carrier service component will enable us to bundle transportation rates with existing services and through technology such as block-chain, expand supply chain visibility. Other initiatives include capacity management through M&A as well as reducing our carbon footprint through sustainability initiatives that target a reduction in SG&A. Finally, we will continue our penetration into the e-commerce market as we expand our offerings to include white-glove and competitive parcel rates through relationships we have with parcel carriers. CA