Honeywell Intelligrated

e-Commerce Growth Fuels 3PL Automation

Industry Trends

Many companies are turning to 3PLs to offset e-commerce fulfillment challenges and meet service level agreements (SLAs).

The U.S. 3PL industry experienced a **21.6% gross revenue increase** from 2016–2018.[1]

Availability of **warehouse space** hit a historic low of **7.3%** in the first quarter of 2018.[2]

Developers expect to build about **225M** square feet of **new warehouse space** in 2019, more than double the 10-year average of 120 million square feet.[3]

Meeting the Challenges of e-Commerce

Longer-term, e-commerce contracts are justifying 3PL investments in:

New **automation** equipment systems and **software**

Facility **upgrades** and new capital **expansion**

Order fulfillment enablement technologies

Labor

Almost half **(46 percent)** of U.S. employers can't find the **skilled workers** they need.[4]

How can 3PLs address the growing skilled **labor shortages?**

Contract Terms/KPIs

Startup activity in **logistics technology** reached the highest levels in recent history.[2]

What software and related technologies are emerging to help build **e-commerce foundations?**

Consumer Expectations

74 percent of shoppers will **repeat business** with a retailer that provided an enjoyable shopping experience.[5]

How can 3PLs improve order fulfillment **accuracy and productivity?**

LMS and Robotics

Labor management software (LMS)

Maximize performance and staff for every scenario.

Robotics

Automate a wide variety of repetitive and complex tasks.

IIoT, Software and Sortation

Connected distribution center technologies

Increase reliability with IIoT and connected DC technologies.

Warehouse execution systems (WES)

Connect islands of automation and integrate disparate workflows.

High-speed conveyance and sortation

Achieve the throughput rates required by today's most demanding omnichannel retailers.

Order Picking and Consolidation

Voice-directed picking

Begin the transition to automation with voice-picking solutions.

Pick- and put-to-lights

Adapt to each and open-case requirements with light-directed efficiencies.

Put wall order consolidation

Consolidate orders from various upstream picking processes for fast, accurate order fulfillment.

Mobile pick walls

Add picking flexibility and go-anywhere mobility for addressing low-velocity items.

1. Statista 2018
2. https://www.supplychainquarterly.com/topics/State%2520of%2520Logistics%2520Report/20180913-the-big-squeeze
3. https://info.3plcentral.com/2018-state-of-the-third-party-logistics-industry-report
4. https://www.cnbc.com/2018/07/05/the-us-labor-shortage-is-reaching-a-critical-point.html
5. https://temando.com/en/blog/article/new-report-2017-state-shipping-commerce