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What 3PLs Wish They Knew Sooner

3PL WMS Checklist

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“Scalability”—a buzzword that spans virtually all industries—seems to be a priority for every modern organization. Certainly, as the supply chain becomes increasingly complex, implementing scalable, sustainable logistics solutions is more important than ever.

But what does that technology look like in the context of the expanding third-party logistics (3PL) market, and how can 3PL providers leverage this tech for smarter scaling?

What makes 3PL so complex?

The complexity of 3PL doesn't lie in the variation or even volume of product—it lies in managing multiple customers simultaneously.

Specific challenges include:

- The flow of 3PL clientele tends to fluctuate significantly, requiring providers to be especially agile and responsive to sudden changes.
- Today's 3PLs must compete with the advanced automation and fulfillment capabilities of corporate elites, such as Amazon and Walmart.
- Providers are facing relentless pressure to scale rapidly, onboard unique clients, and remain competitive in an unpredictable market.
- Lack of automation tends to lead to preventable human errors in billing, compliance, and other critical areas, directly impacting profitability.
- Without the proper tech, businesses must resort to manual processes that are often daunting and unsustainable.

What makes 3PL so complex?

Too often, 3PLs discover vital warehouse management software (WMS) capabilities that can solve the above challenges after it's too late.

The following checklist illustrates some of the key themes around smart scaling and growth preparation for 3PLs, as explained by Michael Armanious, Datex president and CEO.

What do 3PLs need for smarter scaling?

A business's competitive advantage lies in its tech stack. And the strength of your tech stack is ultimately determined by its ability to scale, meaning your organization's capacity to:

- Adopt new products.
- Provide value-added services.
- Address compliance needs.
- Pivot as necessary by leveraging your technology infrastructure.

"Technology today is maybe just as important or more important than material assets when it comes to 3PLs that are able to successfully scale."

–Michael Armanious, President & CEO, Datex

What do 3PLs need for smarter scaling?

It's clear that [3PLs](#) need technology to thrive, but what specifically is needed from those solutions, and what features do they need to adequately support 3PLs?

✔ An Emphasis on Human Collaboration

The right tech tools are absolutely necessary, but they're virtually useless without competent humans to develop and reliably maintain them. Humans must be kept in the loop because they're critical for nurturing relationships and managing expectations.

✔ A Simple But Robust Billing Module

3PL providers require a solution that can capably capture all the costs associated with various [billing](#) activities—from storage and handling to value-added services—in real time. The module enables 3PLs to accurately translate the rates back to the proper client, as well as provide the documentation and validation pathways that regulatory bodies mandate.

✔ Customizable Workflows for Client-Specific Needs

Even for specialized 3PLs, the business models for each client are vastly different, which means you need a system that can easily code-switch between various client preferences and workflows.

✔ A Cloud-Based, Low-Code Platform

With global accessibility, quick adaptation to market changes, and no costly infrastructure upgrades, a [cloud-native](#) architecture implies inherent scalability. Low-code power means teams can easily make changes to the interface or enhancements to workflows and [add integrations](#) as necessary.

What do 3PLs need for smarter scaling?

“A low-code platform that’s embedded within the solution itself allows third-party logistics providers to make changes, to be dynamic. So, as requests come in from their clients, they can go on their own and make those changes right in the system without having to make any source code changes or hire developers.”

–Michael Armanious, President & CEO, Datex

What are the keys to successful WMS implementation?

Lastly, you need to know what components are necessary for your WMS implementation to go off without a hitch. Priorities should include:

- ✓ **A super user:** Nominate a dedicated resource, such as a program manager, to take ownership and become champion of implementation.
- ✓ **Time to test:** Ensure sufficient time to train your resources and consider all scenarios.
- ✓ **Seamless onboarding:** Make it as painless as possible to get new clients in and using the system by developing a clear set of instructions.
- ✓ **Open-web APIs:** Verify that available connections with other platforms are embedded into the system as needs arise.

What are the keys to successful WMS implementation?

“The [WMS implementations] that fail, honestly, are the ones that look at technology implementation as an afterthought.”

–Michael Armanious, President & CEO, Datex

How can 3PLs gain an edge with technology?

To sum up, WMS technology helps 3PLs:

- ✓ Accelerate onboarding agility and reduce client ramp-up times.
- ✓ Seamlessly integrate with transportation management, enterprise resource planning, billing, and electronic data interchange platforms using open APIs.
- ✓ Maximize overlooked WMS features, such as billing automation and first expired, first out workflows.
- ✓ Prepare for what's next with predictive tools and real-time dashboards.

As the technology extension of 3PLs, Datex understands the sophisticated needs faced by providers in this vertical, which is why we've made it our mission to develop and enhance the solutions necessary to minimize that complexity. To see the benefits for yourself, [preview Footprint® WMS](#) today.