LEANING INTO SUSTAINABLE FULFILLMENT



BEYOND



Consumers Seek Out Companies Involved in Sustainability

67% of consumers say it's important that products they purchase be packaged in recyclable material, and 67% consider themselves environmentally aware. Millennials are most likely to buy sustainable products, but Gen Z aren't slacking either, willing to spend more to make sure that products meet their sustainability standards. Consumers' willingness to pay more for products with sustainable packaging could help the industry absorb the increased costs around making the switch. The time is right to build sustainability measures into your fulfillment operations



Could reducing shipping waste improve your brand image?



Sustainable Fulfillment – eCommerce order fulfillment that minimizes the environmental impacts of your supply chain is top of mind today. Consumer awareness of the environmental impact of online purchasing has grown, driving sustainability efforts to the forefront of in-house and outsourced fulfillment operations. Business leaders are challenged to find eco-friendly and carbon-neutral solutions for their e-commerce fulfillment operations.

eCommerce waste is a more serious problem than you think. In 2018, the EPA estimated that packaging accounts for about 30% of all household waste. Moreover, packaging made from plastics is rarely recycled, with the bulk ending up in our oceans, forests, and landfills. Beyond the harm to the environment, inconsiderate packaging hurts your brand reputation as well. Think about opening a

large box to find a much smaller product inside, or individually boxed and shipped items placed as a single order and thinking "what a waste!".

When it comes to sustainability initiatives, businesses need to shift from a focus on short-term financial performance to one that emphasizes long-term effects and strategic implications. To be successful, companies must reevaluate their e-commerce fulfillment operations, challenge conventional thinking, and look for eco-friendly best practices that offer sustainable distribution solutions to organizations and, ultimately, customers.

So, how can your company achieve Sustainable Fulfillment? The answer lies in working with your fulfillment provider to source proper packaging, planning intelligent shipping, and bringing awareness to your customer base.

PACKAGING

Creating Sustainable Fulfillment

Whether you fulfill orders inhouse, or use a 3PL or third-party fulfillment provider, employ these tactics to create a more sustainable fulfillment environment.

1. Packaging

Packaging is on the front line of the consumer's brand experience. Understanding that pollution is a growing problem across the globe, and packaging waste a large contributing factor, companies are beginning to respond by seeking out more sustainable packaging alternatives. Packaging initiatives are yielding positive environmental impacts and strong financial returns to the bottom line. Cutting back on additional plastic and packaging, manufacturers and retailers are reducing transportation costs and improving shipping density. E-commerce native brands, as well as Amazon, are embracing this solution.

Poor packaging leads to brands being labeled as inconsiderate or wasteful. The solution is to "rightsize" and eco-friendly package your products. Right-size packaging means avoiding product packaging that is exorbitantly larger than the product itself and eliminating excess materials and fillers. Eco-friendly packaging means using recycled or renewable materials, if available, that are biodegradable or easily disposed of.

The technology for on-demand packaging in e-commerce is being adopted in greater numbers across industries. Eliminate over-boxing by shipping in the original carton is also becoming more commonplace.

In recent years, polybags have been widely adopted by retailers because of their effectiveness in preventing damage to product throughout the supply chain. Now, however, companies are looking for alternatives to polybags. One solution is biodegradable packaging, made from recyclable, plant-based materials to their negative environmental impact. One popular solution is biodegradable packaging, made from recyclable, plant-based materials.











If you use large box packaging accompanied with fillers to avoid product damage, explore new options in reusable and recyclable packaging—like cornstarch packing peanuts. You'll avoid product damage while providing the consumer a sustainable unboxing experience.

2. Intelligent Order and Inventory Management, Fulfillment and Routing

Intelligent Inventory Management means that your inventory is placed in the warehouse closest to your customers, also known as distributed fulfillment, to reduce shipping distance and costs.

Generally, warehouse management aims to control the stock within a warehouse. Warehouse Management Systems (WMS) provide a technology to manage the storage and movement of products and materials. The goal is to be as efficient as possible

and reduce delays due to locating products within large warehouse complexes. Key points of a WMS:

- centralized management of warehouse processes.
- streamlining the allocation and pick-up of goods.
- tracking inventory and locating stock.

Beyond warehouse management looms the more encompassing order management, which streamlines the administration of all business processes related to orders for goods or services with the help of an Order Management System (OMS). Usually, OMS include functionalities as:

- assigning orders to the correct warehouse.
- automating and streamlining order processing.
- up-to-date information on the inventory, vendors, customers, returns, billing and payments, and

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order processing records.

This makes managing the order process much easier, ensuring that orders are picked, packed, and loaded correctly helping to reduce returns, reroutes and expedited shipping.

3. Optimize Transportation

Transportation optimization starts at the distribution center. By using warehouse or order management software to route your orders correctly, your fulfillment partner can identify the most viable distribution center to ship orders in terms of delivery speed and cost. Additionally, last-mile delivery routes should be calculated to reduce mileage and ensure the most energy-efficient routes are selected.

Carbon emissions from transportation are another major source

of waste in your supply chain. Last mile delivery and air freight make up most carbon emissions in logistics, so transportation optimization and intelligent inventory management are significant ways of reducing your carbon footprint.

When it comes to sustainability initiatives, businesses need to shift from a focus on short-term financial performance to one that emphasizes long-term effects and strategic implications. To be successful, companies must reevaluate their e-commerce fulfillment operations, challenge conventional thinking, and look for eco-friendly best practices that offer sustainable distribution solutions to organizations and, ultimately, customers.

Companies on the forefront of adopting sustainability as a stra-







tegic initiative are viewing it as a journey, starting with "quick-win" initiatives and followed by plans to move into larger and more capital-intensive projects. Among the most impactful areas that companies at the forefront of adoption are currently focused on is packaging.

Spread Awareness

Once your business has adopted Sustainable Fulfillment, the final step is to educate your customers!

If you use recyclable materials, let your customers know so they can ensure responsible disposal and feel part of the solution. By getting customers on board with your eco-friendly efforts, you can have a much wider positive impact on the environment as a business.

You should advertise the steps you've taken towards Sustainable Fulfillment and consider using packaging inserts in your orders that explain why your business took these steps and what customers can do to help. Advertise the steps you've taken towards Sustainable Fulfillment. A simple insert slipped into each order promotes your efforts and raises the profile of your brand.

Consumers love a customized boxing experience, including packaging, inserts, and materials. If your 3PL or fulfillment provider doesn't offer this, then maybe it's time for a switch.

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