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

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

**Contract Terms/KPIs**

- Startup activity in logistics technology reached the highest levels in recent history.
- **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.
- **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.

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1. Statista 2018