



Services: Fulfillment  
Industry: Logistics

Trading Partners: Wide range of suppliers

## Innovative Fulfillment Solution Fuels Tremendous Growth for Logistic Edge

Back in 2007—back before digital retailing became the unyielding force that it is today—**Logistic Edge** had this forward-thinking idea: combine the capabilities of a cloud-based warehouse management system (WMS) with the functionality and efficiency of EDI services delivered on a cloud-based platform.

By doing so, the Southern California third-party logistics provider (3PL) gave itself a tremendous leg up. Not only could it provide retail suppliers automated warehousing and distribution services, it effectively became a one-stop shop, with the ability to print shipping labels and send Advance Ship Notices (ASNs) on behalf of its customers via the powerful integration of the SPS Retail Network and the 3PL Central WMS.

Fast-forward to today and that integration has become the lifeblood of Logistic Edge's business strategy, with the company experiencing double-digit sales growth over the last several years. Digital retailing is now bigger than ever, and with that shift, comes increasing demands from retailers, especially behemoths like Walmart and Amazon. Vendors must now have the wherewithal to ship to warehouses, stores and even the consumers themselves, a capability known in the retail industry as drop shipping. In fact, more than 50 percent of Logistic Edge customers do some form of drop shipping—double what it used to be.

"The mix has certainly changed," said George Hynes, president of Logistic Edge. "We still do a lot of brick-and-mortar-based order fulfillment, but along with that we are doing a lot of ship to store and drop shipping. Having SPS as a partner has really enabled us to serve all those different channels without having to reinvent the wheel."

Drop shipping, in particular, has quickly gained popularity among retailers because it allows them to sell a wider array of merchandise without the burden of having to carry the inventory within their warehouses. For suppliers, however, this can create quite a challenge because they are then responsible for getting that merchandise to the customer—most often in company-branded packaging—and then letting the retailer know when the product has shipped. This is where Logistic Edge—and the SPS-3PL Central integration—becomes extremely valuable. The platform allows Logistic Edge to handle all of the complex logistics requirements for its vendor customers, including warehousing, distribution, specialized labeling and notification to the retailers.

"It has really been a benefit to us that SPS has been on the leading edge of figuring out what consumers want and need from a fulfillment perspective," Hynes said. "That's been huge for us because we can continue to offer the same level of vendor compliance even though we are now dealing with three or four different modes of shipping to a wide variety of vendor customers."

### Improving Logistic Edge's Trading Partner Relationships



SUPPLIERS

**“Vendors are looking for service providers like us because requirements are constantly changing and many times their old 3PL wasn’t able to handle all those different channels. Unless you have the platform to support the various forms of digital retailing, there’s really no good way to do it.”**

**—George Hynes, President of Logistic Edge**

Some of the largest retailers that Logistic Edge customers supply include Amazon, Target, Target.com, Sam’s Club, Walmart and Walmart.com.

### The “Amazon effect”

Among the biggest challenges for Logistic Edge—and its vendor customers—is the “Amazon effect.” As the largest U.S. Internet retailer continues to push the envelope in every aspect of its business model, from lightning-speed delivery to broad product assortments for its customers, the requirements for its supply chain continue to increase substantially, as well.

For vendors using Logistic Edge, this means that they may have to deliver products to customers within a day or two instead of a week, in addition to providing the same level of engagement and service that they always have.

“What it took to service Amazon three or four years ago is a lot different than it is today. There are a lot more nuances and they are requiring a lot more of their suppliers, and indirectly of their warehouses,” Hynes said. “And with that, we are

closely partnering with SPS Commerce because they’ve got the tools, technology and integration for us to handle any impact as a result of Amazon.”

Using decades of supply-chain expertise from SPS, which includes pre-built integrations to all major retailers including Amazon, Logistic Edge has the platform to meet the requirements of various retailers, in addition to ensuring order accuracy for vendors.

“This enables us to be much more competitive. Nearly all of my customers have some Amazon exposure even if they are selling to other retailers. With some customers, their whole base is Amazon,” Hynes said.

### A decade-old investment pays off

With digital retailing growing at break-neck speed—even outpacing in-store shopping over the holidays—Logistic Edge has become even more appealing to suppliers looking to expand their omnichannel horizons, be it through drop shipping or more ship-to-store business. And it is this agility that is providing Logistic Edge with its biggest opportunity.

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And that’s further proof that integrating the cloud-based WMS and EDI platforms years ago was, indeed, an excellent decision for Logistic Edge.

“The fact that we’ve been able to continue to grow our sales without making any drastic changes to our core platform for several years is pretty validating, especially given that the overall fulfillment landscape has changed drastically,” he said.

The partnership is also bringing new business to Logistic Edge, with SPS referring a number of suppliers who are looking for a 3PL in the SPS network.

“Our growth trajectory would have been quite a bit different had it not been for the choice we made years ago and our strong connection to SPS,” Hynes said. “I’m sure five years from now, when retailers’ requirements are again drastically different, SPS Commerce will be just as responsive!”