



WAGNER WAREHOUSING

Wagner's Guide 2017

Your Source for Navigating the 3PL World



We're Wagner Warehousing

We don't just store products, we're caretakers, and we care about you and your growing company. Navigating the increasingly complex world of logistics, supply chain management and warehousing can be tricky and stressful - we're here to guide you through it.

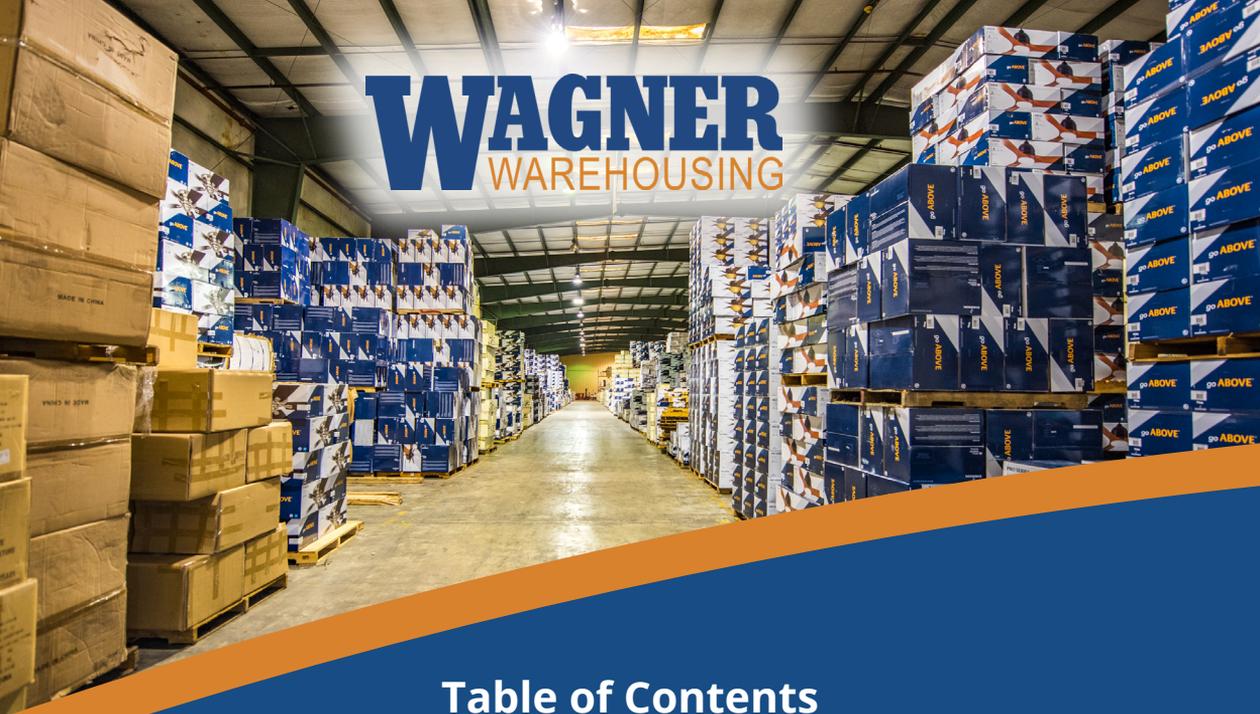
In this year's edition of Wagner's Guide, you'll find actionable insights and tips about researching, selecting and working with a Third Party Logistics provider.

You'll also learn where your warehousing dollar is best spent and about Paducah, one of the nation's newest Foreign Trade Zone approved locations.

Many changes are in the pipeline for modern logistics. Don't worry about keeping up with continually adapting your supply chain - we're here to help.

- The Wagner Team





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Three Solutions for Everyday Supply Chain Complexities

The challenges of supply chain management are in a constant state of evolution and growth. From the growing number of potential competitors and partners in the global market to the increasing number of materials and products, the amount of logistical hurdles rises each year.

While the challenges, expectations and responsibilities keep growing, there are a few complexities a supply chain manager can simplify immediately, just by switching to a comprehensive third-party logistics (3PL) provider.

Complexity: Juggling multiple relationships with multiple providers

Solution: Develop a mutually beneficial relationship with a single 3PL

Developing a close relationship with a 3PL allows for trust between you and your logistics provider as well as greater transparency throughout your supply chain. Logistics simplicity is only produced when a chain is transparent, when managers can, in an instant, know where their product is in the supply chain and what will happen to it next. By funneling every product through a single, comprehensive 3PL, you can begin building a trusted relationship with that provider and focus on growing your chain.

Complexity: Negotiating increasingly high shipping rates

Solution: Upping the volume to a single 3PL simplifies payments and lowers shipping rates

When supply chain managers spread out their moving freight between multiple warehouses and transportation providers, they lose the leverage of shipping in bulk. Funneling all of your freight's volume through a single 3PL will allow them to leverage that large amount of freight to gain lower transportation rates with their network of trusted providers.

Complexity: Wasting resources, money and time finding new service providers

Solution: Allow a 3PL to handle logistics through their network of resources

Regain the time you spend finding, researching, contracting, negotiating with, and monitoring multiple warehousing, transportation and logistics providers. By selecting an all-in-one 3PL, you can trust in their existing and established network of providers and let them take over the logistics management for you, leaving you to focus on expanding your supply chain into new markets.

Why imagine what a trusted, comprehensive 3PL could do for your supply chain when you could find out? Start your search for the right 3PL partner today.





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Get the Most Out of Your Warehousing Dollar

The Bureau of Economic Analysis estimates that Kentucky is one of the top ten states to get the most bang for your buck.

In Kentucky, \$100 has the purchasing power of \$112.74 at the national average price level, whereas \$100 in California has a purchasing power of \$88.97, and \$86.43 in New York.

What does this mean for businesses in search for a Foreign Trade Zone-approved 3PL partner?

It means that a dollar goes further in high-value states like Kentucky, Mississippi, Alabama and Arkansas, delivering more value and return on investment than dollars spent elsewhere.

According to the BEA's analysis, a dollar from a Kentucky-based business would lose a percentage of buying power at each of the nation's busiest ports:

1. **Los Angeles and Long Beach, California, -21%**
2. **New York, -23%**
3. **Savannah, GA: -3%**
4. **Seattle, WA: -14.5%**
5. **Norfolk, VA: -13.5%**
6. **Houston, TX: -8%**
7. **Oakland, CA: -21%**
8. **Charleston, SC: -4.5%**
9. **Tacoma, WA: -14.5%**
10. **Port Everglades, FL: -10.5%**

Conversely, a Kentucky-based business would gain a percentage of buying power at each of these following ports:

1. **Little Rock, AR: +1.4%**
2. **Gulfport, MS: +2.3%**

And, by utilizing a Foreign Trade Zone area in Kentucky, like the Paducah Riverport Authority or the Louisville & Jefferson County Riverport Authority, businesses in Kentucky would maintain buying power.



The Difference in 3PLs and 4PLs and Which is Best

As the world further transitions into a global marketplace, growing companies are increasingly looking to hand-off their logistics processes to a third party provider (3PL).

Logistics are now being managed by a large tier of service providers which includes both 3PLs and 4PLs. Which is right for your company?

3PL

- Provides expertise and practices to integrate into existing supply chain
- Is host to a network of transportation and supply chain relationships
- Ideal for controlling and maximizing costs
- Best for improving the experience of the customer base
- Can expand transportation network and carrier routes
- Smaller in scale than 4PL and can remain agile and specialized
- Companies maintain customization and control when using a 3PL over a 4PL
- Best for growing companies that are looking to expand their market
- Manages operations, warehousing, transportation, cross-docking, inventory management, packaging and freight forwarding in-house

4PL

- Controls every aspect of the entire supply chain, often a network of 3PL's
- Acts as the intermediary for client and multiple logistics partners
- Serves as a supply chain advisor and manager rather than partner
- Serves as single point of contact for all involved in the supply chain
- Best for large companies currently partnering with multiple 3PL providers
- Manages procurement, storage, distribution and processes via a network of providers

Ultimately, choosing a 3PL will allow a company to maintain control of their entire supply chain while handing off the logistics portion to a partner facility. They'll retain a closer, more intimate relationship with their logistics supplier and can more closely monitor their product from manufacturing to end-user.



OUTSOURCE IN-HOUSE

Insourcing Vs. Outsourcing: Which is Better for Your Company?

When it comes to determining whether to insource or outsource your company's logistics and warehousing, the decision can seem overwhelming. By looking at a few factors, however, the process can be simplified.

1. Does your company have the ability, competency, manpower and equipment to manage all of your logistics needs in-house? Assess your team's experience, utilities, space and technology before deciding.
2. How much time, money and energy could your company save by outsourcing versus insourcing your logistics? Assess your team's current hourly and monetary expenditures on managing your logistics as well as how much could be saved by outsourcing that effort.
3. What is your company's desired level of autonomy, responsibility and control over your logistics processes? Ultimately, insourcing would provide the most autonomy, but that does not necessarily equate to best management and optimization. If your in-house expertise and ability does not exceed that of a 3PL, choosing to insource could be risky.

Below are some of the benefits of insourcing versus outsourcing:

Insourcing

- Ultimate control and autonomy
- Maintain independence and free from depending on a 3PL
- All information concerning logistics remains confidential
- Risks of handing off logistics to a third party are mitigated

Outsourcing

- Expertise and knowledge
- Continually updated processes, technology and equipment
- Lower costs
- Enhanced flexibility
- Existing facilities
- Access to cross-nation network of transportation and supply chain partners
- Hand off workforce issues like hiring, firing, compensation and management
- Reduces operating costs
- Improved customer service

Whether you choose to insource or outsource your logistics processes, be sure to remain objective in your decision-making process and aware of the benefits, risks and drawbacks that come with each decision.



The Top Value-Added Services You Need from a 3PL Partner

Your product is unique and so are your customers. To remain competitive in the constantly evolving retail environment, a company must remain agile in meeting the demands of the consumer and marketplace.

As an extension of your supply chain, your 3PL must also remain agile and flexible when it comes to warehousing and logistics services.

When choosing a 3PL, be on the lookout for these top value-added services that will benefit your company in the long run:

- 1. Lean warehousing, scalability and flexibility**
- 2. On-time and error-free delivery**
- 3. Strategic planning throughout the logistics process**
- 4. Adaptability to unique business requirements**
- 5. State-of-the-Art software and technology integration**
- 6. Targeted cost-reduction analysis**
- 7. Integrated KPIs and performance diagnostics**
- 8. Regular quality inspections**
- 9. Kitting, assembling, packaging and repackaging**
- 10. Cross-docking**
- 11. Direct store delivery and fulfillment**
- 12. Foreign Trade Zone location**
- 13. Responsive, relational customer service**
- 14. Special handling, dimensional, expedited, LTL, flatbed and full truckload options**



Finding and Choosing a 3PL Partner: Questions to Keep in Mind

The decision to take on a third-party logistics partner is an exciting and intimidating one, as your company will now be entrusting your products, supply chain and the bulk of your customer service to an outside entity.

In return for your trust, it's important to make sure your 3PL partner is fully equipped and prepared to take on your unique demands.

Below are just a few questions you should keep in mind when researching a potential 3PL partner:

- ◆ **Where are they located? Are they near accessible highways, railways and/or rivers?**
- ◆ **Are they located within a Foreign Trade Zone? Would your company benefit from employing a Foreign Trade Zone Approved facility?**
- ◆ **What is the size of their building? Do they have the space, equipment and manpower to accommodate your growing needs?**
- ◆ **What kind of products do they have experience in handling, transporting and warehousing?**
- ◆ **Do they have the ability to customize and specialize the caretaking of your products?**
- ◆ **Are they agile and experienced enough to adapt when problems arise?**
- ◆ **How long have they been in business?**
- ◆ **How many current clients do they have?**
- ◆ **What are past and current clients saying about them?**
- ◆ **What is the experience level of their employees? How long have the majority of the employees been with the company? How high is the company's turnover rate?**
- ◆ **What systems are they certified to use?**
- ◆ **When are they available? If you have an issue, day or night, will you be able to reach someone at the company?**
- ◆ **Are they honest, genuine and responsible?**
- ◆ **Are they experienced and professional?**

When it comes down to it, you'll only be choosing one 3PL to partner with. It's important to make sure the partner you choose will work as an extension of your company and mission.

By keeping the above questions in mind, you'll be able to make an informed and beneficial decision for your company and mission.





The Benefits of Warehousing in Paducah

Meet **Paducah**, a buzzing river town in the heart of western Kentucky. With its location and size, the benefits of warehousing in **Paducah** are hard to deny.

It's a viable storage, logistics and distribution location for national and global companies with the ability to connect products and materials with customers and end-users around the world.

Four Benefits of Warehousing in Paducah

Here are a few reasons why every supply chain, procurement and logistics professional should keep Paducah, Kentucky on their warehousing and logistics radar:

1. Rail Access

Paducah is a thoroughfare for four railway systems via the Paducah and Louisville Railway – the Canadian National (CN), the Burlington Northern Santa Fe (BNSF), CSX Transportation (CSXT) and Norfolk Southern (NS), making it a prime distribution spot for products and goods.

2. River Proximity

Paducah is located near the confluence of the Cumberland, Tennessee-Tombigbee and Ohio Rivers, just 50 miles away from the Mississippi. Paducah's Riverport Authority provides a conduit for connection to ports along those waterways.

Halfway between the Gulf Coast and the Great Lakes, Paducah's geographic location provides effortless distribution reach to many large US cities: Memphis, Nashville, Louisville, St. Louis and Chicago.

3. Highway Connection

Paducah is situated as an easily accessible location for drivers, located right along Interstate 24 and just 30 miles away from Interstate 69.

It also sits right in the heart of the nation, approximately 200 miles from St. Louis, Nashville, Memphis, Louisville and Lexington

4. Home to Wagner Warehousing

We're Wagner Warehousing, a comprehensive 3PL provider, and Paducah is our home. We're a storage and logistics facility with customizable warehousing, transportation and logistics capabilities.

Our warehouses accept and distribute shipments directly via an eight-car capacity rail dock and cross docking system, and our personnel are trained and ready to tackle unique and time-sensitive caretaking and shipment requests.

Grow your business by making Paducah a link on your supply chain.



3 Advantages of Paducah's Foreign Trade Zone

Did you know? As of last summer, western Kentucky joined the rankings as a Foreign Trade Zone (FTZ) through the Paducah-McCracken County Riverport Authority. The FTZ, centered in Paducah, is the fourth in Kentucky and further opens the area to global trade and distribution.

Both national and global distributors know the benefits of employing FTZ-approved facilities, like delaying and lowering customs' duties, reducing paperwork and streamlining the supply chain management process.

But, if you're searching for a FTZ-approved 3PL and warehousing location, should Paducah be on your list?

Top Advantages of Paducah's Foreign Trade Zone

1. Ease of Importing and Exporting Goods. Paducah is a river town in western Kentucky, situated at the confluence of the Tennessee, Cumberland and Ohio Rivers. The city is a few dozen miles upstream of the Mississippi River and serves as a major thoroughfare for barges carrying cargo to and from the Gulf of Mexico.

Manufacturers importing supplies, products and goods can ship directly to FTZ-approved areas like Paducah, store merchandise and delay duties until the product is distributed. Similarly, goods being transported through a FTZ to an end-destination outside of the US are exempt from duties.

2. Ease of Transferring Goods. Companies can transfer merchandise from one FTZ location to another, delaying customs' duties until the processing is completed. Paducah provides an ideal port of entry and conduit to other major FTZs like Louisville, Cincinnati, Chicago, St. Louis, Nashville, Memphis and more, connecting imported products to the rest of the nation.

3. Ease of Storing and Distributing Goods. Wagner Warehousing is a FTZ-approved storage location and 3PL service located less than a mile away from the Paducah-McCracken Riverport Authority.

We offer cargo pickup and drop-off services, comprehensive logistics, short and long-term warehousing options and transportation services, all focused on supplementing your supply chain.

Strengthen and simplify your supply chain by taking advantage of western Kentucky's Foreign Trade Zone.

