

Peak Season Guide

Warehouse Manager's Guide to a Nightmare-Free Peak Season





According to our 2023 Peak Season Report with Industry Dive, this peak season is going to be tough:

- ✔ Historically high inflation has calmed, but 32% of supply chain executives are focused on **tight budgets** and **reliable access** to goods and services.
- ✔ Fulfillment centers in all industries are experiencing a **persistent labor crunch** on permanent workers in and outside the four walls.
- ✔ One-third of executives expect to address these issues with **increased 3PL usage**, but that could be a bandage for 30% who expect to carry **more inventory** to cover for volatility.
- ✔ Topping that off, one-third of executives expect **increased consumer expectations** to have a direct impact on execution.

It's a lot to navigate when a majority of those surveyed expect the 2023 season to be as difficult as the pandemic years. Luckily, there are some strategies and technologies you can deploy to mitigate risks. Based on the report, we recommend focusing on 5 key areas: Labor, Supplier Management, Order Accuracy, 3PL Outsourcing, and Long-Term Growth

Let's explore these areas further. You can also skip to our report: *"Navigating Peak Season 2023"* here:

[Unlock the Full Peak Season Report](#)

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#1: Keep Workers Happy

Full-time workers in the warehouse continue to drive our supply chains. Most of them run on physical grit and deep tribal knowledge.

One of the concerns around this is the difficulty in attracting and retaining permanent staff. While 53% of our respondents **focused on using temporary workers** to bridge demand, that's covering for issues in retention of the core team. This year, supply chain executives will focus more on keeping the people they already have happy.



✔ Remove process friction

Understand what's impacting productivity and which tasks are undesirable, leading to turnover in the first place. Augment them with technology, restructure the process, or outsource it entirely when it makes sense (discussed later). If your workers are fighting the job itself, they'll opt to get another. We saw a 4x increase in executives' focus on digital upskilling for their workforce. Familiarity with the technology is as important – if not more than – as its acquisition.

✔ Make the job comfortable

Advancements in handhelds, audio, and visual aids have improved day-to-day tasks significantly. Augmenting staff with automated technology reduces errors and boosts task efficiency. Reducing frustration in performance – physically and mentally – directly impacts labor retention. Automation will also make you a desirable employer when recruiting seasonal workers.

✔ Respect their time

Gamification has had a strong impact on floor productivity. People are motivated by doing a good job and being able to quantify it. Whether it's for your full-time team or the temporary labor, everyone wants to see that they did meaningful work. Making that transparent will drive positive results in the areas of operations and customer experience.

A happy, comfortable, and invested in workforce will be critical for peak season success. While you can't control the market, you have direct control over how your team feels about their mission. A strong team can handle anything the market throws their way.

#2: Tighten Up Supplier Management Early

While there will be a strong focus on sales, warehouses run on a whole variety of adjacent partner contracts. The inflation concern especially factors into how you process orders and how they enter and leave your facility.



41% of supply chain executives felt that **price pressures** from the recent inflation will have a direct impact on both the procurement and profitability of their warehouses.

✔ When were your supplier contracts last negotiated?

Your prices might be adjusting for the market – like fuel indexes – or not locked in at all, putting you at the mercy of first-come, cash in hand. With a pandemic and record inflation, the volatility in goods prices has been unpredictable. Reviewing your contracts early can highlight prices that have gone up and some that might have gone down as demand normalized.

✔ Do you have committed volumes to cover your peak season?

A good price on your services contract is great, but if performance confidence is your problem, making sure you have committed volume for specific time periods is essential. Create a forecast of both volumes needed and time periods that can be shared with your service provider. You may need to pay a fee or commit to using 50% of that volume, but it beats going to the market in an emergency.

✔ Have you diversified your supplier base?

While you might have a single-sourced strategic vendor, things happen. Trucks break down, stock is oversold, inflation shuts them down entirely. Having a backup plan is the only safe bet for business continuity. Getting those in place early on low-risk initiatives is essential.

Consider that 45% of supply chain executives were concerned about the cost and availability of Logistics and Transportation Services for their business - double vs. 2022. That's why it's crucial to review your carrier contracts and commitments.

Do this for anything consumed by your facility. From corrugate to MRO to trucking, it can be easy to overlook things that aren't on the invoice to the customer. This is doubly true if it hasn't been a prior issue. No surprises. Don't have time? Consider automating this in your [warehouse management system](#).



#3: Assess Mistakes and Returns Handling

Mistakes happen. Nothing ever goes perfectly to plan. Exception handling is one of the core disciplines in best-in-class warehouse management operations, but are you doing it efficiently?

Manual processes around pick-pack-ship lead to product issues and order errors, which lead to higher returns, costs, on-hand stock, and customer churn.



Not surprisingly, 40% of those surveyed this year anticipate order accuracy to be a critical issue this year, up 2.5x from the previous year. Similarly, 50% felt returns would be an issue, up 2.5x as well. That's a lot of orders that will need to be reworked and returns to be processed! A full 61% of respondents said that keeping significantly more inventory was going to be part of their strategy. But, with the availability of automated solutions, stocking up should not be the go-to solution it once was. Here are a few examples of how a WMS helps:

✓ Never stop cycle counting

If you are going to carry more inventory, you need to cycle count more. The WMS allows smaller cycle counts in between pick waves – it also automates the process to boost efficiency. More checks more often will accommodate increasing order volume while ensuring a consistent check on your facility's overall accuracy.

✓ Validate Available-to-Promise (ATP)

As important as what's in your facility is what you are making available for purchase on your many storefronts. Extra inventory can buffer for inaccuracies between your warehouse and your marketplace, but misreported inventory can lead to overselling, inaccuracies on your webstore, and your systems misrouting orders. A modern WMS with [order management and DOM](#) shows exactly what's available no matter where it's located, including multiple locations and even in [stores](#).

✔ Errors will increase returns

If order accuracy is going to be an issue this peak season, expect an increase in returns as a natural knock-on effect. Remember that 2.5x increase? Do you have the staff to track, receive, restock, and re-enter more returned products into the system before you can sell them?

Why wait? You don't necessarily need to process returns in the same facilities you fulfill from. In many cases, it's preferable for returns to have a dedicated facility, return directly to the vendor, or to be accumulated and returned in batches.

Have a flexible strategy in place ahead of time and a technology that can manage it all in one place.

Best-in-class WMS solutions help identify gaps or areas where errors are most likely, ensuring exceptions when they're needed, orders packed right, and inventory ready to sell earlier.

#4: Render Unto 3PL

Should you even be doing it?
It's not a rhetorical question.

- What are your core competencies?
- Where can you add unique value?
- What makes sense for you **not** to be doing anymore?



3PLs can be an incredible resource whether you need to get difficult products out of your facility, offer personalized services like packing and kitting, or extend into a new channel.

If your core business is around B2B and retail replenishment, carving out floor space may not be an option for tackling that new venture. With 31% citing a lack of omnichannel strategy, trusting the right 3PL partner could be a literal game changer. They've got the experience and expertise – lean on it.

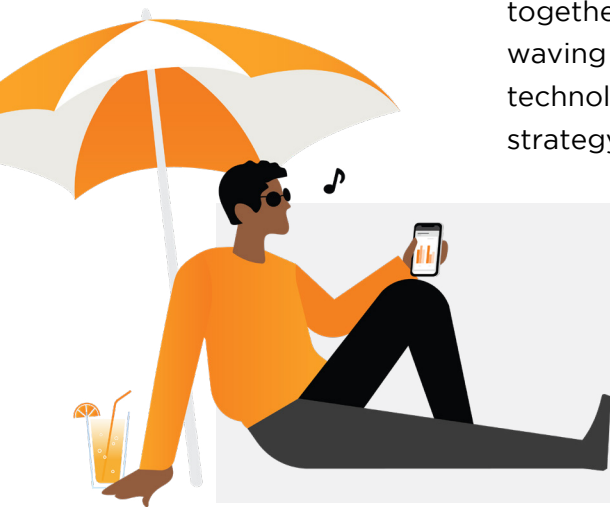
The obvious use case will be **expansion**. One-third of supply chain executives said their facilities wouldn't be able to scale for peak demand. Off-site warehousing or full-service 3PLs can be the unlock for dealing with increased demand.

Numerous products, processes, or regions could be served by leveraging a 3PL strategically. Used judiciously, a 3PL can help reinforce your network against disruption and focus all your facilities for higher productivity.

#5: Plan For the Future

Right before peak is not the ideal time for swapping out major systems and in fact, many firms are in a code freeze where no process or technology change is allowed. That's the ideal time to focus on planning next year's upgrades – researching technology and finalizing roadmaps to set the stage for kickoffs immediately after peak subsides.

Document what's at the end of life or had to be duct-taped together last year. It could be an old paper process, a dated waving strategy, or the need for automation. Research a technology partner that can pivot easily to fit your growth strategy. NOT the other way around.



Blog

A peak season retrospective: would've, should've, CAN.

[Read more](#)

For many companies, peak season drives 40-50% of their annual operating plan. It's when warehouse managers deploy every tool they've developed - people, process, and technology. Executing at the highest level is the difference between a good and bad year.

Do you trust your WMS partner to remove near-term chaos in all 5 areas quickly while accelerating your long-term growth vision?

Not Sure About Your Partner?

How vested is your WMS partner in your success? What do they do year after year to simplify your supply chain, accelerate measurable value, and ensure adaptability?

Get started now on your 2024 peak season with a partner that's focused on your future.

Deposco is one platform to get a handle on your seasonal challenges ahead. From establishing enterprise visibility and fast onboarding of seasonal labor to integrating with strategic solution partners you might need in 2 years, 5 or 10... Now is the time to take charge of your future with a partner you can trust.

[Request a Demo](#)

Who is Deposco?

Deposco's Bright Suite of omnichannel fulfillment supply chain applications enables fast-growing companies to rapidly scale their warehouse management and order management operations.

Bright Suite helps Deposco customers see what inventory they've got, where it is, and where to position it to fulfill demand when It's Grow Time™. It's the only solution that provides this much actionable insight into both your supply chain and the broader marketplace. Deposco makes supply chain fulfillment simple, fast, and always forward.



#ItsGrowTime

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