

Six signs of the warehouse e-revolution

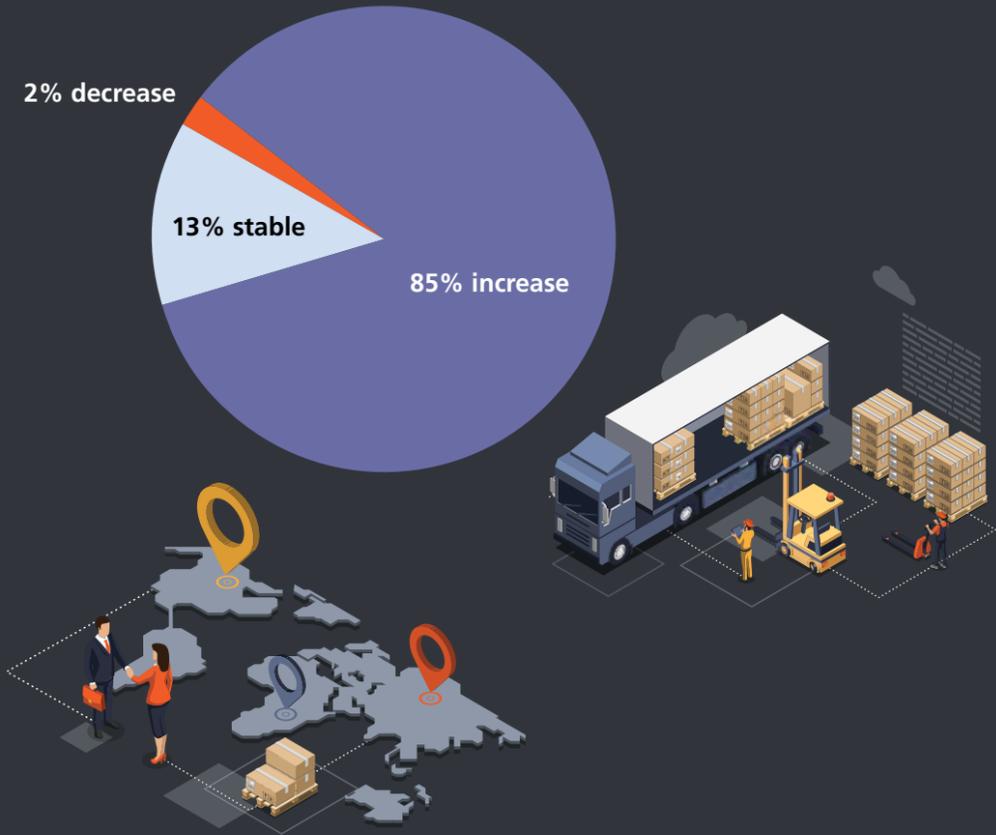
The e-commerce boom has had a profound effect on warehousing and distribution operations—even those outside the retail sector, according to the second installment of the multiyear “Logistics 2030” study. The shift in focus from store replenishment to consumer-direct fulfillment has pushed companies to redesign their distribution networks and invest in new technology, among other changes. (For more details on the study, see the article “Where it’s at” in this issue.)

Here are just six of the ways the e-comm revolution is transforming DC operations:



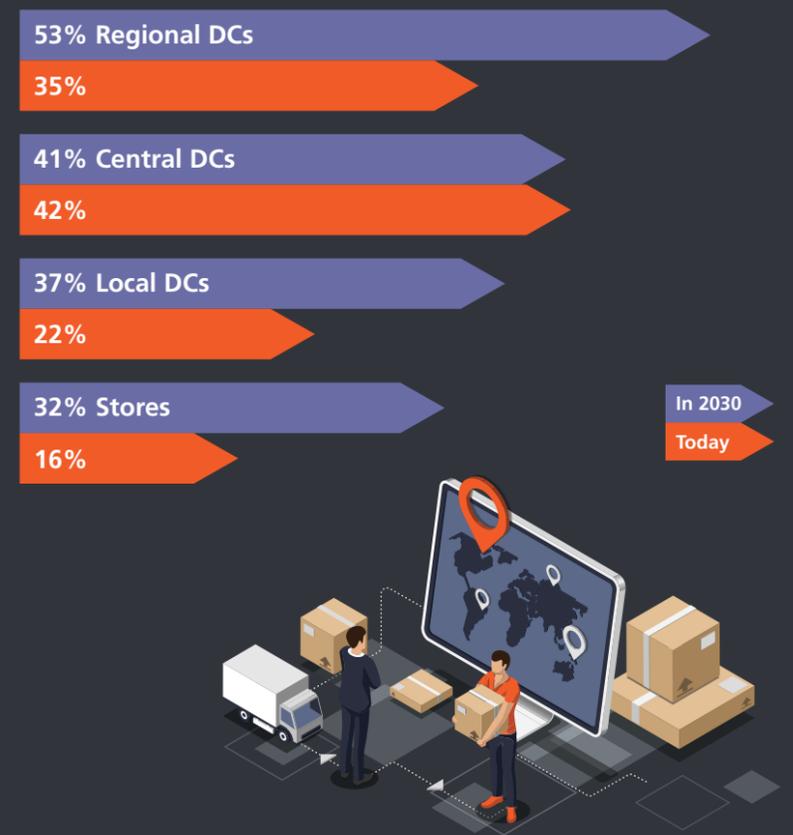
1. Rising e-commerce volumes are forcing companies to increase their warehousing and distribution capacity.

Future need for warehousing and distribution capacity



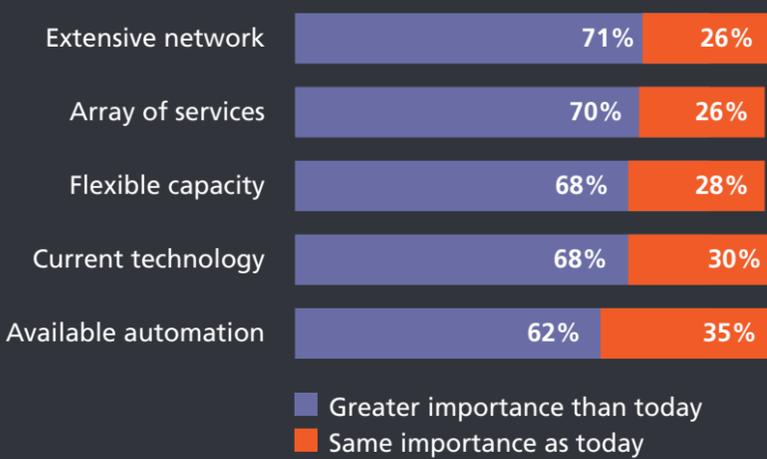
2. But that capacity will come from more, smaller facilities.

Future vs. current use of W&D facilities

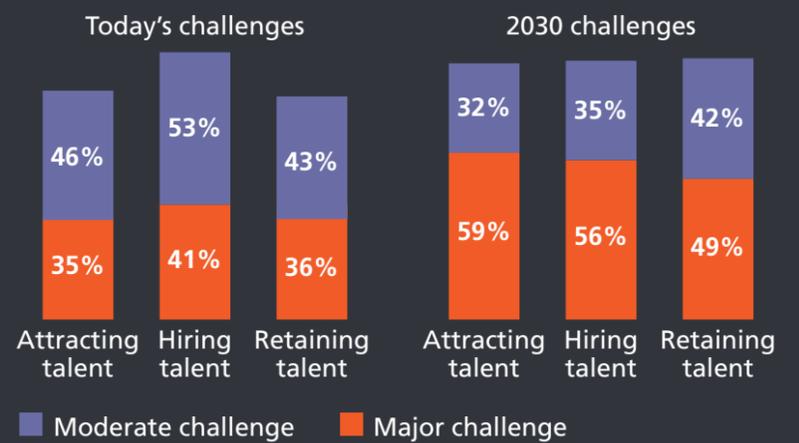


3. Companies will increasingly look to third-party logistics service providers (3PLs) to help them handle growing volumes. They'll select those 3PLs based primarily on their network reach, flexibility, and array of services.

Importance of 3PL capabilities in 2030



4. Meanwhile, the struggle to find and retain good workers will persist—and even accelerate.



5. Warehousing and distribution will become an organizational priority.

Executives recognize the value of warehousing and distribution:



By 2030:

- 88% of survey respondents expect warehousing and distribution to be a company priority
- 86% of respondents expect warehousing and distribution to be properly aligned with corporate strategy



6. To cope with growing operational complexity, companies will increasingly turn to robust software systems.

Extensive software use

