Client Case Study

Youth to the People is a cosmetics company based in Los Angeles. They do wholesale/retail and e-commerce. Their largest client is Sephora, and they also sell to Nordstrom, Anthropologie, and Free People. They range anywhere from 500 to 3,000 shipment drops a day. The 3,000 shipments happen on, and around, Black Friday and Cyber Monday.

Industry Terminology

- **E-commerce** – Business that is transacted by transferring data electronically, especially over the Internet.
- **SKU** – Stock Keeping Unit. A retailer-defined coding system used to distinguish individual items within a retailer's accounting, warehousing, and point-of-sale systems.
- **WMS** – Warehouse Management System. Having the correct WMS is critical for managing a successful e-commerce and retail pick and pack operation. Aeronet has selected 3PL Central for our Los Angeles facility. 3PL Central supports most EDI integrations and API for shopping carts, as well as UCC128 retail compliant labels and smart pack for retail/e-commerce packing. All standard reporting is available to clients, as well as customized reports, as needed.

Aeronet Commitment

It is a big responsibility to take on a retail/e-commerce account, as the volume can double/triple overnight, and you need a plan in place to meet the SLA. Having the correct WMS and experience has opened the door for Aeronet Los Angeles for this type of business. Aeronet's sense of urgency, dedication to their clients, and follow through with communication are of great value to Youth to the People. Aeronet met all challenges when implementing this client, and successfully continued to operate during the COVID-19 shutdown, ensuring that inventory was in the WMS quickly to meet the cancel dates for their retailers. The retailers are ordering in high amounts as they resume business after the shutdown. Aeronet Los Angeles has met all SLA requirements, even when they received last minute receipts that needed to be turned quickly.

Are there different parts of the supply chain that would be relevant?

By offering warehousing that covers retail and e-commerce, we have the opportunity to obtain the transportation business on inbound and outbound. However, most retailers provide their own carriers, which does not help us. We can possibly get the transportation into our facility and/or the back-and-forth to their manufacturer. We have always tried to sell our FedEx or UPS account for small package use, but it's not always met with a value from the client.

Potential Pitfalls

There are clearly some industries, such as cosmetics and retail, which are very attractive. There are also other industries where we would need to be more cautious. Examples would include products that have a unique serial number, which needs to be captured (labor intensive), temperature-sensitive inventory, and only being asked to provide retailer services – not getting the e-commerce or transportation business for these accounts. Having too many various e-commerce clients can also be a pitfall. Accounts that have a large number of returns/recalls have a lot more work involved, and receiving, sorting, and storing returns can take up a lot of space.

Next Steps

Joe Carter – the Director of Warehouse and Distribution at Aeronet Los Angeles – is willing to do an online presentation to any potential clients regarding the e-commerce capabilities we have at that facility. He can also demo the 3PL Central WMS system, and also talk about the work that we are doing for Youth to the People and other clients. While the 3PL Central WMS is currently only in operation at the Los Angeles facility, we can look at utilizing it at other Aeronet facilities, for the right opportunity.