

TAKE ECOMMERCE FULFILLMENT TO THE NEXT LEVEL

45 Questions to Ask When Choosing
an eCommerce Fulfillment Provider

LEGACY
SUPPLY CHAIN

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THE INFLUENCE OF ECOMMERCE

Adapting to changing consumer expectations

When Alexander Randall and Cameron Hall created the first eCommerce marketplace, Boston Computer Exchange, in 1982, they had no way of knowing that online shopping would completely transform the global economy—but that's exactly what it did.

Global eCommerce [sales were estimated at \\$6.09 trillion in 2024](#) and are projected to surpass \$8 trillion by 2027.

Narrowing our focus, eCommerce sales in the U.S. saw a 8.4% year-over-year increase from 2023 to 2024; in 2024, 16.1% of all retail sales were ecommerce. Clearly, eCommerce has taken its place in the commercial landscape. Almost every multinational retailer now operates its own online marketplace, and businesses that began as small direct-to-consumer start-ups now compete with established household brands. ECommerce has come a long way from the novelty it was in the 1980s; not only is it a lucrative opportunity for retailers, wholesalers and distributors, it's also a requirement for competing within an already crowded market.

Every opportunity comes with a cost. Businesses looking to establish or expand eCommerce operations need to meet rising consumer expectations for seamless online experiences, rapid delivery and complete order visibility. This can be a lot to manage, even for mature companies, which is why many choose to outsource their eCommerce fulfillment operations to a third-party logistics (3PL) provider.

Global eCommerce Sales

\$6.09
TRILLION IN 2024

\$8
TRILLION IN 2028

U.S. eCommerce Sales

8.4%
YEAR-OVER YEAR
INCREASE FROM
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16.1%
OF ALL RETAIL
SALES IN 2024

>\$1
TRILLION OF ALL
RETAIL SALES IN THE
U.S. WERE ECOMMERCE

THE THREE STRATEGIC IMPERATIVES

The constantly changing market and evolving demands of eCommerce require a 3PL provider that meets these three key strategic imperatives:

Transformational Impact

This means being able to run efficient day-to-day operations, while keeping sights firmly set on the long-term vision. As the old adage goes, the only constant is change. With so much change, identifying a 3PL that can pioneer first-to-market solutions, set new industry standards, and innovate to create new possibilities throughout supply chain operations is critical.

Connected Intelligence

In a high-tech world, it is far too easy to lose the human touch. The best 3PLs embrace advanced technology—and complement it with human expertise from dedicated client teams and engagement from executives. By combining the best technology with experts in their field who care deeply about service, a 3PL can drive greater precision, flexibility and performance in real time.

Right-Sized Partnership

From expert analysis and optimization of supply chain networks, to becoming a cost-effective growth engine through smart investment and continuous optimization—it's important to seek a partner that can create durable competitive advantages and build supply chains that stand the test of time.

This eBook will explore the unique challenges and opportunities businesses face at every stage, and how working with a 3PL can help create lasting economic value and more durable operations. We'll also provide questions eCommerce companies can ask prospective 3PL partners to see whether they have what it takes to succeed across these three strategic imperatives.

Let's get started.

MAPPING THE ECOMMERCE BUSINESS JOURNEY

Managing complexity at every stage

1 Startup

During the start-up phase, eCommerce companies are laying the groundwork for their operations. These are typically entrepreneurs with teams of two to 10 employees hustling to get their products off the assembly line and out into the world, whether that's through an Amazon storefront, their own website or a handful of brick-and-mortar retail locations.

Incoming order volumes tend to be modest, from a few dozen to a few hundred orders per month. Initial monthly revenue at this stage typically ranges from \$1,000 to \$10,000, and resources are tight. Businesses in the start-up stage are ultra-sensitive to cost fluctuations within their fulfillment operations. They need to focus on product development, marketing and customer service. They often run into issues with the flexibility of their fulfillment solutions, which struggle to scale with them as they move into the growth stage, but rarely consider outsourcing their operations.

2 Growth

As businesses move into the growth stage, they start to rapidly gain traction and expand their eCommerce operations and teams, which average between 10–50 employees. Where companies in the start-up stage typically operate through one channel, companies at the growth stage likely have an established multi-channel presence. As order volumes increase, ranging from several hundred to a few thousand orders per month with average monthly revenue of anywhere between \$10,000 to \$100,000, they begin to feel the pressure of meeting customer expectations at an increased scale.

Businesses in the growth stage need to start streamlining processes and efficiently scale their logistics operations to handle increasing volumes and expanding product lines. Cost is always a factor but often takes a back seat to capacity, scalability and the need to establish strong relationships with partners.

3

Maturity

Companies in the maturity stage are established industry leaders. They operate in high-volume sectors and have built robust eCommerce operations to support their success. These companies have a well-defined brand identity, a loyal customer base and an extensive product catalog. They typically employ thousands of people globally, generate substantial revenue in excess of \$100,000 per month and have volumes ranging from thousands to tens of thousands monthly orders.

The needs of mature businesses are dramatically different from those of companies in the start-up or growth stages. For one, their operations are highly complex, often spanning multiple geographical regions, product lines, storage facilities, manufacturing operations. They require sophisticated logistics solutions to manage that complexity. Efficiencies of scale, automation and market capture are all primary focus areas at this stage.

NEXT UP:

Now, let's tackle the unique challenges businesses face at each of these stages, the opportunities available to them and where and when they may benefit from outsourcing their eCommerce fulfillment.

STAGE 1

START-UP

Proactively planning for the future

A start-up eCommerce business knows its gained traction when it has:

- ☒ Invested heavily in market research and product development
- ☒ Selected an eCommerce platform
- ☒ Coordinated order fulfillment
- ☒ Actively started marketing its products

Many start-ups face obstacles that can stall progress. Businesses in the start-up stage often struggle with freight logistics, international shipping and warehouse management. Limited industry knowledge results in inefficiencies, increased costs and strained resources. While these businesses might experience some success, they are frequently confined to a single region, limiting market reach and growth opportunities.

Partnering with a third-party logistics firm can address these challenges by offering access to established fulfillment infrastructure, including scalable storage and staffing. This enables start-ups to expand based on demand without the overhead costs of managing facilities or hiring staff. Additionally, 3PL providers can deliver cost savings through partnerships with carriers, reducing expenses on transportation services and deliveries.

With streamlined operations and enhanced logistics capabilities, small businesses can offer the same reliable shipping as larger competitors and expand market reach by distributing products through multiple regions. This sets the foundation for entering the growth stage.

Value of a 3PL: What to Ask

Transformational Impact

How do current fulfillment expenses affect profitability?

Has a cost-benefit analysis been conducted to compare in-house fulfillment with outsourcing?

Could outsourcing improve focus on strategic initiatives rather than daily operations?

Are there plans to enter new markets requiring a bigger or more specialized logistics footprint?

Connected Intelligence

Does current fulfillment meet customer expectations for accuracy and delivery speed?

Where are gaps in internal logistics expertise or systems, and how can they be addressed?

Right-Sized Partnership

Can meeting customer expectations be sustained with expansion into new regions?

Is the current fulfillment infrastructure scalable to support rapid business growth?

Are fulfillment tasks consuming time better spent on core business activities?

Selecting a 3PL Provider: What to ask

Transformational Impact

Are they able to offer competitive pricing that delivers a cost-savings benefit?

What additional services are available beyond warehousing, such as transportation or value-added options like kitting?

Connected Intelligence

What order management, inventory tracking and reporting systems are utilized?

What measures do they take to optimize shipping times and ensure reliable delivery?

Are service level agreements (SLAs) offered, and what do they include?

Right-Sized Partnership

Do they provide flexible contracts or options to adjust services as business needs evolve?

How adaptable are their storage and staffing solutions to accommodate growth?

STAGE 2

GROWTH

Expanding operations
for a cost-effective
growth engine

The growth stage begins when a business moves beyond the volatility of the start-up phase to focus on expansion. In the growth stage, businesses must diversify their product catalog, increase production and enter new markets.

However, rapid growth without adequate infrastructure to support it can impede the success of emerging eCommerce companies. Overcommitting to higher order volumes without scalable fulfillment systems leads to backlogs, delays and missed delivery windows, which can drive customers to seek alternatives. This scenario, while challenging, is avoidable with the right approach.

A reliable 3PL can deliver scalable solutions that evolve with business needs, offering access to infrastructure without large capital expenditures.

This infrastructure includes:

- ☒ Trained workforce
- ☒ Advanced warehouse management systems
- ☒ Racking, conveyance and other facility features
- ☒ State-of-the-art automation
- ☒ Multi-regional network of facilities
- ☒ Transportation capacity in current and new markets

A 3PL can also manage vendor relationships for supplemental materials, such as packaging and using established industry connections to obtain volume discounts. By reducing logistical burdens and operational costs, businesses can concentrate on growth instead of logistics.

Beyond warehousing, companies in the growth phase often require transportation, international shipping and value-added services such as kitting and custom packaging. Consolidating these services with a 3PL provider enhances consistency and efficiency, streamlining fulfillment.

A reputable 3PL can address pain points, prioritize business needs and offer personalized, hands-on support throughout every stage of fulfillment.

Value of a 3PL: What to Ask

Transformational Impact

Have you re-assessed your fulfillment requirements in direct correlation to your growth strategy?

Are resources optimally allocated to manage fulfillment, or could outsourcing address existing gaps in talent or bottlenecks?

Connected Intelligence

Does your logistics staff manage customer service and order-related inquiries with success?

Do current systems provide the real-time data needed for informed decisions on inventory management, order processing and shipping?

Right-Sized Partnership

Is the current fulfillment infrastructure sufficient to support projected growth without risking order delays?

Can in-house fulfillment operations scale to accommodate higher order volumes without higher costs?

Selecting a 3PL Provider: What to ask

Transformational Impact

Does your 3PL provider have a proven track record for helping clients enter new markets and create first-to-market solutions?

What additional services are available beyond warehousing and basic order fulfillment?

What experience does the provider have with international shipping and customs management?

Connected Intelligence

Which key performance indicators (KPIs) are tracked, does the 3PL provide regular business reviews?

Is there real-time visibility into inventory levels, order status and shipment tracking?

What is the track record for meeting service level agreements for order accuracy and delivery times—even during seasonal fluctuations and unexpected spikes in demand?

Will you have a dedicated representative? What are average response times and how will they handle emergencies or communications during peak times?

Right-Sized Partnership

Can they design or redesign networks for greater efficiency and readiness for growth and change?

Is the business model sustainable—one that can stand the test of time and evolve with you as your business grows?

Can your 3PL provide detailed cost breakdown of services and additional offerings be provided?

STAGE 3

MATURITY

Fine-tuning fulfillment
while controlling costs

After years of sustained success, a business establishes itself as an industry leader, thus entering the maturity stage. They regularly overcome challenges along the way.

They have:

- ☒ Built a loyal customer base
- ☒ Streamlined fulfillment processes
- ☒ Consistently maintained profitability

This maturity stage is marked by experience, expertise and a focus on strategic growth.

At this stage, challenges shift from daily operations to broader priorities such as cost optimization, data monitoring and large-scale projects. Mature companies often outsource parts of their supply chain. As the business grows, managing multiple in-house and external service providers becomes more complex. Effective management is crucial, as even minor setbacks can lead to significant costs, while small improvements can net considerable savings.

The right 3PL provider plays a critical role, delivering the expertise and infrastructure to handle increasing operational demands.

Key priorities for mature eCommerce companies include:

- ☒ Outsourcing select fulfillment operations to a 3PL to optimize cost structure and resource allocation, increasing profitability
- ☒ Utilizing advanced 3PL technology, such as warehouse management systems and electronic data interchange, to gain real-time visibility into inventory and shipments
- ☒ Leveraging a 3PL's logistics expertise for large-scale projects, from establishing new manufacturing facilities to identifying suitable distribution centers
- ☒ Offloading logistical burdens while retaining control over fulfillment in order to focus on strategic objectives

Businesses at this stage often have prior experience with 3PL providers, making them more selective when evaluating new partners. In a crowded market, it's essential to choose a 3PL that offers personalized service, dedicated support, proactive problem-solving and transparent communication. The importance of quality service and a hands-on approach remains critical, no matter the business stage.

Value of a 3PL: What to Ask

Transformational Impact	Connected Intelligence	Right-Sized Partnership
<p>Are upcoming projects or initiatives, such as facility expansions or system upgrades, likely to require specialized logistics support?</p> <hr/>	<p>Does current access to data and analytics provide sufficient insights to evaluate and improve fulfillment processes?</p> <hr/>	<p>Can outsourcing fulfillment operations to a 3PL lead to cost savings and position you for growth through economies of scale, efficiency gains or access to specialized expertise?</p> <hr/>
<p>Based on insights from previous 3PL partnerships, what are your priorities and criteria to guide your evaluation and selection of a new provider?</p>	<p>Does the 3PL offer an experienced, responsive team with an innovation mindset to support your growth strategy?</p>	<p>Would a 3PL that aligns with the company's values and priorities strengthen market positioning and contribute to long-term success?</p> <hr/>
		<p>Does the 3PL have the ability to effectively design and manage a complex network now and in the future as it evolves?</p>

Selecting a 3PL Provider: What to ask

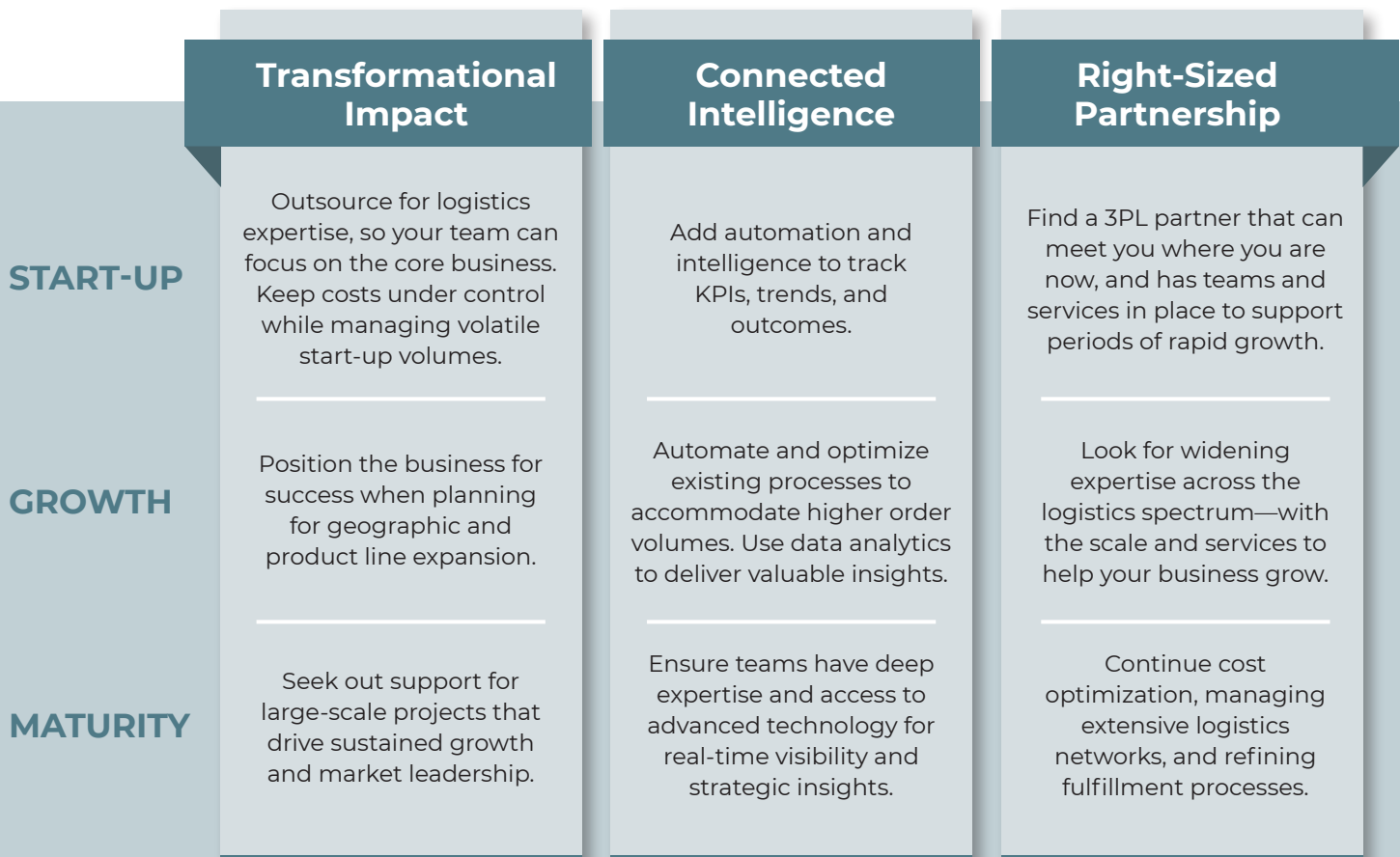
Transformational Impact	Connected Intelligence	Right-Sized Partnership
<p>Can services be tailored to address the specific challenges and needs of the business?</p> <hr/>	<p>What metrics are tracked, and which service level agreements (SLAs) are guaranteed?</p> <hr/>	<p>What relevant experience exists within the industry or niche, and how does that expertise benefit clients?</p> <hr/>
<p>Have they demonstrated the ability to pioneer new models and create innovative solutions as customer needs change and evolve?</p>	<p>What communication strategies are in place to ensure open and transparent interactions, including regular updates and proactive outreach?</p>	<p>Which opportunities for cost reduction or efficiency improvements are identified in existing fulfillment operations?</p>

CONCLUSION

MEETING THE STRATEGIC IMPERATIVES AT EVERY STAGE

A summary of what eCommerce businesses need to know

The eCommerce business lifecycle presents unique challenges and opportunities at each stage, requiring targeted strategies and scalable solutions:





What Every Stage of Growth Requires from Your 3PL

The path from start-up to maturity is marked by distinct logistical challenges—and the right 3PL can help address them at each stage.

1 Start-Ups need a provider that brings foundational logistics expertise, helps keep costs predictable, and offers the infrastructure to support sudden surges in demand. Flexibility, responsiveness, and ease of onboarding are key.

2 Growing Businesses require scalable fulfillment systems, robust data visibility, and the ability to support multi-channel expansion. A 3PL at this stage should offer automation, real-time insights, and services that extend beyond warehousing to include transportation, kitting, and packaging.

3 Mature Companies depend on a 3PL that can handle complexity at scale—delivering operational efficiency, supporting large strategic initiatives, and continuously identifying opportunities for optimization. Advanced systems integration, proactive communication, and deep logistics expertise become non-negotiable.

Throughout this evolution, three imperatives remain constant: the need for a partner that can drive transformational impact, offer connected intelligence, and operate as a right-sized partner aligned to your business goals. By understanding these needs at each phase, eCommerce companies can make informed decisions about when and how to engage with a 3PL—and what to expect from that relationship as they grow.

To learn more about how Legacy can help your business achieve its goals, contact our team today.

[Talk to the Experts](#)