

CASE STUDY

OLYMPIA 3PL SELECTION

ABOUT OLYMPIA



Founded in 1999, Olympia Chimney, Inc. is a leading manufacturer of chimney venting systems, liners, and accessories. The company is deeply committed to manufacturing quality products with innovative design and unparalleled engineering. Olympia's 2019 acquisition of Copperfield, brought together two of the biggest names in the industry and resulted in a strong single entity with a passion for innovation and driving the customer experience.

When Olympia found itself operating 12 distribution centers (DCs), it knew there was an opportunity to revamp its network and gain efficiencies. They decided to consolidate some of their DCs and outsource their logistics and transportation needs to a third-party logistics (3PL) provider. But with so many options out there, Olympia needed guidance on who to choose and how to best complete the transition. That's when Cornerstone Edge stepped in.

CHALLENGE

Despite the potential rewards, using a 3PL can present many risks. Olympia wanted to be sure they fully evaluated the financial and customer service impact of outsourcing their distribution and identified the right 3PL to partner with. Their ask was a robust one, as they were looking for a partner that could deliver on many fronts, such as:

- A nationwide network of existing 3PL sites with the ability to fulfill orders within 24 hours so that shipments reach customers within two days
- Ability to receive Purchase Orders from Olympia manufacturing facilities and vendors, receive and process customer returns, and process and ship returns back to vendors
- Ability to store all SKUs required
- Ability to fulfill various order profiles: case picking, each picking, packing, etc.
- Ability to manage freight planning
- Ability to interface with Olympia's newly selected ERP electronically in real-time for inbound orders, outbound orders, and inventory management purposes
- Ability to provide Olympia with real-time inventory visibility within the 3PL facility and to see what stock was allocated to orders and what remained available
- Optional ability to manage freight planning and carrier selection/management for inbound freight from vendors and Olympia's manufacturing facilities.

With this list of requirements, Cornerstone Edge had the details needed to start the vetting process.





SOLUTION & PROCESS

With over two decades of experience in the supply chain space, Cornerstone Edge has vetted dozens of 3PLs. In this case, they planned to deploy a rigorous vendor screening to assess which option would be best suited for Olympia's specific needs. But a 3PL screening was just one part of the puzzle, a thorough investigation of Olympia and its processes was necessary to ensure all requirements had been accurately defined.

This included performing:

- An analysis of operational process flows
- A deep dive into two primary facilities (Copper field/Bridgeport and Olympia/Scranton)
- Overall network analysis of order flows

With this data collected and studied, Cornerstone Edge moved on to the evaluation phase of the process.



EVALUATE

Olympia's data showed that the Northeast and California are the two heaviest areas of customer activity. A significant portion of the overall business is east of the Mississippi, with the remainder mostly on the West Coast. Data also showed that anticipated combined order volume during the slower season ranged from 15,000/month to 23,000/month. These numbers skyrocketed to a range of 33,000/month to 78,000/month during peak season.

To help identify appropriate 3PL candidates, Cornerstone Edge considered additional data, such as:

- High-Level Network Analysis
- Order of Magnitude by Facility Requirements
- Transaction Volume Requirements
- High-Level Review of Inventory Mix and Stock Levels
- Suggested Regional Sites

With this information in hand, Cornerstone Edge identified 23 potential 3PLs, that were then screened based on:

- National footprint, especially in the Northeast and California
- Shared facilities (preferred) vs dedicated facilities
- Experience with Olympia's type of B2B commerce (which is more B2C than not)
- Experience with Olympia's type of fulfillment for durable, mostly non-conveyable goods
- Right-size enterprise (big enough, but not too big)
- Supportive technology and integration capabilities



From there, Cornerstone Edge narrowed down the list of 23 3PLs to 13, and ultimately four for Olympia to choose from:

- A 3PL headquartered in Edwards, CO.
- A 3PL headquartered in Escondido, CA.
- A 3PL headquartered in Lakeland, FL.
- A 3PL headquartered in King of Prussia, PA.

These four 3PLs were then given RFPs to respond to, which were subsequently scored. This allowed Olympia to make an objective decision on which 3PL was the best fit for their needs. In the end, all the finalists were capable of supporting Olympia, but one vendor shined: the 3PL headquartered in Edwards, CO.



IMPLEMENT

Top reasons Olympia chose to partner with this 3PL included:

- Potential inventory tax advantages due to location
- Willingness to work existing real estate options
- Culture match (both companies are entrepreneurial and similar in size)
- The operations and engineering approach had more of a day-to-day execution focus
- This 3PL recognized Olympia's limited ability to support the transition early on, both operationally and IT-wise, so they included support to address those challenges



RESULTS

With a decision made, Cornerstone Edge was able to guide Olympia through their letter of intent, contract negotiation, and project implementation - a whole additional undertaking.

With this new 3PL, Olympia chose a supporting distribution network through Reno, NV., Cleveland, OH., and Bridgeport, NJ. With this approach, they were able to leverage two of their existing 12 distribution centers and personnel to minimize risk during the transition. Cornerstone Edge then took the reins in determining the necessary process for launching the new operation with this 3PL in Reno. Click [here](#) for details on the implementation side of the project.



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