

How FMCG Companies are Improving Operations with 3PL Services



LOGISTICS

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The fast-paced and ever-evolving Fast Moving Consumer Goods (FMCG) industry is faced with the challenge of efficiently distributing a high volume of goods and a wide range of products. To keep up with the needs of their clients and remain competitive, FMCG companies are turning to third-party logistics (3PL) services to improve their operations. 3PL providers offer comprehensive logistics and supply chain solutions, such as transportation, warehousing, and distribution, to help FMCG companies streamline their operations and meet their supply chain needs. With the right 3PL partner, these companies can achieve greater efficiency, improved customer service, and enhanced supply chain operations, ensuring they remain at the forefront of their industry.

By highlighting how Varuna Group has catered to its clients, we shall demonstrate the benefits of our services for FMCG companies. Through examples and insights, we aim to showcase the value of this technology and its impact on supply chain management and customer satisfaction.

Benefits of 3PL Services for the FMCG Industry

There is a plethora of benefits that the FMCG industry can avail themselves of by using third-party [logistics services](#) providers.

Improved Inventory Management

3PL service providers offer advanced inventory management systems to help companies track and manage their inventory better. This enables FMCG companies to ensure they have the right products in stock at all times, reducing the risk of stock shortages or overstocking. One of our FMCG clients continued to suffer losses due to inefficiencies at the warehouse and poor load planning - badly optimised loading leading to underutilised volume and higher operating costs. We solved this by ensuring vehicle availability and utilising technology to optimise loading - replacing manual load planning with advanced softwares. This helped us [improve space utilisation](#) from 65% to 95%. Additionally, we offer value-added services such as bundling, kitting, and repackaging, which can improve the effectiveness of FMCG companies' logistics operations.

Real-Time Tracking

Real-time tracking in FMCG enables companies to monitor inventory levels, track delivery routes, and ensure optimal product placement. This allows for better supply chain management, increased efficiency, and improved customer satisfaction, ultimately leading to higher profits. Our clients were experiencing unpredictable vehicle availability due to seasonal fluctuations and working with local transporters. We provided a solution by allocating a fixed number of our trucks, ensuring continuous return movements and utilising real-time tracking to enhance transit times and decrease detention costs. This led to better inventory management and easier budgeting, forecasting, and planning for our client. As a result, our client experienced a 50% reduction in transit times and 100% en-route vehicle visibility.

Increased Efficiency

By outsourcing the logistics functions to third-party logistics service providers, FMCG companies can focus on their core business activities, increasing efficiency and productivity and reducing the burden on the FMCG company's resources. We were approached by several clients facing issues due to inefficient warehouse operations, resulting in high operating costs, long loading times, and demurrage charges. Varuna Groups' solution was to implement strict adherence to global

quality standards, develop comprehensive SOPs, and provide periodic training to the workforce, ensuring seamless operations management. This significantly reduced demurrage, damages, and other ancillary cost leakages, providing clients with a more efficient and cost-effective [warehouse management services](#).

Reduced Costs

3PL logistics leverage their scale and expertise to negotiate lower rates from carriers, reducing the overall costs for FMCG companies. In addition, they also provide cost-effective solutions for storage, handling and distribution, further reducing costs. Our FMCG benefited from their challenges with a reduction in cost per tonne, time to market, inventory size, and an 8% reduction in the effective logistical cost of products.

Improved Customer Service

Third-party logistics companies offer advanced technology solutions that enable real-time tracking and communication, improving the overall customer experience. They can also handle order fulfilment, returns and customer service, freeing up the FMCG companies to focus on other areas of their business. Our nationwide distribution network enables fast and efficient delivery of goods to customers with 98% placement efficiency, which leads to improved customer satisfaction.

Enhanced Data Analytics

3PL logistics companies have the technology and expertise to provide data analytics and reporting on logistics operations, providing insights into performance and opportunities for improvement. We improve data analytics by providing our clients with access to advanced reporting systems, customisable dashboards, data integration, and expertise in logistics. These features allow FMCG companies to make informed decisions based on real-time information and improve their overall supply chain performance.

Using [3PL logistics](#) services by the FMCG industry is an effective way to improve operations. By outsourcing third-party logistics and supply chain functions to a trusted and experienced provider, FMCG companies can focus on their core business while enjoying the benefits of a streamlined and efficient supply chain operation. Whether it's reducing costs, improving delivery times, or enhancing data analytics, a third-party logistics provider can offer a wide range of assistance tailored to the unique needs of the FMCG industry.

If you are on the lookout for the leading logistics partner, reach out to our team of experts and begin your journey towards success!

[Contact us](#) today for detailed insights on how Varuna Group can support your business.

FAQ's

1. What are 3PL services in the FMCG industry?

2. How do 3PL services improve operations for FMCG companies?

3. Why is third-party logistics important for FMCG businesses?

4. How do 3PL providers help with warehousing and inventory management?

5. How do FMCG companies choose the right 3PL logistics partner?

6. Are 3PL solutions cost-effective for small and mid-size FMCG companies?