Gottman Institute Fulfillment Discussion

Hourly Costs / Pallet Storage

Seeing what else is out there...

To get some context and cost reference for DCGOne, we decided to explore some other options:

IRON MOUNTAIN   PROPACK

Diving into the data...

We did a side by side comparison of DCGOne billing breakdown cost analysis by ProPack

- total orders
- items/order
- pick and packs
- shipments received
- build orders
- pallet storage
- shipping methods

Order Processing Time

DCGOne:
- 48 hours max
- USPS options go out 2x weekly if we do not meet weight minimums

Propack
- 24 hours max
- Guaranteed same day if orders received by 1pm
- All shipping options shipped daily

Order Picking/Processing Costs

June Orders	DCGOne	ProPack	Savings
	646	646	
Average Cost/Order	$4.61	$2.70	$3.86
Total/Month	$2,961.80	$1,744.70	$1,216.90

	DCGOne	ProPack
Batch Processing Fee	$1.75	$1.50
Pick Fee/Unit	$1.75	$1.75
Warehouse	$0.65	$0.65

Forecasted Overall Savings

- Between $2-4k/month
- Current forecasted savings from June is $2,300/mo
- This does not include any negotiations on pick fees of popular items, storage shelving fees, etc.
- Anticipated savings in order packaging

ProPack

- Third-party logistics company in Blaine, WA
- 25 years of experience with small to medium sized companies
- Clients range from 400 order/mo to 100,000/week (Vega)
- Multi-location warehouse system (clients can be in 1-5 locations)

PROPACK

Our Current System

DCG ONE

We have been with CCS, which transitioned to DCGOne at the end of 2015, for the last 5+ years

Now under the larger DCGOne umbrella, they have four main focuses:
- Digital Printing
- Mailing and Distribution
- Fulfillment and Data Solutions
- Marketing

Downsides and Growing Pains

- Initial upfront cost to ship all items from one warehouse to another
- Upfront programming/integration costs and potential for technological errors
- New warehouse familiarity with products
- FedEx printing in Bellingham

Current Pain Points

DCGOne tested TGT's patience during the winter of 2015 with more mistakes than normal...

Megan and I also began to realize some constraints and additional costs relating to their system:
- Batch ordering
- High program management fees
- Time consuming build order system
- Rigid pick fee structure

What a transition might look like...

- Programming testing before physical items are shipped
- Combination plan
- ProPack run test orders
- We make the decision to go LIVE and we switch over the integration
- We submit a "clean-out" for remaining product with DCGOne

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Hourly Costs / Pallet Storage

	DCGOne	ProPack	Avg.	Savings
Youth Labor	$36/hr	$42/hr	11.5 hrs	$200/mo
Program Management	$85/hr	$42/hr	4 hrs	$220/mo

	DCGOne	ProPack	Avg.	Savings
Pallet	$50/mo	$52/mo	65 palets	
Event Storage Area		$20/palet	3 shelves	
				$223/mo

Order Picking/Processing Costs

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June Orders	646	646	
Average Cost/Order	$4.61	$2.70	$1.91
Total/Month	$2,981.00	$1,744.70	$1,236.30

	DCGOne	ProPack
Order Processing Fee	$1.75	$1.95
Pick Fee Min	$1.75	$0.25
Min Order Cost	$3.50	$2.20

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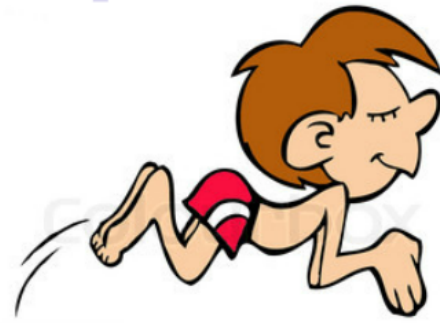
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