

This strategic document outlines the foundational approach for building a best-in-class Fulfillment & 3PL function at Yepoda. With the company's rapid growth across D2C, B2B, Amazon, and retail channels in seven countries, it is critical to establish an integrated, tech-enabled, and regionally optimized network that can scale in lockstep with the business.

Key Highlights:

1. **Everstox Integration:** Leverage Everstox's network of 200+ warehouse partners with a robust middleware platform offering seamless ERP integration, real-time dashboards, specification- and volume-based 3PL matching, quotation and negotiation support, and operational visibility via Slack.
2. **US Fulfillment Optimization:** Reassess West Coast warehousing due to higher logistics costs. Explore East Coast alternatives and partnerships with 3PLs like Shiphero or Shipmonk. Leverage automatic geographical stock splitting to reduce last-mile costs.
3. **Amazon Fulfillment Compliance:**
 - Adopt FBA (Fulfilled by Amazon) as the current best fit for high-volume products.
 - Where using FBM (Fulfilled by Merchant), enroll in Seller Fulfilled Prime to gain Prime visibility.
 - Separate stock between Amazon and B2B channels due to barcode requirements (FNSKU vs. EAN).
 - Consider negotiating with Amazon for FNSKU exemptions or future transition to Vendor Central.
4. **D2C Scalability and Volume Management:**
 - 30–40% YoY order growth necessitates dynamic SLA reviews and cost optimization by location.
 - Reroute shipments currently handled by DE warehouse (to FR, ES, PL) to regional hubs where volume justifies.
 - Evaluate Alaiko as a tech-enabled EU-based 3PL alternative.
5. **Retail and B2B Customization:**
 - Establish SKU splits in ERP for Amazon vs. B2B/retail.
 - Align packaging quantities, promotions, documentation (e.g. delivery notes) with each sales channel.
6. **Current Warehouse Landscape:**
 - Four active 3PLs (US, UK, IT, DE). Evaluate each based on regional cost efficiency and integration capabilities.
7. **US & UK Specific Logistics Strategy:**

- In the US, utilize Free Trade Zones or Amazon AWD (Warehouse and Distribution) to defer customs and streamline FBA routing.
- In the UK, avoid EFN where possible and prioritize direct local shipping to reduce declared COGS costs.

8. Italy & Germany Channel Alignment:

- For Sephora (IT), integrate APIs to automate order flow and optimize logistics.
- Maintain PAN-EU FBA compliance for DE. If inactive, EFN fallback results in cost spikes (up to 2 EUR/unit).

9. Tech Ecosystem Integration:

- Connect Shopify, Amazon SP API, and Everstox with Yepoda's ERP to create an automated, scalable fulfillment process.

10. Stock Visibility Fix:

- Address missing "in transit" data in Everstox by creating KPIs for "Available" vs. "On-Hand Stock."

11. Amazon Seller Central Enhancement:

- Enable Poland as a storage location. This significantly lowers fulfillment and storage costs for EU distribution.

12. SKU Optimization:

- With 160 SKUs and expected growth, apply Pareto analysis to rationalize the assortment.
- Focus resources on the top 20% of SKUs generating 80% of revenue, reducing operational drag.

13. Inbound Forecast Accuracy:

- Current inbound forecasting by logistics alone limits accuracy.
- Implement an S&OP process involving logistics, marketing, and product teams, using rolling forecast models (3–9, 6–6, 9–3) to mitigate overstocking and ensure balanced capital investment.

This summary distills the strategic opportunities and immediate focus areas for the Fulfillment & 3PL function. The approach combines cost optimization, automation, and customer-first service delivery, underpinned by solid data, partnerships, and cross-functional alignment.