

**Title:**

Lumpers or Temp Agencies for Warehouse Operations Support

**Word Count:**

483

**Summary:**

The savings by using 3rd party contractors can be great. If you utilize lumper services you can cut your operations costs down.

**Keywords:**

Lumper Service, Unloading Service, Freight Handlers

**Article Body:**

Warehouses today are depending more and more on using 3rd party contractors for support to utilize their warehouse operations. Many distribution centers must choose to use lumper services for on site support or use temporary agencies. There are many benefits to using 3rd parties to optimize operations. Most warehouses these days are using lumper's service as they see the repetition of having the same employees in the workplace pays off with increased productivity and also with increased through puts. Having 3rd party agencies or lumper services also cuts down on overtime hours for the warehouse as they can cover their regular staff when they are starting to reach overtime on the clock. Many large fortune 500 companies are using contractors to handle all warehouse operations or portions of warehouse operations. Benefits have gotten so expensive in this volatile economy that the benefits outweigh the cons. Also to increase productivity most of the lumper services pay by case, pallet, or load so this almost guarantees that the freight handlers will be productive. Labor is one of the biggest costs of warehouse and distribution services expenses and anything that can cut that down is a win-win situation for the warehouse or distribution service. As we move towards the future almost many different types of business will go performance based and by having your contractors on performance based you will surely reap the rewards.

Problems can arise with temp agencies as you have to manage their hours. Sometimes the hours can be extensive and when new temps arrived they are very non-productive. Generally you have to train them to get them up to par with you on going operations. They have to be site certified on all equipment to meet OSHA regulations. So regardless if they are certified on fork lifts and pallet jacks they have to be recertified. To ensure that you are protected in case of lawsuit always sign hold harmless agreements with all 3rd party agencies. Most

of them don't provide on staff management so be prepared to manage them. Temps in my experience have been good for simple labor but for ongoing labor utilization lumber services always provide better services.

Lumber services provide great on site management and by having the same lumpers on the dock for long term the productivity is always higher than temp agencies. The lumpers also get paid by productivity so their training cost you so much less than using a temp agency. Their management trains their employees on site for usage of equipment and large contracts generally mean that the lumber service will give you good rebates. Logistics are able to get an exact cost per case so you can keep control of your freight moving costs as the warehouse logistics department is billed by case, load, or pallet.

3rd party contractors can be a great partnership to increase productivity and lower cost in your warehouse.