CROWN FULFILLMENT

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How to Pick the Right 3PL for Your Brand

A practical guide to choosing a fulfillment partner — what you'll pay, where they should be, what to watch for in the contract, and what to ask before you sign.

01 Do you need a 3PL?
02 What you'll pay for
03 Where your 3PL should be
04 What to watch for in the contract
05 Operations, systems & support
06 Getting ready for your first call

INTRODUCTION

Why this decision matters

There's no shortage of horror stories about brands that picked the wrong 3PL. They lost money, and their customers got angry.

The hard part is that you often can't tell whether a 3PL is good or bad until you've worked with them for a month or two. Anyone can make big promises at the start.

This guide walks through the five areas that separate a great fulfillment partner from an expensive mistake:

1. **Do you need a 3PL**, and what problems will it solve?
2. **What you'll pay for** — the fees, what's normal, and how pricing models differ
3. **Where your 3PL should be** located
4. **What to watch for in the contract**
5. **How they run things** — their operations, systems and support

We'll finish with how to prepare for your first call with a 3PL, so you get an accurate quote and fewer surprises later.

PART 01

Do You Need a 3PL?

> **THE SIMPLE TEST**
>
> If you spend more than three or four hours a day packing orders, it's probably time to start looking.

Not sure? Ask yourself these three questions:

1. **Do you keep running out of room for your inventory?**
2. **Would you rather spend your time on things that grow your brand** — sales, marketing and other higher-leverage work?
3. **Would you rather not deal with the overhead of fulfillment?** That means hiring workers, renting more space, buying boxes and supplies, setting up software, and handling shipping and claims.

If you said yes to all three, it's probably time for a 3PL.

If you said no and your brand is still very new, you can still use a 3PL — just pick carefully. Many 3PLs charge smaller brands monthly minimums that can eat into thin early margins.

> **SELLING INTO THE U.S. OR CANADA FROM ABROAD?**
>
> Many young brands based overseas need a 3PL from day one. Shipping from inside the country costs far less than shipping each order internationally, so even a brand-new company may need a domestic warehouse right away.

PART 02

What You'll Pay For

Pay close attention here: not every 3PL charges the same fees, and some charge for things others don't. These are the main charges you'll see when you shop around, with typical ranges.

Fee	What it covers	Typical range
Pick & pack	Picking and packing every order. Varies with location, order volume and product type.	**$1.50–$4.00 first item** **$0.25–$1.00 each extra**
Storage	Charged per pallet or per bin, depending on what you sell. Location drives the price.	**$10–$50 / pallet / month**
Receiving	Bringing goods in and confirming the counts are right. Priced by container, trailer, pallet or other measures.	**Varies by volume**
Packing supplies	Boxes, bubble wrap, poly bags and other materials.	**Varies by need**
Shipping	Depends on the 3PL's carrier rates (see tip below).	**Quote by box & zone**
Software	Access to the 3PL's system and store integrations.	**Varies**
Account management	Account manager, setup or onboarding fees, where charged.	**Varies — ask**
Returns	Usually per return — a "reverse pick and pack."	**~$3 per return**
Custom work	Anything outside the normal flow: kitting, sorting, subscription box builds.	**Custom quote**

TIP: HOW TO COMPARE SHIPPING FAIRLY

Give each 3PL the box size and weight you ship most often, then ask what it costs to ship to several places in the U.S. and abroad. At Crown we typically quote 8–10 destinations so brands can see the full range of scenarios, not just the best case.

Account fees and minimums

Some 3PLs charge account manager fees, setup fees or monthly minimums. They usually exist because new brands still need full setup but may not ship many orders for months. If you're early-stage, ask about minimums up front.

PART 02 · CONTINUED

Pricing Models & Value

All-in pricing vs. itemized pricing

All-in pricing

Your bill shows just two lines: pick & pack and shipping. Simple for both sides. Works best for larger brands with high, steady order volume and inventory that's constantly moving.

Itemized pricing

Each service is billed separately. Common with 3PLs that do work beyond standard shipping, and a better fit for brands with uneven or seasonal volume, where the extra lines keep billing accurate.

Don't just pick the cheapest one

This is the most important part of pricing: don't forget about value. A lot of the time, the cheapest 3PL ends up costing you the most.

Think of it like buying a laptop. Say you find three options:

$150	$600	$1,000
Will it be slow? Will it break?	"What do I get for the extra money?"	Is the premium worth it for me?

You probably won't buy the $150 one. You'd at least look at the $600 one and ask what the extra money gets you — then decide on value, not just price. Picking a 3PL works the same way — a really cheap one may be cutting corners that show up later as refunds, reships and unhappy customers.

BEFORE YOU GO WITH THE CHEAPEST QUOTE, ASK

- What happens if my items get lost or damaged? Do you pay me back?
- How often do you pack orders correctly?
- How does your support team work?
- How fast do orders go out?

PART 03

Where Should Your 3PL Be?

There's no single right answer, but two simple rules go a long way:

1. Be close to your customers

Packages arrive faster and shipping costs less.

2. Get your inventory in quickly

Shorter, cheaper trips from the port or supplier to the shelf.

Rule 1: Be close to your customers

To find out where your customers are, look at your shipping data. Export the last three months of orders from your store and drop them into an AI tool like Claude. Ask what percentage of orders go to the East Coast, the middle of the country and the West Coast.

Don't have enough orders yet? Think about your ideal customer. Where do they live?

Some 3PLs run multiple warehouses so they can ship quickly nationwide. That costs more at the start, so it's usually a better fit for bigger brands.

> **EXAMPLE**
>
> One of our supplement brands sells mostly to customers on the East Coast. Because Crown is in Elizabeth, NJ, they ship faster and pay less to reach more than half of their customers.

Rule 2: Get your inventory in fast

If you import shipping containers, think about the trip from the port to the warehouse. The closer your 3PL is to the port, the faster your goods get checked in and the less you pay for the truck (drayage) that brings the container over.

Being farther from the port isn't always bad. Inland warehouses often charge less for storage, and some have strong partners that move containers in quickly. Weigh the drayage and transit time against the storage savings.

Do you need to visit?

Not really. The whole point of a good 3PL is that you don't have to be there.

PART 04

What to Watch for in the Contract

Contracts matter because some 3PLs hide things in the fine print. Read the whole contract carefully. If something feels off, it probably is.

Look for	The question to ask
Payment fees	Do they charge extra depending on how you pay (card vs. ACH, for example)?
Custom fees	Are there charges you didn't hear about on the sales call?
Service promises	Do they commit in writing to how fast they'll ship and how accurate they'll be?
Lost or damaged items	Does the contract explain how they'll fix it or reimburse you?
Leaving	How do you get out of the contract — notice period, termination fees, getting your inventory back?

None of these are bad on their own. The problem is when they're hidden. If a 3PL is open and clear about them, you don't have much to worry about.

> **PAY THE MOST ATTENTION TO THE EXIT TERMS**
>
> If you're locked into a contract and things go wrong, getting out can cost a lot of money and stress. A good contract should be easy to read — that should be the norm, not the exception.

PART 05

How They Run Things, Their Systems & Their Support

If this part doesn't work, nothing else matters. Use these questions on every call.

Operations

- [ ] Do all orders ship within one business day?
- [ ] Which carriers do they use? Do they also offer cheaper regional carriers?
- [ ] When something goes wrong, who is responsible, and how do they investigate?
- [ ] Who files claims with the carrier, and is there a charge for that?
- [ ] How accurate are they? Do they scan barcodes to verify every order?
- [ ] Do they send photos of damaged items when inventory arrives or returns come back?

Systems

- [ ] Will I get a login to create orders, see inventory and track returns myself?
- [ ] Which stores and marketplaces do they integrate with (Shopify, Amazon, etc.)?
- [ ] Do orders sync in right away, and does tracking go back to the customer as soon as an order ships?
- [ ] Is there an open API so my own tools can connect?

Support

- [ ] How fast will someone answer when I need help?
- [ ] How do I reach them — phone, email, Slack?

> **TIP**
>
> Notice how fast they answered your first emails. That's usually how fast they'll answer once you're a client.

Once you sign, test everything. Make sure your store is connected correctly, and if you use your own carrier accounts, confirm those work too.

PART 06

Getting Ready for Your First Call

Come to the call with your numbers ready. That way the 3PL can tell you quickly whether they're a good fit and how they can help.

BRING THESE NUMBERS

- Orders shipped per month
- Number of different products (SKUs)
- Average product size and the boxes you ship in
- Return rate (% of orders returned)

If you do anything beyond simple pick and pack — bundles, kits or a multi-step packing process — write a short guide explaining how it works. Then the 3PL can tell you two things:

1. Whether they can do it at all
2. Roughly how much it will cost

The clearer you are, the better your quote will be, and the fewer surprises you'll have later.

Quick checklist

- [ ] I know whether I need a 3PL now, and why
- [ ] I've compared quotes on value, not just price
- [ ] I've checked where my customers are and where my inventory comes in
- [ ] I've read the full contract, especially the exit terms
- [ ] I've asked about shipping speed, accuracy, claims, systems and support
- [ ] I have my order volume, SKU count, box sizes and return rate ready

FINAL THOUGHT

The right 3PL feels like part of your team.

They should take work off your plate, not add stress to it.

> **At Crown, our goal is to be so good at what we do that you forget you even have a 3PL doing your fulfillment.**

If you have questions or you're looking for a new 3PL, we're happy to help — even if you're just figuring out what you need. And if we honestly don't think we're the best fit, we'll refer you to a partner in our 3PL network who is.

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