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EasyPost Ebook

The 10-Step Guide to Rocking the 2023 Peak Season

Introduction

We all know that peak season is a big deal in the logistics world. It's like the Super Bowl of shipping, with businesses working around the clock to deliver packages to customers all over the globe. During peak season, millions upon millions of packages are delivered every single day. That's a whole lot of potential profit! But along with the profits come a ton of risks as well.

Throughout this time, you're dealing with increased order volumes, tighter delivery deadlines, and unpredictable fluctuations in demand. Throw in a dash of supply chain disruption, and you've got yourself a

recipe for potential chaos. But, no worries! We've got your back. We've put together the 10-step ultimate guide to making sure the busiest time of the year is also your smoothest time of year. So, grab a cup of coffee, sit back, and dive into the wonderful world of peak season preparation.

Step 1: Make Early Preparation a Top Priority

As boring as it sounds, making peak season prep a priority is key to your ultimate success. The peak season is a high-stakes game for logistics companies. Preparing for shipping during the holiday season is crucial for e-commerce businesses, as customers expect fast and reliable delivery of their orders. Delays or issues with shipping can lead to negative reviews, lost customers, and damage to a brand's reputation.

Everything in peak season has become increasingly complex. It's no wonder that in 2022 the majority of supply chain executives (**59% to be exact**) say that peak season has brought new challenges and report that they are managing it differently than in past seasons. A big part of that is preparation. As Michael Johnson, director of business consulting at Deposco, a provider of inventory management technology **explained**, "The floor has been elevated significantly. It will be up to supply chain professionals to find creative and innovative ways to deal with ebbs and flows."

Successful executives say they work year-round to ensure peak season goes smoothly. In Q1, the past season is reviewed to determine where things went well and what could be improved. In Q2, changes based on these reviews are implemented. Technology is updated. And Q3 is action time! Reviewing head counts, looking at season estimates, and shoring up any last-minute supply concerns is of paramount importance. That means that, in order to ensure smooth shipping operations during the holiday season, e-commerce businesses need to be in "preparation mode" for most of the year!

Step 2: Tame Those Unruly Supply Chains

Managing your supply chain can be challenging at the best of times. Peak season makes it even more difficult. In fact, **66% of businesses in 2022** reported that supply chain issues had a moderate to severe impact on their business. To have a successful season later, you can make a few small changes now to shore up the supply chain and be more prepared down the road.

Start by building strong relationships with your suppliers and carriers. Why? It's pretty simple — if you have a good relationship, they are more likely to be proactive in addressing potential issues and sharing info that could be critical for you to know in order to avoid disruptions. You can do this by scheduling regular check-ins and establishing clear lines of communication. This fosters a collaborative working relationship and provides effective communication and quick problem-solving if issues do arise during the all-important peak season.

Next, plan for the worst. Developing contingency plans is crucial to making sure that your supply chain can handle unexpected disruptions during peak season. Take some time to work with your team to identify potential risks to your supply chain, such as weather events or carrier downtime, and develop alternative strategies for handling them. For example, you might consider diversifying your suppliers or carriers, building up critical stock now, or adjusting your production schedule to accommodate potential disruptions. By taking a proactive approach to risk management, you can minimize the impact of unexpected disruptions on your supply chain.

Finally, make sure you have a good handle on your inventory management. This is where leveraging technology becomes critical. Forecast demand using data to validate that you have sufficient inventory on hand to meet customer needs. Your inventory tracking software should allow you to monitor stock levels in real-time and set reorder points. By optimizing your inventory management, you can minimize stockouts, reduce excess inventory, and improve your overall supply chain efficiency.

97%

of consumers consider on-time delivery to be critical to their overall shopping experience
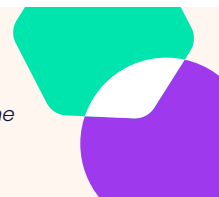
Step 3: Unlock the Power of Data Management

Data is your BFF during peak season, helping you make informed decisions and stay one step ahead of the competition. Here's how to make the most of it:

- **Collect and analyze shipping data:** Keep track of key performance indicators (KPIs) such as shipment volume by status and date, service and carrier analytics, delivery performance by destination, and package characteristics. Set up custom dashboards to visualize data, monitor trends, and gain package-level insight.

- **Monitor omnichannel performance:** Gain insight into rejects and issues that lead to cancellations (final fill rates), parcel tracking, and return rates by category. Understand and manage inventory costs, including shipping labor expenses and supplies, to optimize your overall fulfillment process.

- **Evaluate carrier performance:** Use data to assess carrier reliability and make adjustments as needed. Compare on-time delivery rates, transit times, and other performance metrics across carriers.

- **Analyze parcel spend data:** Evaluate shipping and fulfillment costs by gathering data on parcel cost exceptions, cost performance by destination, costs associated with weight and zones, cost trending by service, dimensional factor upcharges, and chain of custody. Use this information to improve your supply chain profitability and make strategic decisions.

Step 4: Tackle Cost Management Head-On

During peak season, it's important to keep a close eye on your spending to help your business remain profitable. So, how can you cut costs now? Start by comparing carrier rates to help you find the most cost-effective shipping options. The savings can be huge. For example, data analysis shows that EasyPost shippers save up to **88% off retail rates** simply by implementing rate comparisons.

Analyzing shipping data can help you identify patterns and trends that can be used to optimize your shipping strategy and control costs. By looking at shipping data such as carrier performance, delivery times, and shipping costs, you can identify areas where improvements can be made. For example, you might notice that certain carriers consistently deliver shipments late, or that shipping costs are higher for certain types of products or destinations. By using reporting tools to generate insights, you can make data-driven decisions that improve your bottom line.

Embracing automation can also help you save time and money during peak season. A **study** by consulting firm McKinsey found that automation can reduce costs by around 30% and can lead to a 50% reduction in processing time. Automated tools help reduce manual labor and minimize the risk of human error, freeing up resources to focus on other areas of your business. For example, you might implement automation software for tasks like label printing, tracking, and customs documentation. By automating these tasks, you can save time and reduce the risk of errors that can lead to additional costs and delays. Additionally, automation will help you scale your operations more efficiently, allowing you to handle higher volumes of shipments without significantly increasing your labor costs.

Step 5: Prioritize Customer Expectations

During peak season, keeping your customers happy is essential since they are the lifeblood of your business. These tips will help you deliver top-notch service:

Start by providing accurate delivery estimates. In one **recent study** that 97% of consumers consider on-time delivery to be critical to their overall shopping experience, and 61% of them say that delivery date accuracy actually helps them decide where to shop. Today's customers demand transparency, so it's important to make sure your shipping estimates are as accurate as possible. Using real-time data from carriers can help you generate reliable estimates you can share with your customers.

Offering real-time tracking is another expectation for today's online shopper — whether your customers are businesses or consumers. Nowhere was package tracking as important as during the COVID-19 pandemic. For example, rapid testing and processing of COVID-19 test samples were essential to monitor and manage the spread of the virus early on.

Package tracking played a vital role in ensuring that the test samples were delivered on time and to the correct destinations. Carriers used real-time tracking to monitor the progress of the packages, enabling them to coordinate with labs and make any necessary adjustments to their routes or schedules. This allowed for the quick turnaround of test results, which was critical in providing timely information to healthcare professionals and decision-makers. It's not a huge lift to implement package tracking, but it can really make a big difference for your buyers.

Finally, prioritizing communication is key to keeping customers informed and happy. Keep them in the loop with timely updates, especially in the event of any changes or delays. Setting up automated email or SMS notifications can help you keep customers informed throughout the shipping process. By doing so, you can maintain their trust and satisfaction, which is crucial for building long-term relationships with them.

86%

of supply chain leaders want to invest in additional technology in 2023

Step 6: Stay Ahead of Compliance and Regulations

No one wants to get caught up in a tangled web of red tape during peak season. Stay on top of regulations and maintain compliance with these suggestions:

- **Develop a compliance program:** Developing a compliance program can help you establish clear policies and procedures for meeting regulatory requirements. This can include developing training programs for employees, conducting regular audits to ensure compliance, and creating a plan for handling compliance violations.

- **Work with a customs broker:** A customs broker can help you navigate the complexities of customs regulations and confirm that you're meeting all requirements. They can also help you identify cost-saving opportunities and mitigate any potential risks.

- **Utilize third-party logistics providers:** Working with a third-party logistics provider (3PL) can help you stay compliant by outsourcing certain aspects of the shipping process, such as customs documentation, to an experienced partner. This can help you meet regulatory requirements while freeing up your internal resources to focus on other aspects of your business.

- **Implement quality control processes:** Implementing quality control processes can help you catch any potential compliance issues early on in the shipping process. This can include conducting regular inspections of shipments, implementing strict packaging requirements, and ensuring that all necessary documentation is accurate and up-to-date.

By taking a proactive approach to compliance and regulations, you can help ensure that your shipping operations run smoothly and avoid any potential penalties or disruptions.

Step 7: Secure Your Packages and Consider Using Insurance

Ensuring the safety and security of packages is crucial for any logistics leader, especially during peak season when the volume of shipments increases. Fortunately, there are some ways to enhance package security and minimize potential losses.

Start by examining how you are protecting your packages in the warehouse to avoid damage. Use sturdy packaging materials can help protect your shipments from damage during transit. Invest in high-quality boxes, padding, and tape to help guarantee that your packages are well-protected and less likely to incur any damage during transportation. This can help minimize the risk of damage or loss during transit and improve the overall delivery experience for your customers.

This may mean that extra training sessions need to take place now, before peak season arrives. Training employees on best practices is essential to minimize the risk of damage or loss. Educating your team on proper packaging methods and handling procedures can help you make sure that all packages are handled with care and attention to detail. This can help minimize the risk of damage or loss during transit, and ultimately improve customer satisfaction.

In addition to these preventive measures, securing a comprehensive insurance plan is essential for mitigating risks and protecting your bottom line.

When selecting a shipping technology provider, make sure they offer a robust insurance solution to protect your business from potential losses during peak season.

Insurance is a must-have for any logistics leader for several reasons:

Reduce the impact on your business: Insurance can provide financial compensation for damaged, lost, or stolen packages, reducing the impact on your business.

Build customer trust and satisfaction: Offering insurance coverage demonstrates your commitment to the safe delivery of packages, boosting customer confidence and satisfaction.

Increase conversions on your website: Consumers are more likely to hit that "purchase" button when they feel secure in the safety of their package.

Step 8: Address Potential Porch Piracy Issues

Once your package is safely on its way, you also need to consider the problem of porch piracy. Did you know that **package theft is the #1** crime concern of Americans in 2023? While it is not your fault when a package gets lost, every lost package still ends up being a very poor customer experience … meaning a customer is unlikely to come back with repeat business.

You can be a resource for your buyers on how to avoid package theft by providing tips and resources to help protect their packages during transit on your website and via email. Shippers can offer several suggestions to consumers:

1. **Track packages:** Encourage customers to track their packages using the carrier's tracking system or a third-party tracking tool. This can help them keep an eye on their shipments and know exactly when to expect delivery.

2. **Require signature confirmation:** Suggest that customers require signature confirmation for their deliveries, which can help validate that packages are only delivered to the intended recipient.

3. **Use a delivery locker:** If available, suggest that customers use a delivery locker service, such as Amazon Locker or UPS Access Point, to receive their packages. This can help reduce the risk of package theft by providing a secure location for delivery.

4. **Request a specific delivery time:** Suggest that customers request a specific delivery time when they will be home to receive their packages. This can make it more likely that packages are delivered when someone is available to receive them.

5. **Add delivery instructions:** Encourage customers to add delivery instructions, such as leaving the package in a specific location or with a neighbor, to help packages get delivered safely and securely.

6. **Offer insurance:** Giving customers the option of purchasing insurance on their package helps give them peace-of-mind that their investment is safe.

By providing these tips and resources, shippers can help educate consumers on how to avoid package theft and increase the chance of a smooth delivery experience for everyone involved. Then, even if the worst possible scenario occurs, customers at least recognize that you've done your due diligence as the shipper.

Step 9: Build a Logistics Tech Stack That Works for You

In today's fast-paced shipping environment, leveraging technology is essential for staying ahead of the curve and meeting the ever-evolving demands of customers. Putting the right technology into position can help you streamline operations, reduce costs, and ensure timely deliveries during peak season. It's easy to see why **86% of supply chain leaders** in 2023 want to invest in additional supply chain technology.

Why are they so interested in technology? Easy. The right tech stack has been proven to save shippers time and reduce human error by implementing automation tools for tasks such as label printing, tracking, and customs documentation. Analytics help optimize carrier selection, reduce transit times, and cut costs. Real-time tracking and notifications can improve the customer experience by keeping them informed throughout the shipping process.

Automated tools for customs forms and compliance can help maintain compliance and simplify the international shipping process. The possibilities go on and on.

Take time to see where you could use some upgrades and start doing your research now to uncover the tech tools you could take advantage of this upcoming peak season.

61%
of consumers say delivery date accuracy helps them decide where to shop

Step 10: Select the Right Shipping Technology

Combining the power of technology with a top-notch shipping solution can make or break your peak season experience. As Bob Malley, CEO of Pierbridge, explained, "Technology is playing an increasingly important role in logistics, particularly during the peak season when demand is high and every second counts. With the right tools and strategies, businesses can streamline their operations, improve efficiency, and deliver a better customer experience."

Keep these key features and benefits in mind when you're looking for a shipping technology provider:

Scalability

No matter the type of technology, it should be able to pivot and grow with your company.

Multi-carrier access

Diversifying your carrier mix is a great way to reduce costs and improve delivery speeds.

Reliability

Look for a provider with a proven track record of uptime and performance to ensure consistent service during peak season.

Robust analytics

You want technology that will help you compare rates and transit times for different carriers, ensuring you choose the right one for your needs.

Flexibility

Your shipping needs may change over time — even during peak season. Using an API or other flexible technology can help you adjust quickly.

Top tier customer service

Look for a provider that offers dedicated support and resources to help you navigate any issues or challenges that may arise. Strong customer service can help you have a smooth and successful peak season.

Conclusion

With this guide in hand, you're now ready to tackle the challenges and opportunities that await you in the 2023 peak season. By implementing the tips shared in this ebook and leveraging the power of technology, you'll be well on your way to a successful and stress-free peak season experience.

Remember: the companies that thrive during peak season are those that plan well in advance, leverage technology, and remain agile in the face of changing circumstances. Happy shipping!

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