



**7 Considerations**  
*When Choosing  
Warehouse  
Logistics Solutions*

# Warehousing is an essential part of your supply chain. Do you understand all of your options?



Warehouses are critical to the storage, fulfillment and transportation of products, along with the profitability of the shipper.

However, selecting the right kind of warehousing services and environment can be difficult. Shippers may need spaces that cater to a specific product type, or they may have technology requirements or cost limitations. That makes it important for shippers to research different warehouse types and find the spaces that meet their specific needs.

GlobalTranz, a leading third-party logistics (3PL) shipping partner, helps customers of all sizes with their [shipping and warehouse management requirements](#). In this e-guide, we provide critical information that will allow you to make informed decisions about how, why and where you choose warehouse logistics solutions.

## Understanding Warehouse Types



### Private Warehousing

In company-owned and operated warehouses, shippers maintain control over product inventory, fulfillment processes, distribution and other services.

### Dedicated or Contract Warehousing

In most cases, a 3PL owns these warehouses and rents the entire building to one company. The 3PL also provides staff, services and any value-added solutions such as inventory management, kitting, picking and packing.

### Multi-client or Shared Warehousing

Multiple companies share these spaces and rent them from the 3PL, whose employees provide value-added services for all the clients on a shared-cost basis.

### Public Warehousing

This on-demand warehousing arrangement is usually for short term or seasonal use and is available on a first-come, first-served basis. Value-added services are typically not included with public warehousing.





## How to Choose a Warehouse

Purchasing a warehouse isn't always feasible or the right choice for many companies. The cost may be prohibitive, and the rate of return can take decades. When determining whether to rent or buy, shippers must make their decisions based on several factors listed below.



### Type of Product

The right storage space makes a difference for some types of products, such as fragile or bulky items, temperature-sensitive goods and hazardous materials. GlobalTranz warehouses provide more than 50 million square feet of space across the nation for all types of products — even on a temporary or short-term basis for seasonal goods.



### Cost to Rent

While cost needs to fit in with the company's logistics budget, shippers must weigh it against available third-party warehouse services that can fit their needs. Sharing warehouse space can help cut down on costs in these cases.



### Warehouse Technology

Automated services — such as robots for lifting heavy objects, picking and fulfilling — will help with speed and accuracy. Other warehouse solutions aid in inventory and order management. In most cases, 3PL clients have access to a transportation management system (TMS), ERP, order management and warehouse management system (WMS), as well as shipment tracking capabilities and other technology.



### Proximity to Customers and Vendors

A warehouse's location can help businesses save money on shipping. A 3PL that has multiple warehouses can facilitate speedier and more cost-efficient transit for companies with customers and vendors located nationally and internationally.



### Space Requirements

A company may need a dedicated warehouse if it has enough inventory to fill an entire space or if security issues don't allow for sharing space with other clients. For companies with less inventory, or if the amount of storage space can hold inventory for numerous businesses, a multi-client or shared warehouse may be the answer.



### Third-party Warehouse Services

For many businesses, the outsourcing of services to a third party is the attractor when renting warehouse space. 3PL companies that own warehouses typically provide staff and offer customized services, such as inventory management, kitting, fulfilling, packing and shipping. Companies that rent warehouse spaces alone need to staff it themselves or find contract service workers.








### Access to Less-Than-Truckload (LTL) and Truckload Carriers



Having a full suite of logistics solutions and top-notch carriers for inbound and outbound shipping helps complete the company's supply chain needs. Working with a 3PL that offers both warehouse and transportation services can be optimal for many shippers.

# Types of Warehouses



		Private	Dedicated	Multi-client	Public
	<b>Own or Rent</b>	<b>Own</b> Company-owned and operated for its own use.	<b>Rent</b> Single company rents an entire warehouse from a 3PL company.	<b>Rent</b> Multiple companies share the warehouse space and rental cost.	<b>Rent</b> Various companies rent on a first-come, first-served basis and share space.
	<b>Contractual Obligation</b>	Commercial mortgage or company financed.	Long term, for a span of usually 2-5 years, providing stability.	Month-by-month or year-by-year option flexibility.	Short-term on an as-needed basis.
	<b>Third-party Warehouse Services</b> (inventory management, fulfillment, picking, kitting, etc.)	Specialized services performed by company's employees.	3PL provides specialized value-added services and employees.	3PL provides general value-added services, staff to all leasing companies.	Not available.
	<b>Warehouse Technology</b>	Company uses its own technology or outsources it to another company.	3PL provides TMS and WMS to the company. Other systems also available.	3PL provides TMS and WMS to each company. Other platforms also available.	Not available.
	<b>Carrier Services</b>	Company owns its fleet or outsources to carriers.	Outsourced to a 3PL's network of carriers.	Outsourced to a 3PL's network of carriers.	Not available.

## Summary

	<b>Benefits</b>	Complete control and oversight of product storage and distribution.	No capital required. Direct access to staff and specialized value-add services. Connections to carriers at a discount.	Sharing storage space and value-add services is more cost-effective. Access to staff and freight carriers at a discounted rate.	On-demand flexibility for short-term or seasonal needs.
	<b>Drawbacks</b>	Large capital investment with decades-long return on investment.	Cost of rental and value-add services can add up.	Cost of rental and value-add services can add up. Sharing space is less secure and sharing services can slow down production.	Challenge to find on-demand warehouses. No value-add services or access to freight carriers.

A man with glasses and a checkered shirt is shown in profile, looking upwards and to the left. He is holding a tablet in his left hand and pointing with a white pen in his right hand. The background is a blurred warehouse setting with high ceilings and industrial equipment.

## *Do you need assistance with your warehousing and transportation solutions?*

Selecting warehouse space for your supply chain can be one of the most important decisions you can make as a shipper. Working with an industry-leading 3PL can help. With 50 million+ square feet of warehouse space across North America, GlobalTranz helps you spend more time focusing on your core competencies.

We provide shippers of all sizes with [one-stop warehousing, fulfillment and transportation services](#). That includes scaling your business with the simple implementations of GlobalTranz's warehouse management system (WMS) platform.

## *Connect with an expert today.*

Learn how GlobalTranz can simplify the way you ship freight.

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