

# CalArk Expands Warehousing & Distribution Footprint

Providing 5 Strategic Advantages  
for Customers in Southeastern U.S.



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## Introduction: CalArk - The Wheels of American Business

In 1975, when third party logistics (3PL) meant “truckers moving freight,” CalArk started transportation operations in central Arkansas with three rigs, one lane, and a bold vision. To become the wheels driving American business.

Over the next forty years, one California / Arkansas lane became a U.S. domestic service covering 48 states and Mexico. Three trucks turned into a 650-piece fleet. By 2015, annual sales were over \$125m – and climbing. But as it expanded, CalArk saw 3PL demands growing beyond trucking - and flexed to meet the demand.

### 3PL – More Than Trucking

According to a recent study<sup>i</sup> the size of the US 3PL market has grown to approximately \$166 billion with ninety percent of domestic Fortune 500 companies taking advantage of 3PL functionality. That same report highlights a significant scope for 3PLs, with customers using 2.77 services on average – often mixing transportation management, warehouse management, and value-added options.

With that kind of market growth, you might wonder how much higher the demand might climb for 3PLs. In another report<sup>ii</sup> the U.S. Department of Transportation indicates that by the year 2045, freight volume in the United States will increase by a staggering 40 percent. Contributing to growth are factors ranging from changes in foreign trade policy to consumer shopping habits (with online shopping leading to more local package deliveries).

To meet current demand and brace for forecasted growth, companies are outsourcing more of their logistics processes – specifically all or part of warehousing and distribution.

But as shippers and 3PLs try to respond to growing demand, some are facing a major constraint...capacity. At the heart of the 3PL world is trucking, and driver availability can be a serious concern. Due to long lanes, unpredictable schedules, and undesirable hours, drivers are finding better options and some 3PLs are scrambling to support customers.

### From Wheels to Warehousing

To address customer needs while building on its strengths, CalArk expanded their transportation business, adding warehousing and local distribution services. The addition meant more logistics options for customers, and an opportunity for CalArk to attract and retain quality drivers.



Customers like Wayfair, Cato Fashions and Ulta Beauty have taken advantage of CalArk’s new service, gaining guaranteed capacity, warehouse management, and dedicated delivery.

## Expansion into Southeastern U.S.

CalArk's warehousing and delivery model has proven to be valuable for customers. By extending service options and expanding their footprint across the southeastern U.S., CalArk has doubled in size each of the past four years. The growth in CalArk's territory, resources, and services means greater opportunities for customers in southeastern locations to streamline logistics operations.

## Strategic Advantages with CalArk's Dedicated Distribution Solutions

CalArk recommends their dedicated approach for national and regional companies looking to improve final mile logistics across the southeastern U.S.

This whitepaper highlights the strategic advantages of the CalArk warehousing and distribution solution:

- **Asset Based** – Investment Free
- **Guaranteed Capacity** – Because “Maybe” Isn't Good Enough
- **Technology** – In the Warehouse & On the Road
- **Agility** – A Small 3PL with Big Results
- **Customized Solutions** – It's All About the Customer

## Asset Based – Investment Free

While many 3PLs avoid the challenge of asset ownership for complexity, cost, and liability reasons, CalArk thrives on it. One of the company's strengths is the asset-based approach it offers for warehousing and dedicated delivery.

Privately held, the company enjoys financial stability and strategic flexibility. Being free to decide when and how to invest is critical for a 3PL focused on helping customers streamline their logistics processes and reduce costs.

Another study<sup>iii</sup> indicates that 73% of shippers say that 3PLs offer solutions that improve logistics effectiveness, and 75% said the use of 3PL services has contributed to overall logistics cost reductions.

4 But getting those improvements requires choosing the right 3PL partner. CalArk offers both startup and day-to-day business advantages to improve processes and reduce costs:

### Capital-Free Start-Up or Expansion

With access to CalArk resources (trucks, equipment, resources, etc.), customers can start or expand their logistics operations without capital investments.

And in cases where customers are already asset-heavy, for example, with trucks or warehouse space, they may opt to sell those resources – generating a bottom-line advantage.

### Regulatory Freedom

Leaving the regulatory burden to CalArk, customers may avoid the reporting, risks, and costs associated with logistics-related compliance efforts.

### Cost Avoidance: Maintenance, Personnel, Insurance

Customers don't have to worry about fleet or warehouse maintenance costs (including preventive, corrective, replacement, and upgrade activities.) They are also free from hiring, training, managing, and payroll activities for the warehousing and transportation staff. And insuring for logistics related risks is another task customers can leave to CalArk.

### Fast Implementation

Since CalArk assets are already in place, or quickly provided, customers can tap into new markets quickly. Where a warehouse is needed, a new implementation can usually be operational within 90 days of agreement.

CalArk supports site startup with network modeling tools to identify optimal warehouse locations. They also provide expertise in warehouse layout for efficient workflow.

## Scalable Solutions

The CalArk footprint includes CalArk owned or managed warehouses in Arkansas, Tennessee, Alabama, Mississippi, Georgia, and Florida. Additional locations are planned within the next year. In situations where customers prefer to manage their own warehouses, CalArk offers dedicated carriage options.



Where a warehouse is needed, a new implementation can usually be operational within 90 days of agreement.

## Guaranteed Capacity – Because “Maybe” Isn't Good Enough

How important is capacity? In the previous study<sup>iii</sup>, 75% of 3PLs responded that their shippers rate on-time arrival dates as their most important objective.

Hitting on time arrival dates can be a challenge when transportation capacity fluctuates. To address that challenge, shippers may work with multiple 3PLs, pay higher rates to win capacity, or develop enhanced relationships with 3PL partners.

Taking that 3rd option, and choosing CalArk as their 3PL partner, customers have access to guaranteed capacity for agreed routes, schedules, volume, and price.

Guaranteed capacity is possible because each CalArk solution is built on relationships, and those relationships secure capacity:

## Employees, Not Contractors

All drivers, warehouse operators, customer service representatives, and management personnel are CalArk employees. The benefits for CalArk customers are clear:

### • Employees are knowledgeable

Employees receive training in all aspects of the company's warehousing and distribution services – regulatory, operations, systems, and customer service. A knowledgeable team leads to efficient and cost-effective solutions for the customer.



• **Employees are invested in success**

High-quality, dependable service is a feature that can be a challenge for non-asset based 3PLs. But CalArk excels in meeting customer needs because employees are dedicated to the company's success. Why? Because CalArk is dedicated to the employees – providing a safe working environment, reliable equipment, steady workload, and a commitment to employee work-life balance.

• **Consistency**

CalArk promotes from within to retain the best people. Consistency in staffing – having the same team in place every day – enables strong collaboration and working relationships with customers.



**Location**

CalArk employs a “next-door” strategy to guarantee capacity.

Each warehouse is targeted to reside within 150 miles of the delivery point. Why 150 miles? At 150 miles, drivers can make a round-trip and be home each night for dinner with the family.

It means a driver runs the same route, works with the same customer, and builds relationships – day in, day out.

150 miles means driver retention – and driver retention means guaranteed capacity for CalArk customers.



**Technology – In the Warehouse & On the Road**

There are times when nothing is more critical for a customer than knowing their inventory levels.

Or the exact location of a shipment. Or when to expect delivery. All critical information. All dependent on technology. In fact, per the previous study<sup>iii</sup>, 91% of shippers believe IT capability is important in a 3PL relationship.

That's why technology is a fundamental part of the CalArk solution. Investing in truck technology as the transportation division grew, the company implemented systems for driver and fleet monitoring and performance. Building on that expertise, CalArk integrated technology into the warehousing and distribution environment. As they expand and fine-tune software and systems, CalArk is dedicated to providing solutions that meet customer needs.

**Transportation Technology**

With a fleet at the heart of CalArk's strategy, it's critical to know the status of truck and driver from pickup to delivery. Monitoring both with the Transportation Manager allows the company to control hours of service, fuel management, asset performance, safety, and productivity.

Drivers enjoy a dispatch-free working environment enabled through on-board computers and GPS. The benefit for CalArk and customers is real-time visibility of the truck and the goods. With CalArk, the answer to “when will the goods arrive?” is no longer an estimate.



Designed to simplify the customer's receiving process, CalArk's systems can reduce paperwork, document shipment quality, and reduce mistakes. Customers can benefit through increased productivity, enhanced customer service, and access to real-time information.

**Warehouse Technology**

In a CalArk managed warehouse, customers can depend on secure and accurate inventories. Key warehouse technology includes:

- **Web-based access to warehouse management system (WMS) reports and queries**
- **Real-time order and shipment visibility**
- **EDI capability**
- **Barcoding**
- **Customer-controlled settings and conditional alerts**
- **Customizable pack slips, order allocation methods, low-level goods tracking (pallet, date, and more)**

**Delivery Technology**

To simplify delivery and improve quality, CalArk uses an extended productivity suite and proof of delivery application.

Features include:

- **Electronic Signatures**
- **Barcode Scanning**
- **Photo Capture**
- **Document Imaging**

## Agility – A Small 3PL with Big Results

When choosing a 3PL, customers need a partner who can respond quickly and effectively. That's especially true when customers outsource all or part of their warehousing and distribution solutions. Giving up hands-on management requires a level of trust that the 3PL will treat the customer's business like their own.

While many larger 3PLs offer warehousing and distribution services, their size often brings complexity. And complexity can get in the way of customer expectations.

### CalArk offers a unique advantage with its smaller size:

#### Laser Focus

Concentrating on 2 primary functions (truckload and dedicated logistics) has allowed CalArk to become best in class.

#### Service for All Markets

Not just a metro player, CalArk provides customers dedicated service in areas where other 3PLs aren't very active.

And as an added benefit - working in rural areas (which are normally lower-revenue markets) has driven CalArk to be more efficient to be profitable. That efficiency can translate to lower costs for customers.

#### Employee Based

A smaller scale allows CalArk to be an employee-only provider.

A larger 3PL is often forced to contract labor, limiting their ability to control quality.

#### Fast Action

The tight-knit CalArk management team enjoys a flatter structure than a larger 3PL.

And fewer decision makers means faster decisions. Agility the customer needs.

#### Independent

Privately-owned, and financially sound, CalArk is able to invest where needed, when needed.



This means customers have access to a late model fleet, state of the art technology, customer-centric software solutions, investments in safety, and more.

#### Flexible

While customer expectations can vary, the CalArk commitment to customer satisfaction does not.

Some customers stress 3 key delivery expectations: on-time, damage-free, and accurate. Other customers value delivery notifications or customer service responsiveness.

That's why the CalArk solution is customizable for new or changing customer requirements.

## Customized Solutions – It's All About the Customer

CalArk's dedicated warehousing and transportation solutions are in place for southeastern U.S. customers in sectors including auto-parts, HVAC, electronics, office supplies, furniture, technology, medical, and retail.

While solutions can be as unique as each customer, CalArk's customers typically need:

- Pre- or post-production storage
- Redistribution support including sorting, cross-docking, last mile delivery
- Warehousing in support of trans loading

- Residential Deliveries
- Final-Mile Service

#### Warehouse Services

CalArk can provide almost any warehouse service required by the customer – and do it timely, accurately, and efficiently. Services include:

- Pre- and post-production storage
- Pool Distribution – breaking full loads built for economy of scale into last mile deliveries
- Cross-Docking – moving freight from full trucks to outbound trailers with minimal or no storage time between the moves.
- Trans loading storage - warehousing for pre- or post-transportation mode change
- Pick-pack fulfillment and other support activities such as repackaging, labeling, and sub-assembly
- Deconsolidation – break down of containers for storage or delivery
- Other activity such as kitting, sub-assembly, repackaging, and labeling



Warehouse capacity includes 750,000 sf and 125 dock doors at strategic locations throughout the southeastern U.S.

Solutions include customizable services and features within the warehouse and delivery processes.

#### Warehouse Distribution

CalArk meets customer needs through multiple delivery options:

- Pool distribution
- Cartage for local metro support
- Last mile delivery service
- Routed Distribution
- White Glove – for items requiring extra-special handling

## Next Steps

CalArk International now offers warehousing and distribution services for national and regional customers looking to improve logistics operations across the southeastern U.S.

The dedicated services are ideal for companies needing an agile logistics partner to streamline their logistics costs and improve final-mile delivery.

By choosing CalArk as their dedicated 3PL partner for dedicated warehousing and distribution, companies can benefit from these strategic advantages:

- **CalArk is Asset Based** – Investment Free for the Customer
- **CalArk Guarantees Capacity** – Because “Maybe” Isn’t Good Enough
- **CalArk Utilizes Technology** – In the Warehouse & On the Road
- **CalArk is an Agile Partner** – A Small 3PL with Big Results
- **CalArk Provides Customized Solutions** – It’s All About the Customer

Additional information about CalArk International is available at [CalArk.com](http://CalArk.com)

To discuss how CalArk can improve your final-mile logistics process, please contact Chris Fortune, Scheduling Coordinator at CalArk, (501) 221-4853 opt 4.



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