



The Flexible Distribution Playbook

Building a distribution network that adapts to change and scales with demand.

**FLEXIBLE BY DESIGN.
SCALABLE BY DEMAND.**

AVERITT®



YOU CAN'T ELIMINATE UNCERTAINTY. YOU CAN DESIGN FOR IT.

Every distribution network is built around assumptions.

How much inventory will we carry? Where will demand come from? How much warehouse space will we need? What will customers require? How will freight move into and out of the network?

The challenge is that those answers rarely stay fixed.

Demand grows or contracts. New customers create new requirements. Inventory shifts between markets. Imports move through different gateways. Product lines expand. Sourcing strategies change.

A rigid network may perform well as long as the original assumptions remain true. When they change, the business can be forced into temporary space, additional providers, expedited transportation, or other workarounds.

A flexible network is designed differently. It creates options to change capacity, location, capabilities, and transportation as requirements evolve.

Forecasting helps a business prepare for what it expects to happen.

Flexibility helps it respond when something else happens.

The goal is not to predict every scenario. It is to build a network capable of responding to more of them.

THE FIVE DIMENSIONS OF DISTRIBUTION FLEXIBILITY.

Flexibility is about more than warehouse space. It depends on five interconnected dimensions.

1. Capacity

Can the operation grow or contract with demand?

Warehouse demand rarely moves in a straight line. Seasonal peaks, promotions, new customers, acquisitions, and product launches can quickly change capacity requirements.

The strategic question is not simply how much space exists today. It is how difficult that capacity will be to change tomorrow.

Ask yourself: If inventory increased 25% next quarter, what would happen? What if that increase disappeared six months later?

2. Location

Is inventory positioned where the business needs it?

Capacity in the wrong place may not be useful capacity.

Warehouse location affects inbound freight, outbound miles, customer transit time, port access, and replenishment requirements. As customers, sourcing, and transportation economics change, the right place for inventory may change as well.

Where you store inventory is a transportation decision.

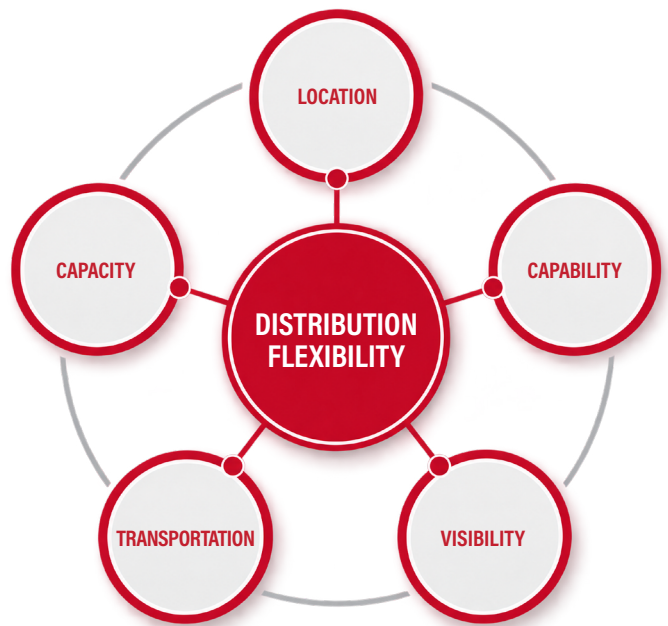
3. Capability

Can the operation change what it does with the product?

Available space alone does not guarantee flexibility.

Customers may require pick and pack, labeling, kitting, inspection, returns processing, fulfillment, cross-docking, or transloading.

A facility's value is determined not only by how much product it can hold, but by how many different requirements it can support.



4. Transportation

Can the product move as flexibly as it can be stored?

Distribution does not begin or end at the warehouse door.

When drayage, warehousing, LTL, truckload, and other functions are managed separately, changes can create friction between them.

A container arrives early. A warehouse reaches capacity. Inventory needs to move to another market. A customer order becomes urgent.

At that point, the business is not solving a warehousing problem or a transportation problem.

It is solving a **flow problem**.

5. Visibility

Can the business maintain control as the network changes?

Flexibility without visibility can quickly become complexity.

Adding locations or capabilities should not create blind spots in inventory, orders, shipments, or performance.

Growth should increase capability without making the network harder to manage.

FLEXIBILITY IS OPTIONALITY.

A flexible network does not require a business to own every piece of infrastructure it might someday need.

It requires **access**.

Access to additional space when inventory grows. Access to another market when demand shifts. Access to fulfillment capabilities when customer requirements change. Access to transportation when freight needs to move.

Redundancy means paying for everything you might need. Optionality means having a path to what you need when circumstances change.

The objective is to give businesses access to more capabilities while reducing the friction required to use them.



THINK IN NETWORKS, NOT WAREHOUSES.

Warehouse decisions should not be evaluated in isolation.

The lowest warehouse rate does not automatically create the lowest network cost. A facility farther from customers may add outbound miles. A location near a port may simplify inbound transportation but create a different downstream equation.

For imported freight, the network begins before product reaches the warehouse.

A container may move through an ocean terminal, drayage operation, transload facility, warehouse, and inland transportation network before reaching the customer.

Optimizing one step does not necessarily optimize the entire flow.

Product may need to be transloaded immediately, held near the port, positioned regionally, or moved inland through a different transportation mode.

The best strategy is the one that keeps the whole flow moving.



FLEXIBILITY IN PRACTICE.

Real-world examples show what flexibility looks like when different constraints emerge.



KICKER: Position Inventory Closer to Demand

KICKER shifted a portion of its inbound and fulfillment activity to Averitt's Charleston operation, positioning inventory closer to East Coast customers.

For applicable freight, the change reduced LTL fulfillment mileage by approximately 67% to 75% while improving delivery speed to key markets.

Lesson: Inventory positioning can be one of the most powerful transportation decisions in the network.

DiversiTech: Change the Workflow

DiversiTech faced demurrage and per diem costs at the Port of Savannah because its warehouse could not always receive floor-loaded containers on the port's schedule.

Averitt combined asset-based drayage, transloading, and temporary holding so containers could be moved, palletized, and held until DiversiTech was ready to receive them.

According to DiversiTech, the approach eliminated demurrage and per diem costs in the program.

Lesson: Sometimes flexibility between the port and warehouse matters more than optimizing either step individually.



All South Flooring: Adapt the Operating Model

As All South Flooring grew, Averitt supported the business with LTL and truckload transportation, drop-and-hook solutions, visibility tools, and warehouse support.

Lesson: Flexibility is not always about adding space. Sometimes it is about changing how freight, equipment, and information move around the operation.

Three different constraints.
Three different solutions.
One principle:

A flexible network provides enough options to build the right solution for the requirement at hand.

SIX QUESTIONS TO STRESS-TEST YOUR NETWORK.

Use these questions to identify where your distribution network may be more rigid than it appears:

- 1 What happens if volume is 25% higher or lower than forecast?
- 2 How quickly could you add meaningful warehouse capacity?
- 3 Could you reposition inventory into another market without starting over?
- 4 Could the operation accommodate a new fulfillment requirement?
- 5 Are warehousing and transportation decisions being evaluated together?
- 6 Does every expansion require another provider, system, or operational handoff?

The questions without easy answers often reveal where flexibility is lacking.

Know where the network can bend before the business is forced to find out where it breaks.





FLEXIBLE BY DESIGN. SCALABLE BY DEMAND.

Averitt Distribution & Fulfillment is built around the same principle: Businesses should be able to access the capacity and capabilities they need without treating every change in demand as a new supply chain.

Averitt's network includes more than **3.2 million square feet** of warehousing, distribution, and fulfillment space with access to capacity across **85+ locations** throughout the South and Central U.S.

Capabilities include shared and dedicated warehousing, fulfillment, kitting, labeling, cross-docking, transloading, and inventory visibility through Extensiv WMS.

For imported freight, Averitt's PortSide® solutions connect asset-based drayage and company-owned chassis with port-adjacent warehousing, transloading, and inland transportation.

And because Averitt also provides LTL, truckload, dedicated, intermodal, and other transportation solutions, inventory can connect directly to the services required before and after storage.

No distribution strategy can eliminate uncertainty.

The question is whether each change forces the business to rebuild its supply chain or whether the network already provides options for responding.



**Flexible by Design.
Scalable by Demand.**

AVERITT *DISTRIBUTION &
FULFILLMENT*

ONE PARTNER. ENDLESS POSSIBILITIES. THAT'S THE POWER OF ONE.

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