

THE FLEX CAPACITY PLAYBOOK

Flexible Warehousing for Agile Supply Chains

A guide for shippers weighing their warehousing options before the next RFP, lease renewal, expansion, or network shift.

8

strategic U.S.
warehouse locations

2.25M+

sq. ft. U.S. footprint

6

Memphis facilities

WHY FLEX CAPACITY

Plans change. Your warehousing should keep up.

You start with a forecast, but it's not long before the forecast changes.

For one reason or another, plans can change quickly, whether it's due to new retailer requirements or a new approach to inventory planning. By the time a renewal or RFP arrives, the original warehousing plan may be unable to accommodate those changes, sending your team back to the drawing board.

This Playbook is for shippers expecting to weigh their warehouse choices in the next 6 to 24 months. We're here to help your team know where to start when narrowing down your options.

WHAT'S INSIDE

- Why inflexible warehousing isn't the answer for 2026
- How to choose between contract and multi-client warehousing
- How to assess Memphis as a strategic distribution anchor
- What to ask your current 3PL before you re-sign
- Two case studies, and the questions they raise for your team

SECTION 01

Why Inflexible Warehousing Isn't the Answer for 2026

Inflexible warehousing usually begins with a reasonable forecast. The agreement may assume a certain volume, labor plan, customer mix, inventory profile, and set of service requirements.

Even though the plans were neatly defined, the business likely won't stay within those lines for long.

A dip in demand can mean warehousing inefficiency. A demand spike leaves you scrambling for more capacity. A new program can redefine your minimum requirements for inventory accuracy and material availability.

Provider setup can add friction, too. Many shippers use different providers for warehousing, transportation, and even customs, which can cause ownership issues, especially during import delays, outbound changes, or inventory exceptions.

If this past year has shown us anything, it's that global supply chains must plan for disruptions, and having continuity — either between providers or, better yet, with one expert provider — is the best way to maneuver around roadblocks with agility.

SECTION 02

Choosing Between Contract or Multi-Client Warehousing

The model that meets your needs may change as demand and service requirements change.

Dedicated or Contract Warehousing

Contract warehousing gives a shipper a dedicated operating plan with higher operational control over staffing, service, and inventory. The agreement can cover exclusive and customized labor, space, systems access, SOPs, reporting, service measures, and value-added work built around one customer's specific operating requirements.

This option makes the most sense for larger or predictable-volume programs, repeatable order patterns, plant-facing inventory, customer-specific requirements, or when a specialized, trained team is needed. This arrangement is typically structured as a long-term contract (3–7 years).

A CONTRACT MODEL IS USUALLY A BETTER MATCH FOR PROGRAMS WITH

Stronger, long-term forecasting and consistent volume at a level that justifies dedicated labor and square footage.

Manufacturing, retail, or customer requirements needing documented processes and service measurement.

Unique handling and value-added work such as kitting, labeling, order personalization, reverse logistics, compliance, hazmat, or food-grade handling.

A longer planning horizon with enough demand history to guide the operating plan.

The need to customize technology, reporting, KPIs, and workflows.

Multi-Client Warehousing

Multi-client warehousing gives a shipper access to an operated facility without taking on the entire facility commitment. This option can help a business enter a new market, test a new program, handle variable or seasonal demand, or add warehouse capacity while the larger network decision is being evaluated.

A MULTI-CLIENT MODEL CAN BE A BETTER MATCH FOR PROGRAMS WITH

Seasonal peaks or uneven order patterns.

A new region or channel with uncertain volume, or testing new markets or growth strategies.

Capacity needs ahead of a larger dedicated-site decision.

Growth plans with too many open variables for a dedicated building.

The main question is how much control the operation needs versus how much commitment the business wants to take on. Contract warehousing gives the shipper a more tailored operating environment. Multi-client warehousing gives the shipper capacity at a lighter starting point, usually on short-term, flexible arrangements.

BEFORE CHOOSING BETWEEN THE TWO, ASK

How much volume is already committed?

Which services must be performed inside the warehouse?

Which costs should stay variable during lower-volume months?

How much expansion capacity may be needed in the near future?

Can the provider flex from multi-client to contract, or from contract to a lighter model?

SECTION 03

Memphis as a Strategic Anchor

What could Memphis do for your distribution network? The region gives shippers rail, air, and interstate options, which can help one central warehouse cover a broad customer base without placing inventory on a coast or at the edge of the demand map.

Use freight lanes as the first filter. Product origins, rail access, truckload lanes, customer regions, service windows, and inventory profile will help reveal the complete story.

Inbound route

Review the ports, suppliers, rail ramps, and truck lanes feeding the warehouse. A central point can reduce extra miles before inventory is available for orders or production.

Outbound reach

Review top customer regions and service requirements. A lower-cost facility can lose its savings through longer outbound miles, expediting, or customer penalties.

Operating ownership

Review the provider count around each shipment. The fewer separate vendors involved in warehouse work, transportation planning, and customs activity, the easier it is to keep accountability in view and communication streamlined.

QUESTIONS FOR THE MAP

Which inbound lanes add miles for your inventory?

Which destination regions drive the highest freight spend?

Which service requirements strain the current facility?

Which providers own the freight and customs activity around the warehouse?

SECTION 04

What to Ask Your Current 3PL Before Re-Signing

A renewal warrants a deeper review than rates alone. Before signing another agreement, assess whether your current 3PL's model can align with the direction the business is headed.

1. How does capacity flex during a demand swing?

Ask how space, labor, billing, and service measures adjust after volume changes.

2. Which costs remain fixed?

Ask which charges stay in place during lower volume, which charges rise during peaks, and where extra storage or labor fees may appear.

3. What is the path to expanding to another market?

Ask for the data, timeline, implementation plan, and customer resources required for expansion or consolidation.

4. Can you offer contract and multi-client warehousing?

The business may need a dedicated operation for one program and shared capacity for another.

5. How do you coordinate warehouse work with transportation and customs?

Ask who takes ownership during import delays, order changes, capacity strain, or customs exceptions.

6. Which value-added services are available in the facility?

Ask about pick and pack, kitting, labeling, reverse logistics, food-grade capability, and compliance work.

7. Where are we spending extra right now?

Ask where the provider sees extra touches, wasted miles, labor strain, space constraints, inventory errors, or service risk.

8. What data would you need to redesign this operation?

A useful answer should include location data, order patterns, SKU profile, inventory turns, service requirements, and transportation lanes, as well as plans to serve new and expanding markets.

9. How would you evaluate Memphis for our network?

Ask whether Memphis changes inbound cost, outbound reach, customs planning, warehouse capacity, or the model choice.

The discussion with your 3PL should go beyond available space. It should be a strategic discussion of options, advantages, and the ability to adapt to meet changing needs.

SECTION 05 · CASE STUDY

Two Case Studies

GLOBAL FASHION JEWELRY SUPPLIER

Retail scale without a distribution bottleneck

A major supplier to the global fashion jewelry and accessories industry needed a North American distribution program capable of keeping pace with aggressive retail expansion. The operation had to handle additional replenishment requirements, seasonal demand, lead-time expectations, and consistent fulfillment. Mallory created the solution that supported the company's expansion.

800 → 9,000+

retail locations
supported

Shared → dedicated

model transition
as the account
grew

THE TAKEAWAY FOR SHIPPERS

In retail, outgrowing a warehouse model built for a smaller store base can happen fast. A flexible warehouse plan can provide greater capacity, better labor planning, and the ability to transition from shared capacity to a dedicated model as the account grows.

QUESTIONS FOR YOUR TEAM

How many new stores, accounts, or channels could the current model handle?

Which seasons create the heaviest labor and inventory strain?

Are lead times steady at peak volume?

MULTI-NATIONAL INDUSTRIAL SUPPLIER

Industrial standup in 60 days

A global industrial manufacturing group was losing manufacturing throughput because raw-material deliveries were late, and inventory accuracy gaps were creating friction. Mallory stood up a dedicated warehouse operation in 60 days, and manufacturing output increased soon after material availability improved.

24h → <4h

delivery time

100%

audit-level
inventory accuracy

60 days

to full standup

THE TAKEAWAY FOR SHIPPERS

For industrial operations, warehouse performance impacts the plant floor. Inventory accuracy, material availability, response speed, and service design all have a hand in production output.

QUESTIONS FOR YOUR TEAM

- Is material availability creating production strain?
- Do inventory records match what plant teams need?
- Could a dedicated model reduce delays for the plant?

SECTION 06

The Warehouse Network Assessment

A warehouse RFP, lease renewal, expansion, consolidation, or distribution shift can lock your business into one model for years. Mallory's Warehouse Network Assessment helps your team review your plans during a strategic, web-enabled session before making a decision.

We look at your locations, demand profile, operating constraints, and service requirements, and help you weigh your options — including contract versus multi-client warehousing. We can review whether your current footprint and model line up with the next business phase, and what questions you should raise to your current 3PL before the next renewal.

HELPFUL INPUTS

- Current warehouse locations
- Inbound lanes
- Top customer or destination regions
- Service issues or cost strain
- Lease or 3PL renewal dates
- Growth, consolidation, or channel changes

WHEN IT'S TIME TO REASSESS

Expecting a change in the next 6 to 24 months?

Mallory's Warehouse Network Assessment is a strategic session to help you get informed of your best options now and identify opportunities to improve costs, service, and flexibility.

[Request a Warehouse Network Assessment](#)

8

strategic U.S.
warehouse locations

2.25M+

sq. ft. U.S. footprint

6

Memphis facilities