An eStar eBook

eStar OMS: Unlocking Fulfilment Success

Effective fulfilment is a critical step in the customer journey, and one where meeting the client's expectations is make or break in determining whether they become a repeat customer.

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The key to successful fulfilment: Process, Technology, People.

A report by Digital Commerce 360 captures this importance to the customer: "39% of online shoppers say they want retailers to deliver online orders faster."

There are layers of hidden complexity and many considerations when improving the fulfilment channel and it is certainly not one size fits all: product breadth and depth, geography, store network, product characteristics, customer characteristics, and of course, scale and seasonality, all play a part in determining the optimal approach.

When implemented correctly, good fulfilment solutions can drive significant cost saving through efficient picking, reduced freight costs, minimised split deliveries, and automated freight manifesting.

Regardless of the operating environment there are three areas to focus on to design a successful fulfilment model; Process, Technology, People.

Process

Some of the process considerations include (but are not limited to) in-store fulfilment vs distribution centre (DC) fulfilment.

Pick strategy

Pick strategy can vary greatly depending on scale. Pick by order is usually inefficient in all but very smaller-scale situations. Meanwhile, batch picking minimises walk and pick time but requires orders to be consolidated prior to packing. Cluster picking works well when the products are relatively small, and the technology supports it.

Packing environment

The physical space of the packing environment is a critical determinant of ability to scale. Is there space for pick trolleys to queue without interrupting walkways? Are order consolidation bins required and how many? Is there a designated area for bulky items? Are packing materials in easy reach? Are label printers well placed?

Technology

Some of the technology considerations include (but are not limited to):

Order routing

If you are fulfilling orders from multiple locations many variables need to be considered when deciding where to send the order (proximity to customer, stock availability/ minimising split orders, available capacity of fulfilment location/load balancing, click and collect etc). The technology being used should evaluate the data and make the best routing decision given tradeoffs on the variables. Ideally this decision making should also be ideally made as close to real-time as possible, especially in store environments where stock may sell before being picked.

Stock integrity

Systems and integrations between systems should be also be as timely as possible to maintain stock integrity. Stock levels should be checked on product detail and again through the checkout to ensure precision. If stock is shared between in-store and online, POS systems need to communicate sales as frequently as possible.

Automation

Where scale warrants, there is almost no limit when it comes to automation options in a DC environment. These include goods-to-person which bring items to an operator for an action (e.g., packing), sortation systems, and pick-to-light where no physical or digital picklist is required and instead light indicators on each storage unit determine what needs to be picked.

People

Some of the people considerations include (but are not limited to):

Visibility

Fulfilment performance needs to be visible to the staff on the ground, not just managers. Providing dashboards in the picking area showing real time performance by presenting both queues, and throughput. Gamify and incentivise by showing the scores of the top five fulfilment locations.

Incentives

It is important to align incentives across the business to support the online channel. If you are using in-store fulfilment, then store managers' incentives need to align with online, otherwise in-store activity will always be prioritised over eCommerce fulfilment.

Specialisation

Dedicated pick staff or pack staff has the advantage of deep expertise in a single area and the resultant efficiency. However, it does reduce rostering flexibility, and staff that have a holistic view of the process will often provide the best insights into process improvement. It is important to know which of these options will work best for your staff and scale.

Briscoes case study

Ultimately, the new approach and its effective implementation mitigated the risk of picking within a live retail environment - especially during peak trade. As a result, Briscoes saw voids reduce from 10% to 0.5% (including orders that customers cancel themselves) and it happened almost immediately.

"Without eStar we wouldn't be fulfilling from stores. The technology has worked. We got a step change overnight. This was money that we were leaking out every day and we stopped it almost immediately"
Briscoes General Manager (eCommerce)

The new solution and reporting made operations more transparent, simpler and helped drive greater store discipline and overall performance. Stores that were participating in online fulfilment became better stores overall and much better at getting stock from storerooms to the shop floor.

BRISCOES
HOMEWARE
you'll never buy better

What has changed in fulfilment since COVID?

Customers demand reliability

The vulnerability of supply chains has resulted in the "COVID Consumer" gravitating to retailers who can adhere to "reliable delivery" promises. Having a streamlined OMS enables you to build and maintain strong relationships with your customers. Those that are winning have fundamental strength in this area, which includes the following:

- Having the right software to deliver a high level of logic and intelligence through the fulfilment process and tight connectivity to the eCommerce technology.
- Having a "COVID-Care plan" for warehouse employees
- Partnering with specialist third party logistics companies to support fulfilment and pass on the burden of process changes.
- Enhanced transparency to customers.
- Use Dark Stores and Click and Collect to positively contribute to the scaling of fulfilment.

Customers are aware and concerned with Supply Chain

Though supply chain is a known business issue, it has significant ripple effects to consumers, resulting in a change in behaviour. The "COVID Consumer" is seen to be gravitating back to more known brand names when purchasing online. There is the perception known brands have a more solid, established, and reliable supply chains. This is a complete flip from pre COVID times where consumers had less loyalty for brands and would engage with retailers who appears to better meet his/her needs.

Consumers still demand great end-to-end experiences with reliable delivery promises now ranking much higher than before. This has come as result of the logistical chaos consumers have been exposed to when buying online and experiencing the following issues:

- Retailers have "over sold" and must credit back purchase amount
- Delivery to home is taking significantly longer
- Calls to retailers to find out the status of the delivery is met with no certainty
- 4No confidence in click and collect experiences being safe

If retailers can guarantee order delivery to specific timelines, they will win customers.

"We have aimed to keep customers well aware of any delivery issues. This includes setting the scene early for customers once we become aware of any delays."

bed bath & beyond

eStar's Order Management Solutions

eStar's OMS is recognised by Gartner as a world class Distributed Order Management system

Distributed order management (DOM)

DOM is the perfect solution for Retailers looking to use their store networks to compete on service with improved DIFOT and shorter delivery times. It also enables businesses to move away from traditional ERP/WMS products. DOM is a perfect solution for Franchise chains. DOM provides Franchise store owners with a path to online.

Stirling Sports Case Study
In-store fulfilment means that customers have a better online experience. Orders are dispatched on time and in full more often. And clever routing means that orders get to customers faster too.

Pull Based Fulfilment

This solution allows for the distribution of orders across multiple dispatch points such as store fulfilment locations, distribution centres, dropship or suppliers dynamically and on-demand through a pull-based fulfilment approach.

"The Pull based fulfilment solution provided by eStar has been great. It has enabled us to expand and to cope with growing demand. Without that, we would have struggled."
Bed Bath & Beyond

Based on a configurable set of rules and KPI targets, the solution designates the optimal distribution for each order at a specific point in time. It can be utilised for hundreds of different dispatch points and high order volumes.

Global Inventory

Increase visibility and accuracy of inventory data - warehouses or distribution centres, stores, dropshipping suppliers - across your sales channels. Allocate stock to each sales channel based on predefined business rules and apply stock buffers or thresholds to safeguard from overselling.

Click and Collect

Click and collect is a win-win for both you and your customers. For your customers, it is being able to complete the purchase online without having to wait days for delivery. For you, it is driving foot traffic into your store network and influencing impulse purchases in-store.

A Bed Bath & Beyond customer said "The whole process from start to finish was simple and easy. The website was easy to navigate, with a good search function, and very responsive with almost instantaneous results. Selecting the product and adding to the cart was a cinch."

"The checkout process was also simple and quick. The order fulfilment was rapid, and the communication on progress was great. The actual click & collect process went smoothly, and the staff were friendly, helpful and caring - particularly around our COVID alert levels."

"Also, we were impressed with the re-use of a box for a previous order delivered to us, and liked the sticker explaining this. So many good things made a great online order experience (well, 2 great online experiences). Thanks."