



Solving store fulfilment with eStar

Fulfilment is one of the most critical steps in the eCommerce customer journey. Briscoe Group approached eStar to help solve their store fulfilment challenges and the result was a new Order Management and Fulfilment module. Its improved delivery times, improved customer satisfaction, and reduced freight costs. Voids had previously accounted for 10% of orders and this immediately fell to less than 1%. With eStar, Briscoes have made store fulfilment a competitive advantage and this is driving rapid growth.



"It needed to be dynamic and it needed to be flexible"

Mark Greaves, Supply Chain Manager - Briscoe Group Limited

Situation

Briscoe Group is a leading homewares and sports retailer in New Zealand. The business is over 150 years old and operates more than 80 stores across three brands; Briscoes Homeware, Rebel Sport and Living & Giving. By 2015 eCommerce for Briscoes had tripled in size compared to just three years earlier. But fulfilment was struggling, and voids were an increasing issue, with around 10% of orders being voided due to delays in the fulfilment cycle and resultant stock being unavailable. At that time eCommerce was only 5% of sales but growing rapidly. The problem was causing significant customer dissatisfaction and, with growth, was likely to get worse.

Store fulfilment had the potential to make stock more efficient and reduce freight costs in a country with a small population sparsely distributed over a large geographic area. But the current fulfilment shortcoming was unsustainable in an increasingly competitive and globalised marketplace.

Briscoes needed a better way to manage store fulfilment; a scalable solution that would help them meet increasingly demanding customer expectations.

The new solution needed to achieve the following significant objectives:

- Reduce voids
- Reduce time to dispatch
- Reduce freight costs
- Stop the need for manual repointing (re-allocation of orders to stores)
- Better distribute fulfilment load over the store network

Moreover, Briscoes wanted to make store fulfilment work, rather than moving to a distribution centre only fulfilment model. They wanted to find a way to make the allocation of stock to stores more timely and the whole process more efficient, ultimately giving their customers a better experience.

Why choose eStar?

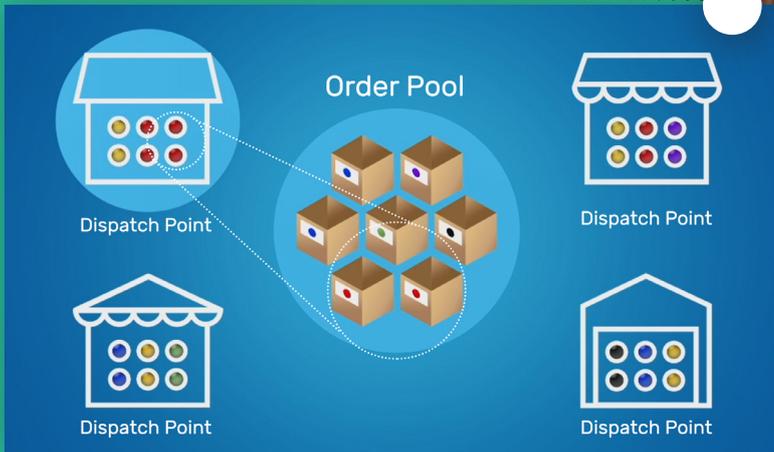
eStar is recognised as a proven enterprise level eCommerce platform with clients like David Jones, Country Road Group, Air New Zealand, Bed Bath & Beyond, Stirling Sports and many more, transacting in excess of \$600M per annum on the platform. eStar started life as an eCommerce retailer of CD's and DVD's with its own complex fulfilment processes. This experience helped eStar develop a comprehensive and instinctive understanding of the importance of getting fulfilment right. eStar also has a passion for working collaboratively with their clients to achieve outstanding outcomes.

As a client, Briscoe Group approached eStar to work together to help solve a growing problem. They were aware that eStar had strong fulfilment capabilities and wanted to work with a strategic partner to design a solution together that would benefit its customers and improve customer satisfaction levels.

Briscoes believed eStar had the experience, capability and collaborative culture to deliver a solution that would meet their needs and achieve their existing and future business strategy. The result of this collaboration was a new pull-based fulfilment solution and eStar Order Management and Fulfilment (OMF), a sophisticated new way of approaching fulfilment.

The screenshot displays the Briscoes Homeware website interface. At the top, there's a navigation bar with the Briscoes logo, a search bar, and a phone number (0800 274 726). Below this is a category menu with options like Bed & Bath, Electrical, Kitchen, Dining & Entertaining, Cleaning & Laundry, Bags & Luggage, Decorating & Accessories, Outdoor Living, Furniture & Storage, Shop By Brand, and Gift Vouchers. The main content area shows a grid of duvet cover sets. One set, the 'Abode Ibiza Duvet Cover Set', is highlighted in a larger view. This view includes a product image, the name 'Abode Ibiza Duvet Cover Set', a price range of '\$79.99 to \$119.99', and an 'ADD TO BAG' button. A note indicates 'This item hasn't been reviewed yet. Write a Review.' The background of the entire page features a decorative pattern of white dots on a dark teal background.

“The system goes into the global pool and finds what are the best orders for them to pick at that point in time” Mark Greaves, Supply Chain Manager - Briscoe Group Limited



A pull request for more orders, only sees relevant orders from the order pool based on stock available at that point in time at that particular dispatch point.



Solution

eStar and Briscoes worked together to formulate a way to resolve the challenges of store fulfilment across the Briscoe Group store network.

The incumbent approach was to allocate orders to stores as soon as they come in so that they get to stores as quickly as possible. This common approach doesn't work at scale because orders can come in quicker than stores can pick them and the picking process starts to fall behind. As a result, the dispatch point becomes overloaded and the team starts to struggle. While they are trying to catch up, time passes and the store stock is being sold off the floor. Furthermore, while one store is being allocated more orders than they can handle, other stores that could have helped are ignored – a massively inefficient use of resources. Worst of all, stock being sold out after allocation ultimately results in short picks, order voids, and customer dissatisfaction.

This way of allocating orders exacerbated the greatest issues with store fulfilment. Orders would stop and then start again through the fulfilment cycle. The objective of the new solution was to smooth that out and achieve consistent flow, getting orders to customers as quickly as possible.

The starting point was to understand where orders stop and why. Most often they are waiting on a person. The orders were pushed to a store and were waiting on the team to pick the order. Pushing orders and relying entirely on the velocity of the team to pick quickly and never fall behind seemed to be entirely flawed.

So Briscoes and eStar asked, why don't we pull instead of push orders? Why not have the actions of the people in stores drive how orders are allocated?

The new method was to replace the automatic order allocation to a system of demand using a Just-in-time approach. Orders that needed to be fulfilled would be allocated to a "global pool" and the actions of the store would drive the decision process and stock to be allocated for picking in real time. Effectively this means that a store would be allocated an order to pick at the time that they were ready to pick that order. This logic borrowed from lean principles and aimed to significantly reduce the time between allocation and picking. The system would also allow for the overlay of smart decision making to determine what orders from the global pool would be able to be "pulled" by a store – like store order velocity, proximity (to help reduce freight charges) and capability.

The eStar team and Briscoes worked hand in glove and adopted a common language and a common view of the problem. The ideas that were worked through and developed into a concept on day one of the project held up throughout. It was highly collaborative and eStar developers even went into stores to understand how the solution would impact on a real world problem.

Results

The new system and approach had the following immediate benefits:

- Made allocation time to pick time "real time"
- Reduced short picks and voids
- Minimised administration work associated with voids and short picks
- Stopped the need to move orders manually from store to store
- Business rules ensured the right allocation at a specific point in time
- Order velocity was more manageable
- Freight costs reduced because orders were dispatched based on proximity
- Minimised split orders

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 everyday and we stopped it almost immediately"

Dave Hughes
General Manager eCommerce and Customer Insights - Briscoe Group

Briscoes were previously manually moving orders from store to store to try to find stock and often being unsuccessful due to the time it would take. This problem disappeared overnight, because the time from allocation to pick reduced to real time.



Customer feedback has been extremely positive, especially around the speed of delivery. Prior to the implementation of the new solution Briscoes were unable to get average fulfilment to be under 5 days, no matter how much they tried. Moving to the new OMF solution reduced average order placement to dispatch to less than 2 days.

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

"It is a game changer. It's made things simple and easy for everyone and so much better for the customers"

Store Manager - Briscoes

The solution also helped Briscoes use their stock more efficiently. Fulfilling from stores allowed them to offer more range, have more stock depth and clear aged stock more effectively. Where a pure distribution centre model would limit the online offer to the distribution centre stock, enabling and then expanding store fulfilment to 28 stores made their stock work harder and increase sales.

Briscoes return on investment from the project spoke for itself. The entire fulfilment process became more efficient, they reduced freight costs and effectively stopped orders being voided due to short picks. Online sales now contribute 10% of overall company turnover and are on track to be 14% of total sales by the end of 2019. This equates to more than \$4M in sales that would have been voided without OMF.

Conclusion

Together with Briscoes, eStar have built a fulfilment process that unleashes the benefits of store fulfilment at scale. The solution was a finalist in the NZ HiTech Awards, New Zealand Business Innovation Awards and NORA Awards for best fulfilment technology. eStar and Briscoes working closely together has yielded an amazing result, and developed a solution that will help any retailer looking to get the most from their stores. eStar's Order Management and Fulfilment solution is agnostic (doesn't require you to be on the eStar eCommerce platform) and allows multi-channel retailers to massively improve their online fulfilment by embracing and leveraging their store network.



brand experience
delivered together

Contact us on AU 1800 503 891 or NZ 0800 151 655
Or visit www.estaronline.com