Increasing Your Bottom Line through a Connected Fulfillment Operation

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Objectives

• Review the competition in today’s market
• Understand fulfillment technology
• Know what data is available
• Learn how to analyze your fulfillment data
• Let your fulfillment tell a story
• Keep the customer engaged throughout the buying process
• Leverage data to increase the bottom line
Attract and Keep Customers

• Competition is tough
• Retail existing and obtain new customers
• Missed opportunities
Competition is Tight

- Over 3.8 million retailers in the USA
- Customers are getting used to technology, and retailers are looking for ways to keep customers from looking elsewhere.
- Connected devices are removing friction from path to purchase.
- IoT is helping increase consumer spend, but retailers must adopt technologies.
- Fulfillment can make a difference.

Sources:
Select U.S.A., U.S. Department of Commerce, 2018
2018 Retail, Wholesale and Distribution Industry Trends Outlook, Deloitte 2018
Data Streams of a Truly Connected Warehouse

ERP

DOMS

LMS

WMS

WES

Lighthouse (Data Concentrator)

YMS

WCS

HMI

IoT

Analytics
Management Systems

• ERP – Business and $$$
• DOMS – Order Fulfillment Point
• WMS – Inventory & Locations
• WES – Order Grouping & Release
• LMS – Labor Planning & Reporting
• YMS – Yard & Dock Appointments
• WCS – Movement inside DC/FC
How Do We Use the Data We Already Generate to Improve?

• Customer Experience
• Fulfillment Operations
• Bottom Line
Intelligent Decisions – Fulfillment View

• Connected warehouses provide real-time operational visibility
  • Early warnings and alerts
    • Labor availability and productivity
    • Inventory availability
  • Predictive analytics to suggest levels
Intelligent Decisions – Fulfillment View

• Use case
  • Inventory allocation is greater than physical stock
• Solution
  • WMS queries YMS
  • If stock is available in yard, priority is changed
• Benefit
  • Stock out and backorders prevented
  • Happy customers
  • Labor used more effectively
Intelligent Decisions – Fulfillment View

• Use case
  • Predictive analytics for workforce planning

• Solution
  • LMS uses analytics modules to obtain historical production rates
  • LMS looks to WES to determine production requirements
  • Suggests staffing levels in each functional area

• Benefit
  • Able to retain quality labor for a sustained period
  • Able to smooth workflows between peaks rather than react to influx
  • Labor is used more effectively for lower overall OPEX costs
Intelligent Decisions – Fulfillment View

• Use case
  • IoT for analysis and preventative maintenance

• Solution
  • Maintain operational metrics for individual components in a system
  • Analyze and identify any anomalies during operations
  • Suggest preventative maintenance tasks to prevent downtime

• Benefit
  • Management of equipment based on actual runtime versus aggregate runtime reduces overall maintenance costs
  • Identifying out of tolerance trends early allows for a more targeted maintenance window versus a system down event.
Intelligent Decisions – Customer View

• Use case
  • Customers want visibility into the status of the order

• Solution
  • Provide real-time feedback on order status
  • Connection through APIs can trigger updates to web portal
  • Based on order and item availability, system could suggest an additional product

• Benefit
  • Allowing customers to see the order status can drive additional decision criteria
    • Add an item
    • Shipping upgrade
Intelligent Decisions – Bottom Line

• Connected fulfillment centers can provide
  • Real-time operational visibility for effective decision making
  • More effective labor planning and utilization
  • More transparency to customers
For More Information

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