Pet Supply Retailer

Dropship Management and
Trading Partner Management
solutions provided on
a single platform

enVista®
enabling enterprise commerce™

THE COMPANY

The company is one of the largest specialty retailers of services and solutions for the lifetime needs of pets. It operates 1,500 stores across North America and employs approximately 55,000 associates. The company had a very limited e-commerce presence before its acquisition of an online retailer. The company operates using SAP as its enterprise resource planning (ERP) system, while the e-commerce retailer it acquired was using NetSuite. From a customer facing perspective, there were two e-commerce solutions being used, Demandware and Magento. From a back-end perspective, the retailer used Manhattan and GXS OpenText for vendor replenishment and direct to consumer fulfillment; the online retailer used a Third Party Logistics (3PL) provider for fulfillment and needed a mechanism to facilitate messages with that 3PL.

CHALLENGE

The retailer was planning to expand its dropship vendor fulfillment model to reduce inventory carrying costs and expand its product assortments online. The retailer needed to standardize its process of communicating with dropship vendors and the different EDI message sets for dropship vendors fulfilling direct to consumer.

The retailer was utilizing two solution providers for a single dropship solution: VendorNet and SPS Commerce. VendorNet managed the company's items and dropship vendors while SPS Commerce was the value-added network (VAN) to move files between dropship vendors and VendorNet. This meant that there were two disconnected points of failure. The retailer did not always know who to contact when it encountered issues.

The company's intention was to use its current EDI provider to communicate with vendors, but there was an aspect of this new dropship program that providers could not support. Some dropship vendors were not technical enough to support sending standardized EDI transactions, so using CSV uploads and downloads was a feature the retailer wanted to enable for its vendors.

Additionally, the ability to use web forms in its Dropship Management portal was an important feature to have in order to successfully deploy this program for vendors that do not have the technical capabilities needed to print carrier compliant labels and retailer-branded packing slips.

While evaluating potential solutions, the retailer had the following critical requirements:

• Enable the exposure of more products online than what it is currently carrying in stores

• Facilitate the dropship process with more vendors

• Connect more easily with vendors via EDI, CSV uploads/downloads, and through a web form portal or enabling multiple of those methods for vendors

ENVISTA'S SOLUTION

The retailer selected enVista to manage its EDI processes because enVista is a single provider for multiple solutions to support a dropship initiative and the integration of the online retailer.

enVista utilized its proprietary Dropship Management and Trading Partner Management solutions, which are provided on a single platform. enVista was selected to manage EDI transactions that are being communicated electronically between the retailer and its dropship vendor community like Purchase Orders (EDI 850), Advanced Ship Notices (EDI 856), Invoices (EDI 810), and Inventory (EDI 846). In addition, enVista was also selected to facilitate the vendor replenishment process on behalf of the newly acquired online retailer as an interim solution. This enabled merchandisers to upload and download different transactions to communicate with their vendors, all while communicating with the newly onboarded 3PL for notification of inbound shipments from vendors using the EDI 900 series.

enVista's Dropship Management solution was selected to improve the fulfillment model of dropshipping directly to customers when orders are placed through the retailer's e-commerce site. In addition to facilitating the fulfillment execution from dropship vendors with EDI messages, the Dropship Management portal provides full visibility to vendors of their purchase orders, advanced ship notices, and invoices, no matter how they communicate with the retailer (EDI, CSV, or web portal). It also audits invoices that are submitted by vendors to ensure they meet the current trade agreements in place with the retailer and ages them based on the payment terms.

enVista solved the pet company's business problem by creating standardized EDI specifications, standardized CSV upload/download files, as well as deploying the Dropship Management portal to certain vendors. enVista also recommended to the retailer that the dropship process should be managed through a single provider, whether the vendors transmit EDI files, CSV files, use the Dropship Management portal, or use a mixture of communication mechanisms, rather than managing the dropship portal and VAN as two different applications.

The flow of online orders went from Demandware to Manhattan, where Manhattan splits orders when it contained dropship items and sends those line items on the orders to enVista through automated integration. SAP maintained the dropship vendor item masters and trade agreements, which were transmitted to enVista so it can validate the items and cost it should be communicating to the vendors as those order line items came down from Manhattan.

As the project continued, the retailer wanted to provide dropship vendors visibility to the Dropship Management portal no matter if the vendor communicated in EDI, CSV, or the portal. Now, all dropship vendors of the retailer have visibility to their orders, shipments, invoices and KPI reports within enVista's solution.

As mentioned above, in addition to the Dropship Management solution, enVista's Trading Partner Management solution helped the retailer manage the replenishment process with its vendors as well as keep its 3PLs informed of all the inbound transactions through EDI. The information was easily communicated to vendors who could then return their data, which would be sent to the 3PL so that it could receive against it.

RESULTS

The retailer has enabled a process that helps them reduce inventory within their network, as well as the ability to test products without the inventory on hand. It can now test products without the investment in inventory. Also, this has expanded its product selection online, which can help customers become more loyal to the brand as they can find all they need in one place.

enVista also helped facilitate the interim process needed for the newly acquired online retailer while it was integrating the companies together. Through enVista, the retailer has increased its dropship vendor community from around 50 vendors to now over 150. It has also expanded its product assortment online to include 13,000+ dropship items. Since working with enVista, the retailer has successfully fulfilled an average of 15,000 orders per month that contain a dropship item, with peak months hitting nearly 30,000 orders.