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Are Your Distribution Center Operations
Ready to Pivot to e-Commerce?

With policies and procedures being implemented globally in an effort to stop the spread of COVID-19, retail operations are changing. Non-essential stores may not be permitted to stay open or are operating in a limited capacity, meaning that many, if not all, retailers are forced to pivot to e-commerce, or a greater volume of e-commerce, in order to maintain sales and keep their companies afloat. However, many retailers are not prepared for this transition. enVista has compiled several questions to ask about your company to determine if your distribution center is e-commerce ready and to identify what steps you may need to take in order to hone your strategy for maximum success.

Does your business currently have any direct-to-consumer sales?

Many businesses are already taking advantage of direct-to-consumer channels today, even though they may not have a traditional e-commerce model implemented, allowing orders placed online or in the store to be shipped to their clients' addresses. If you are already using Buy-Online, Pick-Up in Store, or Buy in Store, Ship to Store but have not expanded to shipping to your customers' addresses, then you most likely have a front-end systems solution in place for an e-commerce order fulfillment process. This system can be modified with a relatively low level of effort to add parcel shipping options and the ability to ship to residences or other business locations.

Often with simple changes in configuration or modifications to your Order Management System and Warehouse Management System, you could soon be on your way to a fully comprehensive Direct-to Consumer business model. This service expansion would give your customers the convenience of having their orders shipped to their location rather than your customers having to travel to your brick and mortar location to pick up their order.

Is your Order Management System (OMS) or Enterprise Resource Planning system (ERP) flexible enough to add e-commerce order integration points?

At this point, you have changed your website and added features and pages that allow your customers to see what products you have to offer, as well as given them a means to select items, place orders for those items, create customer accounts, and provide payment and shipping details.

Before efficient e-commerce can really begin, there must be several points of integration to your Order Management System that will allow your customers to see what items have existing inventory and are available to order. Next, there must be a means for your OMS to accept the order details from your clients and pass those details down to your warehouses in order to fulfill and ship those orders.

While most OMS already have some type of merchandising system integration to support the store fulfillment process, e-commerce integration has subtle nuances that could



require changes or modifications to the OMS in order to support the required integration points and data handling.

Are you currently using a Warehouse Management System, Inventory Management System, or other computer-based systems to fulfill orders from warehouses to stores?

If you are already using a systems-based technology solution to fulfill orders in your warehouse for store fulfillment, you may already have the means to add e-commerce. Many current-day systems that support and execute warehouse transactions and order fulfillment include the functionality and capability to pick, pack and ship orders for stores as well as for e-commerce customer destinations.

Your system may already have these capabilities in place, and they just need to be turned on. It could be a simple question of what changes in configuration or minor modifications would need to be made in order to make your WMS or computer-based system accept and start fulfilling e-commerce orders. Making these changes, testing the newly activated capability and training associates on potential new processes could have you quickly on your way to shipping e-commerce.

Do you have flexibility and appropriate plans in your current warehouse to reposition/relocate inventory for eaches or less than full pallet or full case quantity picking?

E-commerce fulfillment in a warehouse typically has a different process than store fulfillment. If your warehouse is set up to ship large quantity, bulk items to stores, or perhaps to take case quantities and break them into mixed item packs for multi-store distribution, you may have to consider some changes to how inventory is stored, picked and flowed through the facility in order to support smaller quantity packages or single, two or three-item parcels. Warehouses that are already breaking full pallets and cases might be a step closer to adding e-commerce.

In each of these cases, your warehouse will need to adapt to new ways of picking items for orders. These process changes might require shifts in how space is utilized in the warehouse, such as changes to the receiving flow, new designation of storage areas, creation of forward pick locations, repurposing of areas for processing and revising travel paths to packing stations.

Could you start with paper picking direct-to-consumer orders in your warehouse?

When adding e-commerce fulfillment processes, retailers will see changes in how inventory is picked and moved to packing and processing areas for shipping. Since there are many more transactions and interactions between the user and the WMS, there is often a consequential increase in the need for interface devices such as radio frequency (RF) guns or workstations.

Expanding RF technology is not always a low-cost investment or quick ramp-up process. Fortunately, most WMS solutions will support a paper picking process where your associates can get a quick start to e-commerce picking using discrete order picking against the paper pick ticket. Ideally, a long-term solution, especially in high-volume warehouse environments, would be to incorporate RF picking, but a short-term solution may be to best leverage the tools you already have at hand.

What are you using for a ship/outbound LPN label printing solution, and how easy is it to add new labels?

If your business is only shipping to stores or has limited need for parcel shipping, the case could be that your WMS is not set up and configured to support the label printing that is required for e-commerce. You might be using an intercompany formatted routing label for your truck service used to deliver products to your stores. However, in most e-commerce solutions, the WMS will print labels that comply with carrier standards and have been certified for their handling systems.

Many WMS do not offer a “base” parcel label solution that will meet parcel shippers’ requirements. Custom label creation could range from requiring relatively simple steps that change or modify the inherent label printing capability of the WMS to full integration of a third-party label generation solution.

Is there space in your warehouse to dedicate for parcel level packing?

In addition to making changes to the picking flow and getting those picked items to packing, you might need to add or create new space in order to process parcel packing for e-commerce. E-commerce picking solutions often maximize the number of items picked during each pass through a picking area. If these are batch picked into a bulk picking container, the operation will require workspace and a process to sort these items into individual orders. If they are cluster picked as a group of individual orders, the pack stations must be ready for these surges of orders requiring packout. Ideally, each station

will also have its own space to store cardboard boxes, dunnage, and tape or sealing mechanisms, as well as its own label and document printing capability.

Is your operation prepared for the increased staffing required to support the more labor intensive e-commerce operation?

The each pick and pack operations noted above are a more labor-intensive and complex process relative to pallet and case pick operations. With that in mind, your operations team must be prepared for the increased labor requirements in your operation, along with the associated robust on-boarding and training plans. Average and peak requirements must be assessed, and appropriate staffing plans must be developed and executed to stay ahead of the need.

Are you currently using parcel carriers for shipping?

Beyond compliant label printing, if transitioning to or expanding the use of parcel carrier services, the WMS will most likely have to integrate with those carrier systems to retrieve, generate or report parcel tracking numbers associated with the shipping labels and add those labels to parcel manifests for transmission to the carriers.

While many current WMS facilitate easy integration to these third party systems, your WMS may require a new integration to support these carrier calls. Additional integration can also impact existing network infrastructure, document printing capability, and even WMS transaction execution time, which are all things that need to be considered when adding parcel carriers to your shipping solutions.

Do you use a 3PL in your current distribution model?

If your business is already utilizing a 3PL for retail store fulfillment, the 3PL may already have a systemic and physical infrastructure set up to support e-commerce for their other clients. It may be a good time to assess whether this could be a quick and possible long-term solution for you.



While exploring the possibility of including your business in their e-commerce strategy, what may seem simple up front can still pose questions of order integration, changes in storage units of measure, inventory allocation, service and handling charges and shipping methods, to name a few.

Even if your 3PL may not currently be fulfilling e-commerce, it may be a good time to start the conversation with them and see if they are interested in beginning.

Is your inventory flexible enough to ship product to a dedicated e-commerce 3PL or out-of-the-box e-commerce store service?

There are many e-commerce fulfillment services already set up and ready to add new clients. However, these services are not a one size fits all, and not all are set up to service your full catalog. Their capabilities can range from receiving your product, storing it and shipping it for you, to simply providing the portal for your clients to your catalog, accepting the order and managing the order details through its lifecycle.

If you are considering using one of these services, you should consider what items in your catalog make sense to transition to a third party e-commerce service. There needs to be the right balance and breadth of inventory to make this transition effective and sustainable, whether you continue to store it yourself or send it to your new e-commerce partner.

Can your retail locations ship direct-to-consumer?

Many clients see their stores as local market warehouses and have taken the step to ship items from their stores to their clients. If your warehouses present cost or process prohibitive challenges to adding e-commerce fulfillment, an alternative solution to get moving quickly with e-commerce would be to use your stores' local presence to serve your customers' needs.

Ship from store is traditionally a good supplemental strategy to fill gaps or enhance e-commerce capabilities. While relying on this solution alone for most retailers would not be considered a long-term, scalable solution, it could be a quicker means of getting products to your clients while building your long-term plan.

Conclusion

If you answered the above questions and realize that your company is behind in implementing your e-commerce strategy, there is still hope. There are many solutions that can be rapidly implemented into your DC operations to get you started. enVista's supply chain experts can help you identify exactly what systems and processes need to be in place in your DCs in order to facilitate seamless e-commerce for your customers.

