Using WMS to Help Satisfy
Consumer Expectations & Omni-Channel Needs

A Guide By **datex**

Written By Laura Olson

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10 Ways Omni-Channel is Transforming the Need for Real Time Inventory Information & Warehouse Management Technology

The world is changing and it is changing FAST. The evolution of mobile technology and digitization has helped retailing evolve to new levels. The consumer shopping experience has evolved from showrooms to real time anywhere anytime using any device.

Consumers can shop and make purchases from their living rooms, on park benches, in cars and on buses and get whatever they want delivered or visit physical stores to retrieve their purchases. This is not yesterday's retail supply chain.

Supply chain businesses need flexible state-of-the-art technology to compete successfully in this dynamic world and the supply chain itself is being transformed to meet these needs.

Order Fulfillment and the Changing Nature of Consumer Expectations

Whether you realize it or not, consumers' "want it today" mentality may be affecting your business.

The need for immediate gratification and lack of tolerance for order fulfillment errors has led to dramatic alterations of yesterday's supply chain processes and technology. No longer can retailers use the distribution model of past decades. Today's consumer wants to have real time accurate information at their fingertips anywhere anytime using any type of device and have their product selections at their door immediately.

Combine this with the ever vocal, ever social new consumer, and customer satisfaction is now at a DEFCON 1 level every day. One unhappy consumer can transmit his or her dissatisfaction across social media channels and have the message amplified across the world in seconds.

Suffering from lack of supply chain visibility and order fulfillment problems, industry leading brands such as [Best Buy](#) have had to cancel orders and [customers reacted online](#).   Gone are the days when consumers waited endlessly in checkout lines. Today's consumer is savvy, impatient and ready to publicly chastise all those who fail to meet expectations.

Is your company ready today to satisfy consumer demands for real time information visibility and order fulfillment in today's fast paced world? If not, hold on because more changes are coming.

The world is in the midst of a tremendous revolution, all geared to satisfy consumers' urgent need for immediate gratification and real time information. Companies that ignore this do so at their own peril.

Consumers Want Accurate Real Time Inventory and Product Information

Whether at home or out and about, today's consumers shop using a wide variety of devices and methods and expect accurate real time inventory information. After all, what is more aggravating than placing an order for a specific delivery date only to have your purchase not arrive on time?

Real time inventory information is needed for brick and mortar stores, for webstores and everything in between the two. Whether your business services retailers directly or is an important link in the supply chain, real time inventory visibility is now a business essential.

We live in the age of "now". Consumers want to know when and where products are available, when items are recalled and even every step of the journey of food components from farm to fork. If your company does not utilize automated data collection methods such as barcodes and RF or RFID solutions with a WMS, your business is not making the most of today's technology. Using these methods can help to provide your company with real time information and the necessary traceability of goods. It can also provide additional benefits such increased business efficiency and labor productivity.

Omni-Channel and the Consumer Shopping Experience

How are consumers shopping these days? To give you some idea, consider the variety of practices involving online shopping. Omni-channel shoppers are consumers who leverage mobile, store and Internet when shopping. A 2014 survey of US consumers conducted by Deloitte revealed some interesting information. 69% of those who reported owning a tablet and 72% of Smartphone owners planned to use their devices to shop, browse or make a purchase during the 2014 holiday season. In addition, 45% of those surveyed planned to use social media to assist in their holiday shopping. Omni-channel shoppers planned to spend 66% more than consumers who only planned to do holiday shopping using brick and mortar stores. 45% of shoppers surveyed expected to shop online.

Other trends were noted such that 68% of those surveyed planned to participate in "webrooming", the process of browsing online then going into a brick and mortar store to make a purchase. 49% of those surveyed reported that they would be likely to participate in "showrooming", the process online to get a better price.

Facilitating a successful omni-channel retail supply chain necessitates a unique set of requirements for manufacturers and suppliers. Manufacturers and retailers are turning to 3PLs for much needed help. Skilled third party logistics providers can often help with targeted geographic shipping and distribution and can provide a wide variety of product specific value added services to help retailers meet consumer expectations for fast delivery and a seamless brand experience.

Third party logistics providers can also help manufacturers that produce specialty products and customized goods including mass-customized products on demand such as sporting goods, equipment and apparel. In addition to the need for streamlined supply chain operations, primary reasons for outsourcing to 3PLs include customer service and freight costs.

3PLs Need WMS Technology to Meet Omni-Channel Needs

Why does this matter to supply chain businesses? Consumers have shifted their expectations and traditional distribution strategies are being affected.   Many retailers have shifted operations to 3PL providers in order to help provide a more consistent shopping experience. Third party logistics providers often have a distinct advantage in that they have the experience, resources, expertise and technology to resolve these tough business challenges. Critical to this effort is the visibility and consolidation of data from different parts of the supply chain.

Savvy retailers are turning to third party logistics providers as they re-strategize a new approach to customer service, distribution, product returns and effective supply chain operations. Direct to consumer retailers continue to rely on 3PLs to provide a consistent brand experience and service their clients.

Retailers need real time inventory visibility across their enterprise in order to be able to provide such options as store pickup and home delivery. With the omni-channel revolution, retailers are struggling to find a balance between distribution centers and stores. In addition, retailers are also utilizing 3PLs in order to provide shipping from store to consumer to save money and to provide a better customer experience. On all fronts, effective inventory management has never been more critical to ensuring customer satisfaction and brand loyalty. To be successful, retailers need to optimize inventory management for multiple channels and utilize real time inventory information at all times to achieve top notch order fulfillment rates.

To provide support for the complex needs of omni-channel businesses, 3PLs need warehouse management software with advanced functionality and incredible flexibility. According to the 19th Annual Third Party Logistics Study released by Capgemini Group,

Penn State University and Korn/Ferry International, 58% of shipper and 3PL survey respondents are investing in warehouse management systems. Of those surveyed 33% of respondents noted that they are not currently prepared to handle omni-channel business needs.

Third party logistics providers need to be able to capture and bill for any kind of value added services, meet a wide variety of delivery requirements, provide an enterprise view of real time inventory information and meet stringent order fulfillment standards. Legacy warehouse management systems were not developed to meet the needs of the complicated multi-channel ecosystem, tight delivery turnaround and volume and variety of returns processes.

10 Ways Replacing Your Current WMS Can Help Meet Omni-Channel Needs

Here are some of the ways replacing your legacy WMS with a state-of-the-art warehouse management system can help to meet today's consumer expectations and make your company more competitive:

1. **Using a state-of-the-art warehouse management system with automatic data collection methods can help to provide real time inventory visibility for consumers and supply chain partners**

   Consumers crave transparency. Today, the tools to ensure information transparency are affordable and essential. Your workforce and customers can have visibility into inventory and order fulfillment processes, shipment statuses and other information vital to your business. Using real time automatic data collection methods and a warehouse management system that can track and trace by a variety of criteria can help with product recalls, detailed order tracking and provide the transparency of goods at all stages.

2. Selecting a warehouse management software solution that can handle omni-channel fulfillment objectives is typically viewed by many retailers and branded manufacturers as a key brand differentiator

If you are a third party logistics provider, this is big news. Using a WMS developed to help meet omni-channel needs can help you increase customer satisfaction, As consumers continue to get hooked on services that fuel their need for immediate gratification such as free expedited delivery and pick up in store, they have come to accept these formerly elevated levels of service as standard in today's changing world.

3. Selecting a WMS that can handle a variety of fulfillment strategies is key and can help your company be more competitive and successful in winning new business

Choose WMS technology that can help your company meet dynamic business requirements for omni-channel logistics. This includes meeting numerous logistical scenarios in addition to standard distribution and replenishment practices such as:

- Online orders fulfilled to consumer homes

- Online orders submitted through online retailers

- In store purchase, delivery to stores or directly to consumer homes

- Online orders sent to retail stores for in store pick up by consumer

4. Optimize your operations by selecting a WMS that can provide top notch flexibility

Using a workflow based WMS, your business can customize operational processes to meet business needs and ensure more accurate operations. Using state-of-the-art technology will help ensure that your business is running at peak efficiency and that your workforce is as productive as possible.

A workflow is an automated sequence of operations broken down into steps and uses rules your company determines along with business logic and decisions.

By using a workflow based WMS, you can help to empower your workforce to be more efficient and productive without needing as much administrative time and oversight to direct work or correct errors.

5. Choose a warehouse management system that is scalable can help ensure that the changing demands of your business can be met

Ideal for seasonal fluctuations and businesses that are expanding, using a modern WMS can help ensure that your operation can mitigate the risk of demand volatility and be ready for anything.

If your business is expanding, selecting a workflow based WMS can enable your company to duplicate business processes when implementing warehouse software for new facilities. This can reduce the time, cost and labor of implementing a warehouse management solution across multiple warehouse facilities.

6. Select a WMS can handle products by "eaches"

Instead of focusing strictly on store replenishment, it is important for your business to have the technology to meet e-commerce D2C needs and have visibility of all warehouse inventory, no matter the channel within one WMS. A state-of-the-art WMS can facilitate the complex warehouse processes that are required to provide higher service levels at a lower cost.

3PLs and other supply chain businesses that rely on legacy WMS are getting left behind. Legacy warehouse management systems were designed around cases and pallets. Today, warehouse management software needs to be able to deal with "eaches" to enable individual orders to be handled and shipped to meet consumer demand.

7. Make sure that your warehouse management system can handle data driven business requirements

It is essential that your warehouse management system can handle critical elements such as custom barcode labels, RFID and vendor compliance requirements to ensure the smooth flow of information across the supply chain.

8. **Choose a WMS with Electronic Data Interchange (EDI) Connectivity and that can readily be integrated with other systems**

    EDI is a business essential. Selecting a WMS that is EDI enabled and that can be integrated with other systems will help ensure the seamless flow of information to trading partners and supply chain businesses. Ensuring the smooth, consistent flow of accurate information between supply chain partners can help improve order fulfillment rates and lead to more satisfied consumers.

    Integrating to other systems will enable your business to extend beyond the four walls of the warehouse and benefit from greater information visibility and supply chain efficiency.

9. **Choose a WMS that can handle high volume operations**

    The current trend towards more frequent but higher quantities of orders is critical. Today with more individual orders being processed and order volume increasing, validating a warehouse management system for high volume operations will help to ensure that your company can reap the benefit of your investment in technology for years to come.

10. **Select warehouse management software than can handle and track returns**

    Along with speedy deliveries, consumers have come to expect smooth returns. Ensuring that consumers can return products purchased online via email or drop off at local retail stores helps to ensure higher levels of customer satisfaction and brand loyalty.

    3PLs with advanced WMS functionality and the ability to process returns are well positioned to support customers with omni-channel needs.

Conclusion

Selecting a state-of-the-art warehouse management system with the advanced functionality to handle complex omni-channel needs and that is highly flexible can help your company win new business. In addition, your company can benefit from streamlined supply chain operations, increased real time inventory visibility and consistently high levels of order fulfillment. Investing in automated data collection and WMS can have a direct effect on the profitability of your company and enable you to make the transition to the multi-channel ecosystem seamlessly.

To obtain a free technology assessment of your business, contact Datex today. Datex experts can evaluate your current technology and advise you how to leverage today's innovative technology cost effectively to get the best results for your business.

Contact Laura Olson, Director of Sales and Marketing today for more information. 727.571.4159 extension 243 or via email to lolson@datexcorp.com

Datex Corporation
10320 49th Street North
Clearwater, Fl 33762
datexcorp.com

For more information on Datex products and services, please contact us.

US Office – 1 800 933 2839
Canada Office – 1 800 998 8980