

Leveraging Technology for Fulfillment Success

– By Rob Tompkins, President and CEO

Technology is the cornerstone of a well-running fulfillment operation, whether it's helping to manage orders, control inventory and warehouse operations, manage freight, or support real-time reporting requirements. It's through technology that guess-work is eliminated from the fulfillment process, human-error is reduced, and products and content go to market faster and at lower cost.

When it comes to fulfillment-related technology and systems, there are no absolute solutions. One size does not fit all or even most companies. Moreover, implementing a technology infrastructure to support your fulfillment operations is not only about hardware and software systems. Savvy companies and marketers use technology as an enabler to gain process efficiencies, access mission-critical information, and run their businesses better.

Here's a quick litmus test. Take a quick look at your existing fulfillment operations: is the technology you rely on flexible, giving you room to grow and adapt to change? Does it support the flow of information seamlessly through the entire fulfillment process - from order entry through to shipment? Can you access data and generate reports in real time to support critical decision-making? Are you making technology investments in the processes that need them most? Whether you are utilizing the expertise of a third party fulfillment provider or managing your logistics and operations internally, all of these are important considerations.

As you assess your technology strategy to support new business initiatives or enhance your existing infrastructure, here are some insights that will put you on the right path:

Start With Strong People

The foundation of a strong fulfillment infrastructure is having expert, knowledgeable information technology (IT) professionals supporting your program - either in-house or through your outsourced fulfillment partner. IT professionals who understand technology and are experienced in the business side of fulfillment can provide your company with important, big-picture expertise. Additionally, in the outsourcing model, if your fulfillment provider does not offer value-added technology related services as a core competency (i.e., e-commerce site development) they should have partnerships in place to provide the support you need in a seamless manner.

Ensure Flexibility on the Front End

A flexible fulfillment technology infrastructure starts on the front end with the intake of order data. Your fulfillment partner should have the capability in their order management system to accept orders from various ordering mechanisms: e-commerce, call center, electronic data interchange, file transfer protocol (flat file, text file, XML, etc), and others. Order management systems built on flexible technologies such as enterprise resource planning (ERP) can be easily adapted to support your changing requirements.

Keep Data Flowing Through the System

Customer order information should move seamlessly from the front end to the warehouse/inventory management platform and ultimately through to final shipping. By automating the flow of information through the fulfillment environment, technology can facilitate faster, high quality order processing and shipment. Moreover, your fulfillment provider should offer you the ability to view critical customer order

data at all points in the process. Real time data access will help you make more informed decisions related to production requirements, inventory levels, and customer buying patterns, while providing visibility into areas where costs could be reduced.

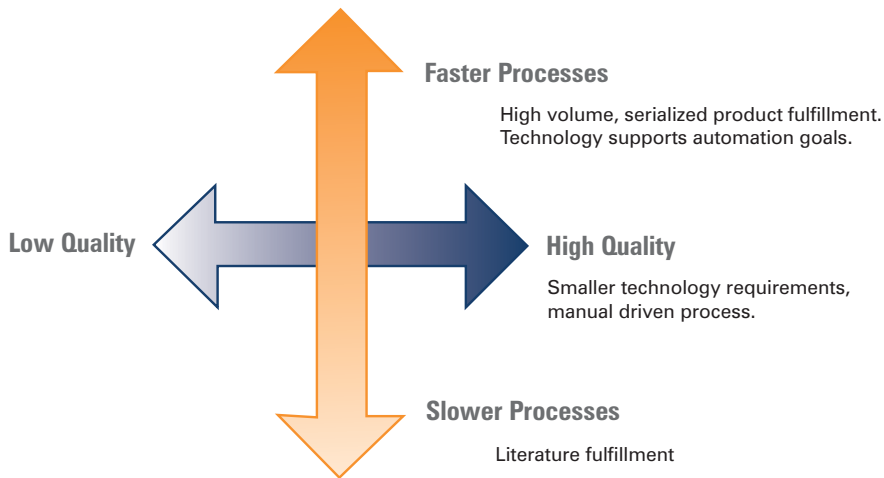
Use Technology to Improve Process Control and Fulfillment Accuracy

In the picking and packing of orders, technology can be an important enabler to further speed up the fulfillment process and maximize quality. Technologies such as radio frequency identification (RFID) and bar coding can facilitate “system directed picking” helping the fulfillment provider’s employees to pick and pack high volume, complex orders where there is little margin for error.

Invest in the Processes that Need it Most

Simply put, some fulfillment processes don’t require technologies like RFID or bar coding to get the job done. The critical determining factors are speed and quality. For example, some fulfillment programs, like literature distribution, are less technology-dependent. Here, a manually driven pick and pack process can still meet time to market goals.

The diagram below illustrates this point:



Lower Costs in Transportation Management

In the transportation management area, technology can be a further enabler to reduce the costs of your fulfillment program. Leveraging rate shopping programs, your fulfillment partner can work to compare carriers and select the most effective options for each shipment. This can help reduce overall freight costs while continuing to ensure prompt customer delivery.

Maintaining Your Lifeline to the Customer

Since information is the lifeblood of your decision making process, you need data on all facets of your fulfillment program. including inventory, orders and more and you need it in a real time manner. Leveraging technology, your partner should offer you the capability to extract data from the fulfillment infrastructure and generate real time reports in the format you require. Access should be easy and at your convenience online 24 hours a day giving you an instant, on-demand snapshot of your critical business activity.