Adapting a Brick and Mortar Retailer to Provide Local Fulfillment of Digital Orders

Improve visibility into omni-channel order fulfillment

Axway Decision Insight is a leading Operational Intelligence platform that enables business operations to proactively identify and resolve process issues prior to impacting business and customers.

How do brick and mortar retailers differentiate themselves from powerful online retailers such as Amazon.com? At the dawn of the ecommerce era, they responded by establishing a separate online presence. They then celebrated the double-digit increases that were part and parcel of tapping into a vast new digital marketplace.

After a couple of years, however, it became clear that a business strategy separating physical and digital operations into distinct silos isn't the way to go — not when virtually everyone on the planet carries a digital device with instant Internet access. Today, more and more shoppers are ordering items online, expecting to be able to pick them up soon thereafter. And if their local merchant is out of stock, they want the item quickly delivered from wherever inventory is available.

To meet consumer expectations, the entire retail industry is moving rapidly to converge digital and physical sales and delivery channels into a coherent, seamless customer experience. This "omni-channel" model is forcing stores to become both order fulfillment and order delivery centers, in addition to all their traditional activities.

This change is putting heavy pressure on outlets that have already cut budgets significantly. In most cases, executives don't have the option to hire new digital ecommerce specialists for their stores; their current employees are now expected to also meet the demands of the digital shopper. New processes for in-store pickup and delivery, reserving inventory and resolving issues related to delivery also need to be in place.

"By 2016, 50% of national retailers will invest in distributed order management, enterprise inventory visibility, and workforce management to enable same-day fulfillment. Order process cycles can no longer be run in overnight batch processes and greater levels of inventory accuracy must be attained to protect profits."

IDC January 2014

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business. in motion.

The industry's ability to adapt to the reality of channel convergence will decide the fate of traditional brick and mortar retailing. If stores do a great job at fulfilling digital orders, their natural advantages of proximity, selectivity and social experience will prevail despite the likes of Amazon. If they fail, curbside retailing will lose its human and personal touch, close up shop, and today's online behemoths will rule.

Survival and Growth Through Operational Intelligence

In addition to combining physical and digital operations, retailers determined to adapt to channel convergence will need to consolidate their analytics platforms, too. Channel-specific analytics no longer makes sense. There is a growing need for robust analytics to monitor the fulfillment process across all digital and physical channels to provide the kind of service that the customer expects. The right analytics solution is key.
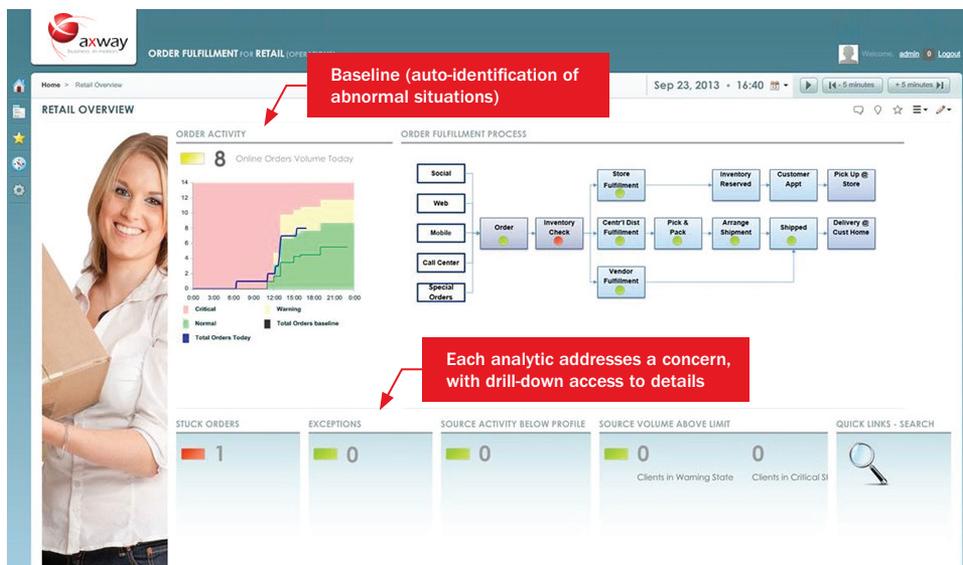
Axway Decision Insight offers a channel convergence and fulfillment monitoring solution that enables retailer to:

Track the overall process of order fulfillment by capturing, counting, evaluating and measuring against service level agreements (SLAs). No matter the customer's path to purchase, Axway Decision Insight's real-time actionable dashboard empowers the retailer to measure the effectiveness of each step toward an overall cohesive process, across a multitude of stores and ordering experiences.

Highlight the procedural breakdowns. Operational breakdowns must be addressed proactively and urgently. Axway Decision Insight identifies the bottlenecks and delays, alerts management, and tracks each situation to resolution.

Measure the costs. Retailers must quickly learn how to scale their store operations to handle digital commerce. It's unlikely existing staffing levels can take on the added workload. Axway Decision Insight rigorously measures labor costs, productivity and outcomes, enabling the kind of business insight that will drive the digital store of the future.

Examples of ROI from End-to-End Supply Chain Visibility Implementations

- Inventory savings of 20% of value
- Increased forecast accuracy of about 25%
- Improved SLAs to consistent 98% levels
- Freight charge reductions from 5% to 3.5% of volume
- Decrease of inventory on stock from just over 10 days to fewer than seven days
- Reduction in workforce by 10%

Source: Gartner Research Note "Why Supply Chain Leaders Should Aim for End-to-End Supply Chain Visibility by 2016"; November 1, 2013.

The Axway Decision Insight real-time actionable Intelligence dashboard (shown above) provides a single-pane-of-glass that shows the end-to-end order fulfillment process. The user can drill down to learn the specifics of a processing issue, or receive email alerts if there is any risk of missing SLAs or customer order deadlines.

Axway Decision Insight helps operations become proactive and systematic instead of reactive and manual. The solution provides:

- **Situational Awareness** by analyzing and correlating data within a defined operational context to allow a specific group of people to recognize a situation that requires their attention.

- **Predictive Insight** by assessing the risk of missing time-based events such as SLAs and customer delivery deadlines.

- **Actionable Intelligence** tailored to each individual's needs and delivered at the correct time and in the context necessary to define and take the proper action.

Axway Decision Insight delivers very rapid time-to-value: Configuration of a production-ready solution can be done on site in as little as three days, eliminating the need for lengthy, waterfall application development life cycles. Dashboard content can be modified 'on-the-fly' by non-technical users, enabling continuous improvements in response to changing conditions.

It's time to empower brick and mortar retailers with the Operational Intelligence they need to meet the new business objectives of digital commerce. For more information, visit www.axway.com.