The stakes are changing for retailers in today’s omni-channel environment. Consumers do not have the same patience or brand loyalty as they once did. For consumers, omni-channel is just shopping – period.

Consumers expect to be able to:
- Buy online, ship from store
- Buy online, pick up in-store
- Buy via mobile or website in-store, ship to home
- Buy via mobile or website in-store, pick up in-store
- Site-to-store shipping (pick up in a store to which the inventory has been transferred from another facility)
- Buy online, return to store
- Buy in-store, return to another store
- Access lockers for anytime pickup

This environment requires a complex inventory management and order fulfillment solution. That’s obvious. But what might not be obvious is the glue that holds this solution together – IT architecture specifically designed to support the omni-channel environment. Without it, retailers are essentially throwing darts at the wall…with no target in sight.

As we mentioned in our first paper, IT architecture is the first pillar of our three-pillar omni-channel approach. That’s because we believe it is the most important element of an omni-channel strategy. With an end goal of accurate, accessible, and secure inventory and order information, the right IT framework of tools, processes and people need to be working harmoniously together.
Here’s what that framework should look like.

**START WITH THE RIGHT TOOLS**

The challenges of interweaving multiple fulfillment channels demand flexible, scalable, accurate, and secure IT applications. Industry leading software suppliers such as Manhattan Associates and IBM are a must. They are fit for purpose and omni-channel capable allowing for:

- Transacting orders across all touch points and channels
- Fulfillment as a tightly integrated enterprise-wide inventory
- Effective support of high volume piece pick
- Retailer compliance requirements
- Apparel SKU complexities
- Order streaming
- Integrated manifesting and transportation execution

**INCORPORATE THE RIGHT PROCESSES**

The tools are important, but what is more critical is the way in which they’re implemented. Retailers need a solution that is responsive to the changing demands of omni-channel execution. This includes various fulfillment cycle process flows, multiple order types, priorities and SLAs, and huge increases to support peak season volumes. IT solutions must be easily configurable to support future consumer behavior and architected for innovation with mobility, tracking solutions like GPS and RFID, changing allocation methodologies, and emerging last mile delivery options.

**EMPLOY THE BEST TALENT**

No IT solution is foolproof without the right skillset to manage it. A logical, thoughtful and data driven approach to decision making is a must and that requires a deep understanding of a retailer’s omni-channel strategy and their key expectations for success. This of course leads to delivering the optimal IT solution and getting it done right...the first time.

**INVENTORY, FULFILLMENT AND RETURNS – HOW IT ADDRESSES KEY OMNICHANNEL CAPABILITIES**

According to the 2015 Deloitte Retail Omni-channel Supply Chain survey, retailers will prioritize three key omni-channel capabilities.

**1. INVENTORY PLANNING**

- Enterprise inventory planning, deployment and visibility will continue to be a priority and investment area for retailers
- Retailers will continue to focus on GMROI by leveraging inventory across channels
- As store fulfillment grows, retailers will face the challenge of maintaining inventory accuracy at the store and across the enterprise

**2. FULFILLMENT**

- Retailers will focus on integrating fulfillment operations across channels and leveraging stores for fulfillment
- Retailers will increasingly rely on their extended supply to fulfill orders (e.g. vendors, de-consolidators, pool points, etc.)

**3. RETURNS MANAGEMENT**

- Retailers will have to invest to ensure customers can seamlessly return product across channels, regardless of the purchase channel
- Retailers will invest in seamless returns to serve as a competitive differentiator from single channel retailers
- Retailers will leverage returns as a way to interact with customers to drive additional sales
From a 3PL execution component, IT plays a big role within these priorities.

- **Inventory planning** – IT allows for timely and accurate visibility into inventory and allocation within the four walls of execution. For example, if inventory changes and moves from available to allocated or vice versa, the accuracy of the transactions are critical. If inventory is not available to sell, the result is a missed sale. Or, if inventory is showing as available and it isn’t, the result is a disappointed customer who bought something, only to find out later it was never available.

- **Fulfillment** – Largely driven by a robust IT solution with the ability to execute across the supply chain wherever inventory is available. This could include supplier DCs, in transit, 3rd party depots, regional fulfillment centers and retail store inventory. Retailers need the ability to see across all fulfillment node options and IT allows them to do just that.

- **Returns management** – Retailers need to be able to receive returns, apply inspection/disposition and turn resalable merchandise back into available inventory as quickly as possible. Reverse logistics support can actually re-coup value from the merchandise as opposed to liquidation channels. This is all made possible by an IT solution that allows for visibility into all of the sales/returns channels and provides accurate inventory status.

**WHY US?**

Why should you choose us to develop the IT architecture of your omni-channel fulfillment strategy? Because we know the space better than anyone else:

- **Our deep experience and global partnerships with Manhattan Associates and IBM.**

- **With experience deploying omni-channel fulfillment sites globally, we deliver the right IT solution to effectively meet your omni-channel needs.**

- **We employ integrated parcel manifesting and transportation execution.**

- **We know the value of balancing our customer’s strategic vision with industry best practices and practical IT real world experience.**

- **We have the most experienced and capable IT team in the industry with a long tenure of delivering eCommerce solutions for our customers.**
EXECUTION CONSIDERATIONS: YOUR SUPPLY CHAIN AND THE SEAMLESS CUSTOMER SHOPPING EXPERIENCE

One-size-fits-all solutions will not work in the omni-channel environment. In our next paper of the four-part series, we’ll highlight some omni-channel execution considerations and talk through how the supply chain can help provide a seamless customer experience across all channels.

Many key decision makers are involved in the daily operation of an omni-channel strategy and IT is the underpinnings of information flow into that environment.

There is a large web of organization functions that need to be informed with timely and accurate information on inventory status. IT provides a common thread so smart decisions can be made on things like:

- Procurement/demand replenishment
- Customer service
- P&L performance
- Go to market channels (i.e. stores, ecommerce)

As formerly segregated channels converge to deliver what the customer wants, retailers must develop successful strategies for blending in-store operations with the traditional and e-fulfillment supply chains in a way that delivers profitability and performance. With that, the information supply chain must also evolve from multiple siloed systems to a single omni-channel architecture.

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