

Serving 'the king'

The challenge for Wholesalers

Richard Marshall
Business Computer Projects Ltd
Visionary IT Software Solutions



BCP's Richard Marshall looks at the challenges of the omni-channel world from the wholesaler's perspective

So the 'connected customer is king' (apologies, Elvis fans!). His demands for more choices, faster fulfilment, greater flexibility and a more personalised service are reshaping the market-place. This creates new challenges for wholesalers which they cannot afford to ignore if they are to not just survive, but thrive, in today's omni-channel market place.

Fundamentally, the core wholesale challenge is the same as it always has been. Service levels must be maximised and stock investment minimised if a wholesaler is to run a successful, profitable business. What's different now is the diversity of choice and quality of service customers expect. These are introducing new complexities to the supply chain and creating the need for a new degree of efficiency for all participants, particularly for the wholesaler who, as the middleman in the supply chain, can find himself increasingly squeezed from both sides.

Isolating the individual challenges isn't easy since success depends on a matrix of overlapping elements and the need for real time data and new levels of visibility and flexibility previously unknown in the industry. However, I think there are three key challenges to be tackled.

Order Management

Adding new routes to market creates new challenges for Order Management operations – none more so than the introduction of ecommerce and the mobile revolution which have been key factors in raising customer expectations.

There are two key challenges here. First, is to provide a unified customer experience, be it on line, telesales or reps on the road. All routes require equal access to account information, order history, customised pricing and so on – and the way in which this information is provided has to cater for multiple technology points, from traditional PCs and laptops, to ecommerce sites offering a B2C experience in a B2B environment and even down to the smallest of mobile devices. That's all achievable, but take it from me, it's not quite as simple as you might be led to believe. You really do need the right tools and solutions.

Secondly, there's the whole issue of successfully managing the diversity of orders coming through the various different channels – a big challenge for wholesalers. Integration and transparency across all order channels becomes vital to the success of the whole order taking process. For example, you don't want to waste a telesales operator's time calling a customer if he's just placed an order via the web. Telesales data must be updated to show when a web order has been placed and planned calls rescheduled. Likewise, stock availability must be up-to-date for whoever is placing an order, by any method - ie real time, reflecting any transactions through any route - or fulfilment problems will ensue.

Fulfilment

We all know that stock and warehouse management have always been at the heart of efficiency and successful fulfilment, but it's important to appreciate that now the challenges are greater and more important than ever. They demand a whole new level of real time stock information at every touch point, alongside robust, agile warehouse procedures and flexible stock movement to meet new order demands.

Stock information

Customers' varied buying and delivery requirements mean it's now no longer just about having the stock available to fulfil an order. It's important to know, for instance, exactly where that stock is being held, whether it's free for picking or has already been assigned to an order and what new deliveries are expected - where and when. And this all needs to be in real time! Only a holistic view will give you any chance of successfully fulfilling your multi-channel orders.

Operations

Then, there's the actual picking and assembling of orders with diverse characteristics. In an omni-channel warehouse all channels share the same stock and picking systems and you have to balance the needs of all channels. You must be able to efficiently pick smaller 1-2 line web orders alongside larger orders comprised of cases and pallets. You must be able to handle cross dock and direct shipment options, and have stock available to fulfil an order as soon as it enters the warehouse and is registered on IT systems – not just from the pick face - and you must have efficient returns management.

Warehouse layout, dynamic slotting, cross channel batch & pick/batching and picking of multiple orders by route to optimise stock collection per trip around the pick walk all become critical to success. WMS must be robust and flexible enough to handle all these new demands and deliver the accuracy, productivity and speed that is as important as ever.

Flexibility

Fulfilling orders across multiple channels also demands a new level of flexibility for wholesalers. This includes the flexibility to relocate stock to fulfil orders, to prioritise which orders should be fulfilled first and from where, to redeploy staff or adjust staffing levels to manage peak trading times, and so on. And this all has to be done efficiently and cost effectively or your profits will disappear into thin air. Again, the Warehouse Management System becomes key to success or failure.

Personalising your offer

The customer's appetite for a personalised service, including customised offers that can be redeemed at any touch point, is a growing trend which creates a great opportunity for the wholesaler who can rise to the challenge.

The information is there - online in general, and mobile in particular, alongside centralised CRM systems, mean that a lot more customer information is available - their preferences and buying patterns, successful or unsuccessful purchases and so on. All of this can be used to develop a more personalised, proactive sales approach and develop loyalty. But you need the capability to collate this data, analyse it and make use of it. It's a challenge you need to take on board. If you don't you face the prospect of losing your customers to competitors who do.

So there's a lot to think about and a lot of challenges to be tackled if you're to deliver a successful multi-channel service. Ignore them at your peril.



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