



Trek Global

**How to Manage B2C Shipping
with Cloud ERP, Part One**

Overview

We're going to explore some of the challenges and solutions with managing B2C shipping:

- Explore challenges in processing and shipping high volume orders
- Examine how a cloud ERP system can help to resolve those issues

Changing Expectations: Challenges

New channels and changes in marketplace make efficient fulfillment challenging for product companies

B2C customers remain majority of volume and are demanding in turnaround times and service levels

Channels increasing in complexity

- Participation in Amazon, Ebay marketplaces means meeting their service terms
- Opportunities to white label and drop ship product

Without a comprehensive ERP, it's difficult for distribution companies to manage complex shipping processes

Changing Expectations: Challenges

Competitive landscape and efficiencies make modern customers demanding

B2C customers require a different kind of picking

B2C customers want their item now

Process is labor intensive - many small packages

Changing Expectations: Solutions

Proper Warehouse Organization and Software is one of the biggest ways to optimize for these changes:

- Organize warehouse locations so that there is an area for quick picking of single items
- Organize warehouse so popular consumer items are arranged together
- Implement ERP software that gives you power to plan your picking waves according to order type
- Cloud ERP for distribution will manage the replenishment of the B2C locations
- May even need a different building for B2C

Marketplace Demands: Challenges

A big trend in reaching consumers is online marketplaces – such as Amazon Stores

Marketplaces have specific requirements for participation

- Service Level agreements
- Labeling
- EDI or other electronic communication

Huge opportunity – big technical step up

Marketplace Demands: Solutions

Cloud ERP for distribution needs to be agile to meet various needs

System should be able to intelligently determine what the shipping requirements are depending on the channel

Often these items must be picked in separate waves to meet SLA

Communication must be automated, usually to the requirements of the marketplace

Often this is an EDI integration – must have for modern distribution

Should be able to convey proper labeling as negotiated

Drop Shipping: Challenges

One key solution to B2C fulfillment is drop shipping from your vendor direct to your customer

- Means you don't have to physically handle the inventory
- Means you can fulfill more quickly

Presents some challenges

- Automated communications
- EDI
- Labeling
- Pick Planning
- Correct COGS

Drop Shipping: Solutions

How to Properly Handle Drop Shipping Processes:

- Cloud ERP for distribution has a specific set of requirements to properly handle Drop Shipping
- System should be able to intelligently determine whether to drop ship or fill from inventory
- Communicate directly with the vendor to place the PO and get tracking info
- Often this is an EDI integration – must have for modern distribution
- Should be able to convey proper labeling as negotiated with the vendor
- Needs to handle the behind-the-scenes receipt to a virtual location so that inventory accounting and COGS is properly calculated

Conclusion

Today's customers expect rapid fulfillment

High volume order fulfillment requires optimization

New channels and drop shipping require a step up in technology

Cloud ERP offers a powerful solution

- Cloud = Intended for integration
- Has the features that support complex needs

For more information on this topic, listen to the full audio podcast: trekglobal.com/podcasts/how-to-manage-b2c-shipping-with-cloud-erp-part-one

Additional topics can be found at:
trekglobal.com/podcasts