

FULFILLING EXPECTATIONS

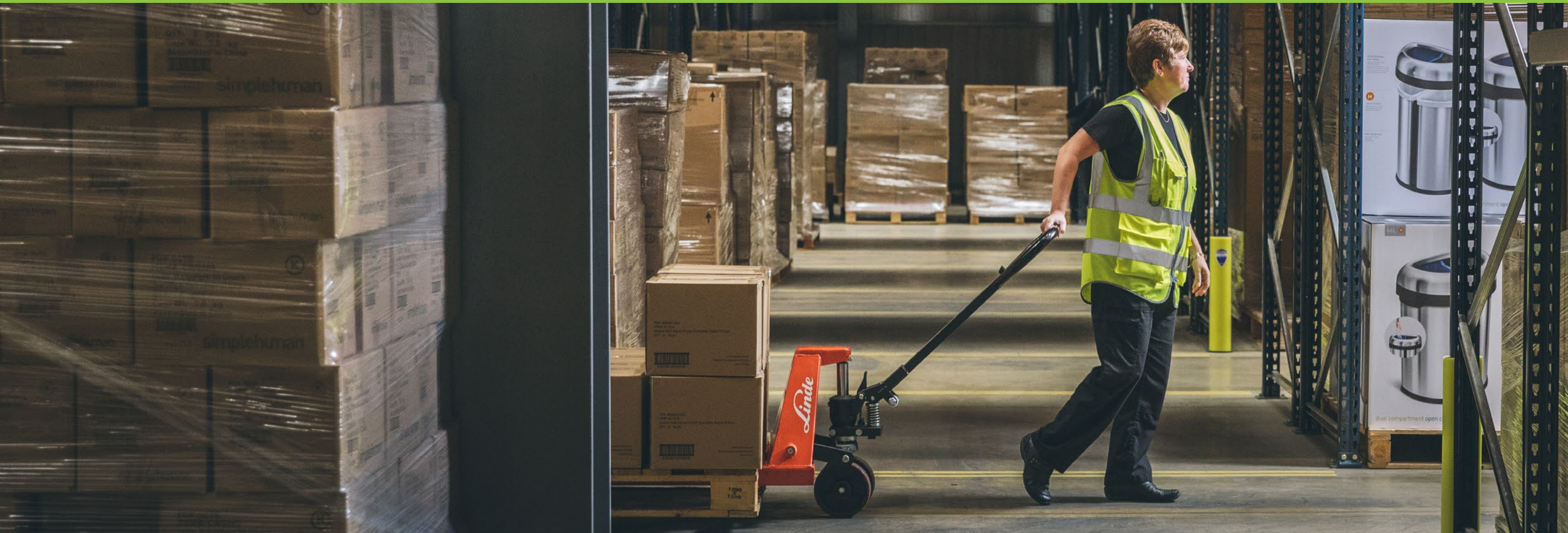
Harnessing the Power of WMS in the New Normal

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Navigating an Unfamiliar Landscape

The impact of COVID-19 has brought into sharp focus the need for agile solutions to meet sudden changes to business operations.



Navigating an Unfamiliar Landscape

What started at the beginning of 2020 as a crisis is now a new way of life. Challenges around social distancing and staff management coupled with the meteoric rise of direct to consumer (DTC) selling have created an unfamiliar new landscape for manufacturers and retailers to navigate.

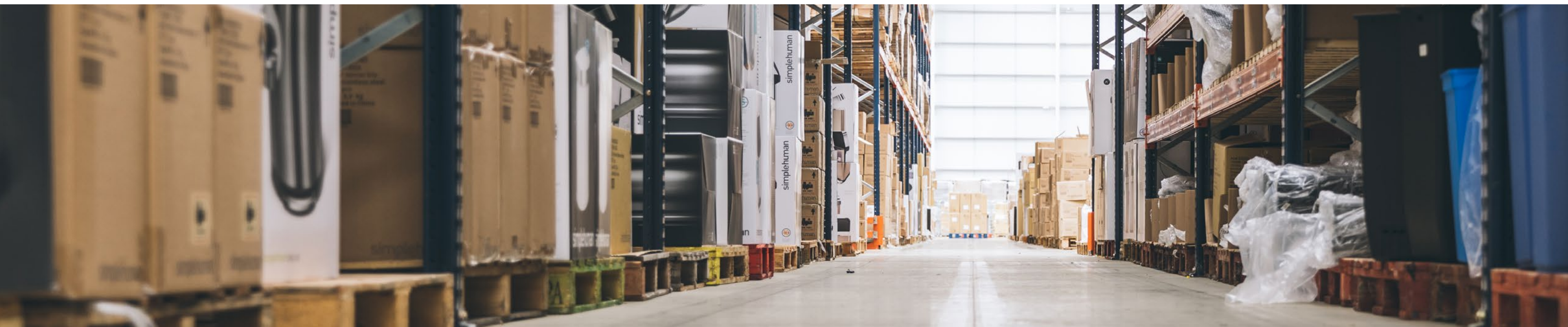
But for the warehouse and logistics side of such brands and manufacturers, the required changes - particularly the shift from wholesale to individual order dispatch - isn't an easy move.

In this ebook, we look at the key challenges facing the warehousing and fulfillment side of business in the new normal and why change is necessary during this extraordinary time.

At SnapFulfil we have many years' experience working with high profile customers to help them adapt and thrive in rapidly evolving markets. And it doesn't require seven or eight figure investments in new technology. Our cloud-based warehouse management system (WMS) is engineered

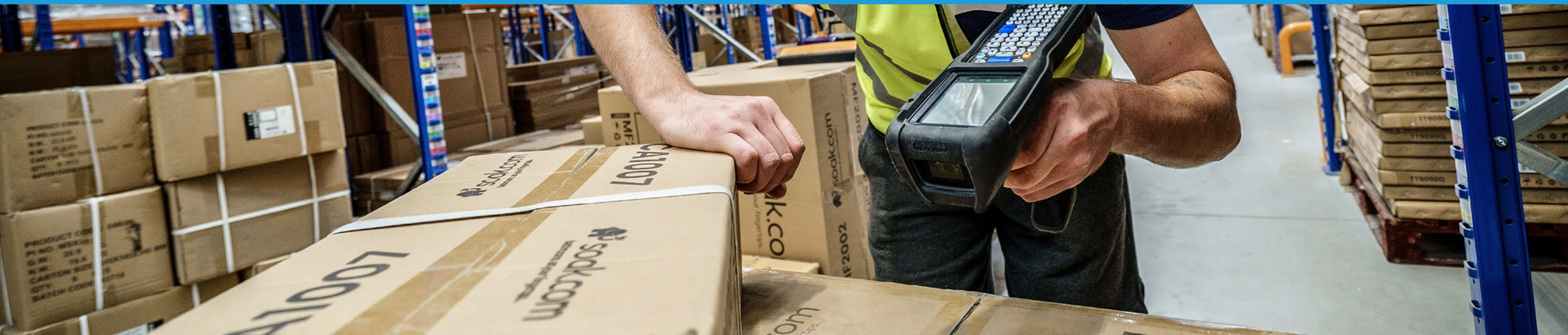
to meet the needs of an ever-evolving market place without being expensive or time consuming to set in motion and reconfigure. In fact, it is possible to be up and running in under 45 days, even in a remote implementation environment.

So, while the business landscape is changing, firms that embrace the brave new COVID-19 world and make smart technology investments will reap the benefits.



Connecting the Supply Chain Blocks

Designing the most efficient warehouse possible requires analyzing all processes that go into every operation. When a bulk order is received by a facility's staff, there's much more that needs to be done besides logging it in a system and moving it where it needs to go. Warehouses that know how to inspect receipts, move them to the best location and use the data at their disposal with a WMS have the ability to speed up this crucial process. It will also result in higher productivity and ultimately better warehouse performance across the board.



Connecting the Supply Chain Blocks

Consumer goods giant PepsiCo has launched a DTC operation, supported by two new websites selling its range of brands. Currently for the US market only, PantryShop.com and Snacks.com give consumers a chance to buy goods directly from the supplier as opposed to purchasing through third-party retailers.

Their 'bundles' are designed to meet consumers' home working and home-schooling needs during the COVID-19 lockdown, which has tangibly fast-tracked the DTC movement.

This type of new e-commerce will reshape the world of retail and business from now on in. It's an opportunity for brands to take on established e-retail giants, such as Amazon, as well as grocery stores. It's also an opportunity for them to gather valuable insight and data on their consumers.



Connecting the Supply Chain Blocks

A natural consequence of this sea-change is that the digital transformation of business will continue apace, with more automation to control stocks, fulfillment and delivery - and an advanced WMS is an integral part of the new e-commerce world order.

A tier 1 WMS will integrate with other solutions, creating a valuable blockchain network of peer-to-peer transactions. This lets firms share information about a container just once, but everyone up and down the chain can see that data in an instant.

Importantly, by joining these silos into one cloud platform, Operations, Finance, HR or Marketing Directors can also access a real-time bird's eye view of their business allowing them to make better, more efficient decisions based on solid data - essential as margins are tighter than ever.

Through blockchain technology, firms are also waking up to the value of the customer data trail and the loyalty they can harness through having a single customer view. This can only be achieved through integration and mapping each customers' buying journey from start to end and beyond. And fulfillment is part and parcel of that.

Therefore, having access to reliable, real-time data from a WMS is a critical link in the chain, especially as businesses learn to adapt to disruptive forces.

Tackling Five Key Challenges in the New Normal

1 IDENTIFY AND MANAGE CHANGE

Creating a safe and healthy warehouse environment is now more important than ever. Updated guidelines along with inevitable changes to staffing and work patterns has led to a great deal of change, which needs to be fully understood and managed correctly.

A WMS offers a range of features to support this process. For example, staff and resources can be allocated in such a way to reduce congestion and maintain social distancing guidelines. Warehouse managers can also stagger and distribute their workload and resources to control movement throughout the warehouse.

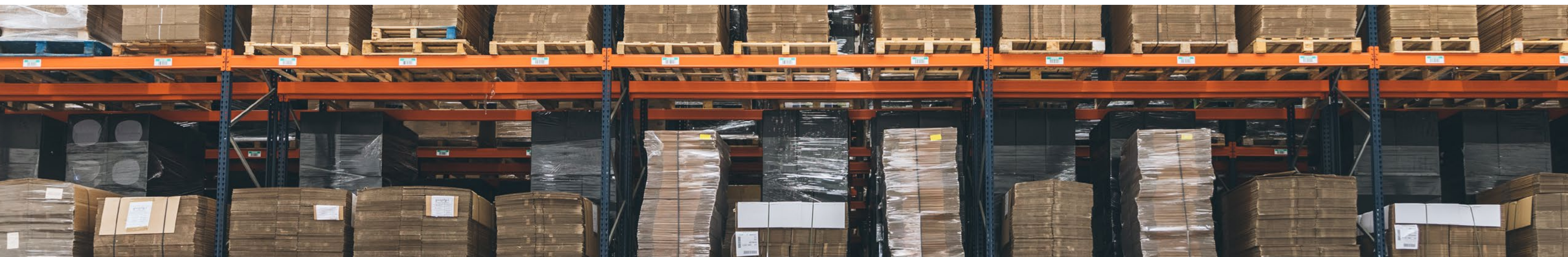
The following configurations allow for optimization and flexibility as business demands change:

Zoning: The use of zones within a warehouse allows for multiple staging and drop off points. Rather than picking and dropping off at a single point, multiple drop-offs allow for efficient zone to zone passing of carts.

Tasking: Task types can divide work by using physical criteria such as zones and sections or product attributes. Using this approach, warehouse managers reduce the volume of work and resource allocation required in each area of the warehouse at any given of time.

User Permissions: User permissions can be altered on an ad-hoc basis allowing for flexibility and control for warehouse managers. Based on available task types, users can be granted permissions for specific tasks and only be allocated to those task types on a permission by permission basis.

Rules: Congestion rules help manage the distribution of footprint across aisles or zones at any given time. This helps prevent an overload of employees in any area of the warehouse using the resource restrictions to accommodate the need for social distancing.



2 EXPECT SHIFTING SANDS

We all see the news - COVID-19 has wreaked havoc with the economy and supply chains around the world. As a result, business leaders need to have a nimble approach to decision making. In the warehouse environment this means having a flexible WMS that can adapt quickly and cost-effectively to shifting priorities and focus.

Recession and unemployment will affect sales for the majority of businesses and could result in a move from steady demand towards significant peaks and troughs. Warehouse managers need to be ready for surprises every morning, and most of all, be ready to assign resources to where they'll best address peaks. Daily troughs allow for two basic opportunities - to catch up on lower priority tasks and (as good stewards) shorten shifts to maximize efficiency.

Managers must also be mindful of their suppliers' situation. Even the availability of products such as racking or containers could be affected, so it is important to check and verify everything.





3 BALANCE RESOURCES

Many warehouse operations will have streamlined their workforce and will not have the staffing to support multiple number one priorities. Warehouse managers must work with management and executive teams to prioritize the approach to operations and, as physical distribution professionals, be ready to feedback the risks to operations that are moved down the list.

There will inevitably be days when the amount of time needed to complete tasks exceeds the number of man hours available. In an environment where hours are scarce, but demand for work is not, managers have to prioritize work effectively.

In a pre-COVID-19 world, warehouses probably had four or five critical processes but these may need to be refined even further when time and resource is at a premium.

There isn't a generic solution to prioritizing warehouse tasks but the most effective operations retain a laser-like focus on fast and accurate fulfillment - using a WMS to establish the optimal picking and packing methodology, underpinned by highly efficient receiving and putaway activity.

There are of course many other important activities required to run a successful warehouse, such as replenishment and inventory control, but placing the emphasis on these two areas in times of fiscal restraint will best support recovery.

4 TIGHTEN UP DISPATCH AND DELIVERY

Businesses re-aligning their strategy to focus more on delivering into the retail channel or DTC should use their WMS to take a fresh look at shipping visibility and accuracy.

When it comes to customer satisfaction this is one of the most crucial measures. Research shows that consumers want to be regularly updated on their delivery to understand when their parcels will be arriving.

A lack of information is listed as one of their biggest frustrations of all.

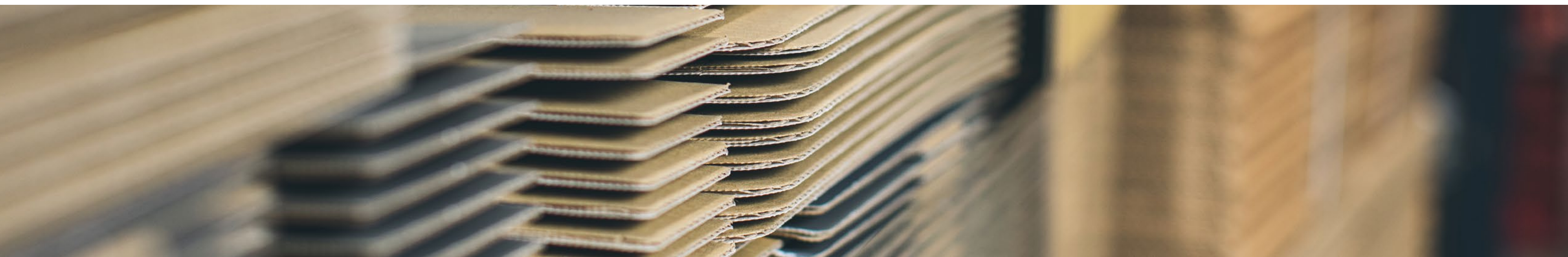
There is an ever-growing expectation from consumers for fast and accurate order fulfillment and, thanks to the growth of social media platforms and online review sites, they are quick to share their opinion, whether good or bad.

During a recession, business can be hard to win but easy to lose due to poor order fulfillment. Incremental improvements in visibility and error reduction will yield proportionately greater benefits to sales growth and customer retention.

5 SET GOALS AND CELEBRATE SUCCESS

When times are difficult it's all too easy to lose sight of strategic goals. Navigating the new normal inevitably means that new goals will need to be set and regularly evaluated. And just as important is to recognize when goals have been met and celebrate every win.

Leaders and managers are under tremendous stress right now, and every hourly employee is just as burdened. Warehousing can be thankless – but we have an opportunity to run warehouses tightly, professionally, and use every resource to its fullest.



THE CHALLENGE

An order fulfillment start-up has grown its customer base from zero to 25,000 orders per month, in under 10 weeks and during the height of the COVID-19 crisis.

From its 118,000 sq ft headquarters in New Jersey and a new West Coast DTC center in Reno, Nevada, Resurge specializes in firms and start-ups positioned for significant growth. And during the pandemic it helped rescue small to medium sized providers affected by labor shortages and health issues, plus those left homeless by Amazon's move to shipping essential items only.

THE SOLUTION

The secret behind its success was Resurge's ability to seamlessly and remotely onboard an innovative, cloud-based WMS solution, SnapFulfil.

Resurge's co-founder and chief strategy officer, Brian Kirst, says: "The demand for our more progressive 3PL services has exceeded our expectations during these challenging times. However, we were able to respond by bringing

forward our investment in a cloud-based WMS that has the flexibility and scalability to adapt and grow with us as a business and our customers' strategic expansions.

"We have worked with SnapFulfil previously and we completely trusted them to get our remote implementation right the first time and in just a matter of weeks, which they did without a hitch. Plus, they bring a level of support which, in my experience, goes way above and beyond the industry standard."

THE BENEFITS

Resurge's investment and progress means it is well placed to rapidly scale up from 80,000 orders a month by September to 125,000+ for the November/December holiday season.

"We attribute our success to having the right WMS in place and SnapFulfil has bespoke functionality totally relevant to our business as a progressive type of 3PL. What's more, it gives us confidence and credibility to pursue prospects that might not otherwise select such a new style

third-party logistics and DTC fulfillment associate," Brian added.

Even with most of the US under a stay at home advisory when Resurge was due to go live, SnapFulfil was able to offer remote support including regular online training meetings to ensure the team was able to access and test the solution.

"We completely trusted SnapFulfil to get our remote implementation right first time..."

- BRIAN KIRST
CO-FOUNDER AND CHIEF STRATEGY OFFICER

With Resurge being an early adopter of SnapFulfil's newly-redesigned rules engines and extra new functionality, the latest partnership initiative means Resurge can now self-configure and implement certain improvements and amendments themselves, for even greater responsiveness and control.

The Power of Data

Data is a key feature of a WMS, giving access to a plethora of reports and trend analysis. These reports allow you to make better forecasting decisions based on solid fact and paint a detailed picture of a product's lifecycle across the supply chain – from what you've sold to where you've sold it and frequency.

For warehouse operators, both large and small, who play a pivotal role in keeping the supply chain operational, the effective use of data can help maintain the flow of goods and manage the staff to do it.



The Power of Data

Data analysis drives much of the decision making in business, which is why it is so important for companies to understand their past and current performance and challenges in order to succeed in the future. A WMS must be able to deliver those key business metrics while at the same time enable operations to evolve in a fast-moving environment. It must provide flexibility, stable integration and a pace of implementation that doesn't require lengthy, expensive and risky development cycles.

DTC operations are in stark contrast to bulk or retail-based shipping. Furthermore, no two warehouses or distribution centers are the same, so there is no such thing as a one size fits all

WMS. Each challenge requires its own solution. Few businesses have the luxury of being able to design a series of bespoke solutions and so the challenge for leaders and managers is how best to make a holistic response.

That's where a modern day, technology-advanced cloud-based WMS can really help warehouse operators keep goods and processes flowing, while managing staff and resource allocation, through the targeted data it collects and delivers.

Savvy businesses are using data to identify trends and make important operational and fulfillment decisions based on a strategic version of their truth and solid analytics.

For example, when warehouse staff are at a premium and self-isolation is a reality, coupled with a rapid change in orders, then having the data to boost the effectiveness of the available workforce, their picking performance, plus available space is critical.

Much more data quality helps drive efficiency, productivity and profitability – even in really challenging times. It has the capacity to deliver key business metrics, while at the same time enable operations to evolve in a fast-developing environment.



THE CHALLENGE

A pet food and treats retailer has more than doubled its active SKUs to 10,000 and is competing against market leaders Chewy.com and Amazon's pet e-commerce site Wag - since switching to a cloud-based WMS.

THE SOLUTION

New York-based PetFlow, which has distribution centers on both coasts in New Jersey and Nevada, has used SnapFulfil to optimize inventory management, work flow prioritization and pick paths amongst other things. It now ships quickly and efficiently nationwide direct to shoppers' doorsteps, either as a one-off or through a convenient subscription commerce model based on an auto-ship delivery schedule.

PetFlow traditionally used SnapFulfil to ensure efficiency and accuracy throughout its order fulfillment processes. However, the scalability and flexibility of the WMS solution came into its own when Phillips Pet Food & Supplies acquired them and SnapFulfil helped to seamlessly leverage PetFlow's SKU base to deliver an endless aisle.

IMPLEMENTATION

With orders coming in from pet stores across the US, SnapFulfil helps route Phillips-related orders separately and can dynamically change the return address on shipping labels - allowing all orders to appear as if they've come from the Phillips customer directly.

Bryan Abbott, Industrial Engineer at PetFlow, says: "SnapFulfil has essentially seen PetFlow through every phase of our growth. It's affordable and the ability to scale with our business and customize to our needs has allowed us flexibility and enabled us to sustain high quality results. We've made a number of successful process changes through the years and SnapFulfil has been key in each one.

"Implementing a WMS can be daunting, but SnapFulfil is very intuitive and simple to walk through. It also integrated seamlessly with our proprietary system and ERP, which means employees can access real time order fulfillment information from a central application."

BENEFITS

Through SnapFulfil, PetFlow has established a replenishment system to prevent inefficient picking from higher locations in its warehouse, which are up to 30 ft. It also helps the company know when to increase the batch size of a pick assignment based on the height of the pick tasks.

In the event of an order delay or replacement order, SnapFulfil gives PetFlow the ability to expedite exception work - prioritizing at the shipment level and assigning specific orders to specific operators.

More recently, SnapFulfil has helped PetFlow optimize pick paths and batching logic and minimize travel distance on each route. It's also implemented putaway logic, allowing PetFlow to see optimal slots based on a set of given criteria and to ask for alternate locations.

"SnapFulfil has essentially seen PetFlow through every phase of our growth. It's affordable and the ability to scale with our business and customize to our needs has allowed us flexibility and enabled us to sustain high quality results."

- BRYAN ABBOTT
INDUSTRIAL ENGINEER

The 'Triple A' Approach to Fulfillment

The arrival of COVID-19 fundamentally changed the way people work, live and play. Traditional business models are being turned upside down as brands try to capitalize on the e-commerce trend with a DTC offering.

Many bars and restaurants responded by introducing home delivery and take-away, which was already a growing trend prior to the pandemic, and has become the golden key to survival.





The 'Triple A' Approach to Fulfillment

It's more critical than ever to consider the warehousing and logistics part of the chain, with digital technology central to tackling sudden challenges, satisfying demand, staying competitive, plus managing labor efficiency and productivity.

The WMS is a crucial cog in the process and can drive this type of approach to warehouse management centred around agility, adaptability and alignment.

AGILITY

A best-of-breed WMS gives a warehouse the **agility** it needs to forecast demand, employ temporary workers and meet peak season and even pandemic challenges head-on. It also enables more detailed insight into inventory levels, so businesses can provide customers with deeper order visibility throughout the fulfillment process.

Operations can be streamlined to make quick order fulfillment a reality, without sacrificing precision, and more easily identify areas for improvement. This in turn can help delight customers and keep them coming back.

ADAPTABILITY

Adaptability can apply to a wide range of areas within the warehouse, but it's difficult to adjust without first understanding where the warehouse lags. Accurate data is critical for gaining visibility into the underlying numbers, whether that's during replenishment, picking, shipping or returns.

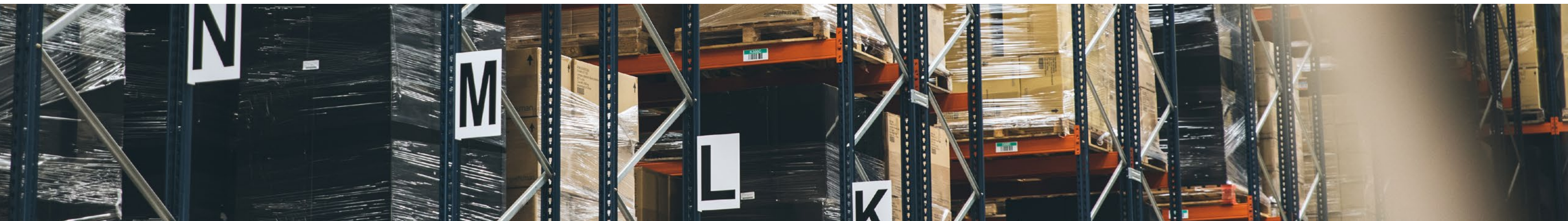
A WMS allows managers to make more educated decisions concerning which technologies or solutions - robots, extra staff, or additional locations - are worth investing in for the likes of reorganizing stock location, speeding up packing and improving order accuracy.

Bigger businesses often try to match Amazon and its continuous roll out of innovations, but the correct use of data can drive the adoption

of more appropriate and cost effective technology to become a market leader.

Real time data is also key when evaluating efficiencies within the warehouse and throughout the business. Deeper visibility into company processes, individual performance and team benchmarks can ensure the warehouse is fully in alignment with both company and customer expectations.

Goals and objectives can be better tailored to specific operations than ever before. The drilled down and universally accessible data provided by a WMS helps strengthen relationships with internal departments and create a truly synergistic environment - which in turn means the organization as a whole can better address problem areas and adjust operations to compensate.





ALIGNMENT

Last but not least, customer **alignment** is imperative and once again WMS software can help determine which products are selling and the insights needed to adjust inventory levels and company priorities accordingly. Additionally, this heightened visibility accurately pinpoints consumer buying habits and helps prepare for unexpected sales spikes, as well as granting much quicker intake of returns and a better understanding of why a product was sent back.

The Right Time to Invest in a WMS?

Is there ever a good time to invest in a WMS? Clearly the warehouse is the epicenter of the fulfillment process and there is never a perfect moment to tackle fundamental change to such a business critical function.

However, as this ebook has illustrated, change is no longer a luxury – it is a necessity in order to survive and thrive in the new COVID-19 environment.

Many businesses put off the decision to implement or upgrade their WMS because when they are operating at capacity, they feel there isn't enough time to plan for change.

The truth is, regardless of how busy a warehouse may be, it is perfectly achievable to implement a new cloud-based system in as little as 45 days or less with virtually no disruption to business as usual.

With almost 50 years' experience in implementing WMS systems, the SnapFulfil team is more than capable of tackling even the most demanding warehouse environments as long as the customer has a good internet connection and a desire to do better.

Once up and running, SnapFulfil typically delivers efficiency and productivity improvements of up to 30%. This translates into the ability to do more for less with the same resources – something we are all craving during these hugely uncertain times.

Change is happening now and businesses that don't invest in the proper infrastructure to move quickly and nimbly won't get a second chance.



SnapFulfil is a best of breed, real-time warehouse management system which drives highly efficient warehouse operations.

Thanks to its unique blend of Tier 1 WMS functionality, proven delivery methodology and enterprise class IT infrastructure, more and more companies are turning to SnapFulfil to optimize inventory, space and labor within their warehouses.

Offering a range of deployment methods and payment options, whatever the warehousing challenge, SnapFulfil offers a solution.