



January 3, 2007

A Prism Business Media Publication

Reprint

OF Leveraging Technology for Fulfillment Success

By Robert Tompkins

Technology is the cornerstone of an efficient fulfillment operation. It's through technology that guesswork is eliminated from the fulfillment process, human error is reduced, and products and content go to market faster and at a lower cost.

When it comes to fulfillment-related technology and systems, there are no absolute solutions. One size does not fit all or even most companies. Moreover, implementing a technology infrastructure to support your fulfillment operations is not only about hardware and software systems. Savvy companies and marketers use technology as an enabler to gain process efficiencies, access mission-critical information, and run their businesses better.

Is your operation using technology in that way? To find out, try answering these questions: Is the technology you rely on flexible, giving you room to grow and adapt to change? Does it support the flow of information seamlessly through the entire fulfillment process, from order entry to shipment? Can you access data and generate reports in real time to support critical decision-making? Are you making technology investments in the processes that need them most? Whether you are using the expertise of a third-party fulfillment provider or managing your logistics and operations internally, all of these are important considerations.

As you assess your technology strategy to support new business initiatives or enhance your existing infrastructure, here are some insights that will put you on the right path:

Start with strong people. The foundation of a strong fulfillment infrastructure is having expert, knowledgeable information technology professionals supporting your program, either inhouse or through your outsourced fulfillment partner. IT professionals who understand technology and are experienced in the business side of fulfillment can provide your company with important, big-picture expertise. Additionally, in the outsourcing model, if your fulfillment provider does not offer value-added technology-related services (for instance, e-commerce site development) as a core competency, it should have partnerships in place to provide the support you need in a seamless manner.

Ensure flexibility on the front end. A flexible fulfillment technology infrastructure starts on the front end with the intake of order data. Your fulfillment partner should have the capability in its order management system to accept orders from various ordering mechanisms: e-commerce, contact center, electronic data interchange, file transfer protocol (flat file, text file, XML). Order management systems built on flexible technologies such as enterprise resource planning (ERP) can easily be adapted to support your changing requirements.

Keep data flowing through the system. Customer order information should move seamlessly from the front end to the warehouse/inventory management platform and ultimately through to final shipping. By automating the flow of information through the fulfillment environment, technology can facilitate faster high-quality order processing and shipment. Moreover, your fulfillment provider should offer you the ability to view critical customer-order data at all points in the process. Real-time data access will help you make more-informed decisions related to production requirements, inventory levels, and customer buying patterns while providing visibility into areas where costs could be reduced.

Use technology to improve process control and fulfillment accuracy. Technologies such as radio frequency identification (RFID) and barcoding can facilitate system-directed picking, helping employees to pick and pack high-volume, complex orders where there is little margin for error. Technology also supports return/reverse logistics, enabling users to query shipping systems, among other functions.

Invest in the processes that need it most. Some fulfillment processes don't require technologies such as RFID or barcoding to get the job done. The critical determining factors are speed and quality. Don't spend where you don't need to.

Maintain your lifeline to the customer. Because information is the lifeblood of your decision-making process, you need data on all facets of your fulfillment program – inventory, orders, and more – and you need it in a real-time manner. Technology should offer you the capability to extract data from the fulfillment infrastructure and generate real-time reports in the format you require. Access should be easy and at your convenience – online 24 hours a day – giving you an instant, on-demand snapshot of your critical business activity.

Robert Tompkins is vice president of Coatesville, PA-based EchoData Group, a third-party fulfillment and logistics provider.