How to Prime Your Warehouse for Boundaryless Fulfillment

Actionable warehouse management strategies to 'build, grow and go!' with modern commerce

DEPOSCO™

Table of contents

Introduction

Chaotic fluctuations in supply and demand, continued labor challenges, and last-mile fulfillment congestion have forced many operational 'blind spots' on warehouses that were not initially set up for 'boundaryless' commerce. As order volumes grow, companies are realizing the accelerating impact that manual processes, stale or siloed data, human error, and poor visibility into staff performance have on growth:

- 67% of companies said that being out of stock after an order is placed or simply overselling as the top inventory mistakes lead to lost customers

- 69% of customers are much less likely to shop with a business in the future if a purchase is not delivered within 2 days of the date promised

- Human error is the #1 root cause of fulfillment issues for 62% of companies

- Labor makes up the majority of the total cost of warehouse fulfillment (not including shipping)—order picking alone accounts for about 50% of a warehouse's labor costs

Now is the time to shift investments to warehouse management technology that can do more, faster, better and smarter.

Modernizing the warehouse for modern fulfillment is the smartest growth investment a company can make right now. It is a top tech priority, but for many, the path is blurry:

Zebra's global Warehousing Vision Study of tech plans to modernize warehouses from 2019 to 2024 found 77% of companies agree that augmenting workers with tech is the best way to introduce automation in the warehouse. Yet, only 35% have a clear understanding of where to start.

In this guide

Growth Guides brings your modern warehouse journey into sharp focus—including a look into:

- ✔ Why are modern warehouse management systems a top priority right now?

- ✔ What does modern fulfillment look like?

- ✔ Who gets there and how?

- ✔ What warehouse management strategies and tools can illuminate your growth path?

Uncertainty Says it's Time to Break Up with Spreadsheets

When online consumer spending hit $791 billion in 2020, a 32.4% YOY jump, massive uncertainty triggered an interesting shake-up. Some warehouse managers responded to higher order volumes by increasing budgets and headcount.

Others saw this as an opportunity to break up with their spreadsheets and paper-based warehouse processes for advanced warehouse management systems that empower associates to take fulfillment speed, accuracy, throughput and customer satisfaction to the next level.

New Insights Prove, 'It's Grow Time'

Some interesting data came out in 2021 which debunks the myth that 'only top-tier warehouses can do fulfillment right':

While Amazon's 10-year streak of positive YOY sales growth continued in 2020, the once "untouchable" fulfillment engine actually lost market share among the Top 1000 retailers in that same year! In fact, 509 companies in the Top 1000 grew their online sales by over 25% in 2020. Proof that great warehouse execution—even with much smaller budgets—can win.

WMS: The Future of Modern Fulfillment

Best-of-breed companies raised the stakes for what consistent, flawless inventory execution looks like. In response,
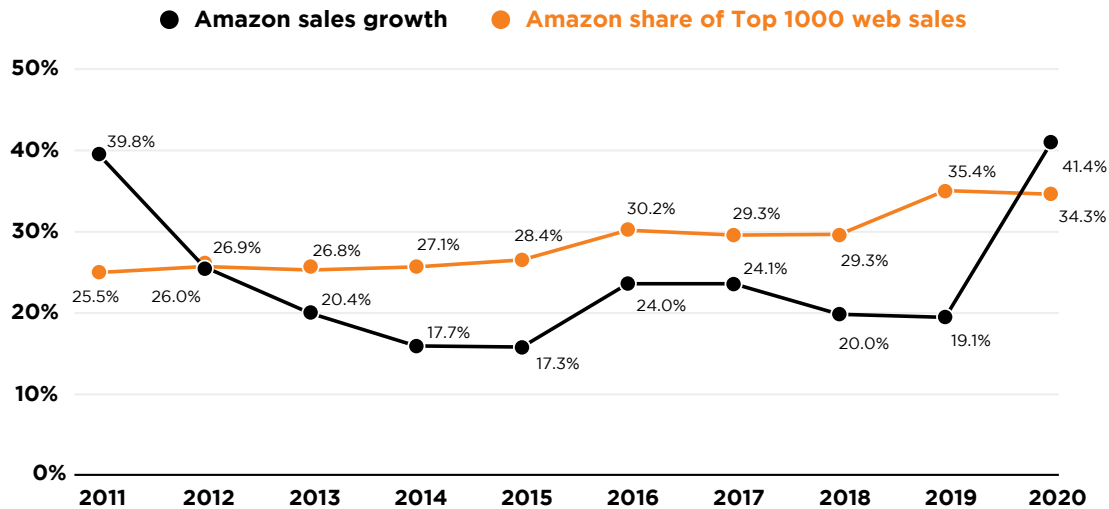
Over half (54%) of organizations will have implemented full-featured/best-of-breed WMS systems by 2024.

Explore Bright Warehouse
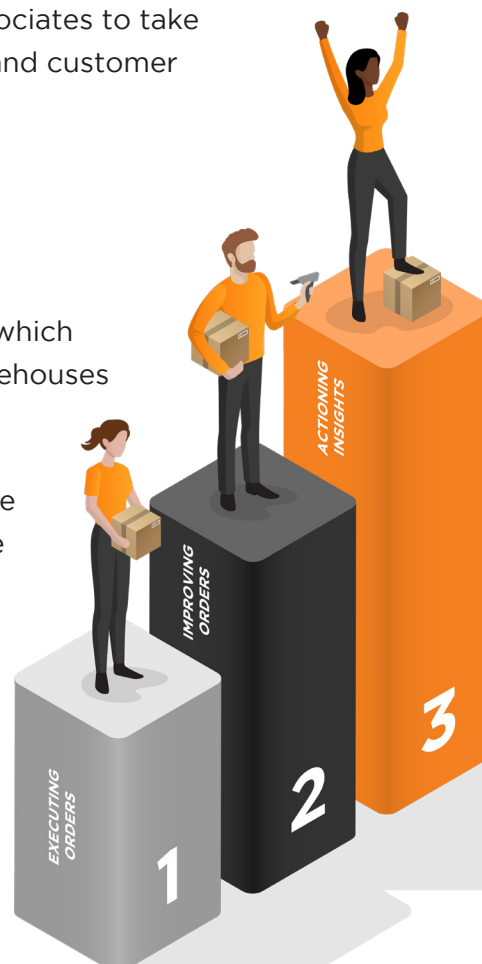
Amazon's Disproportionate Share of Top 1000
Year-over-year growth, 2011-2020

● **Amazon sales growth**   ● **Amazon share of Top 1000 web sales**

It's Not Company Size that Defines Success; It's Your Proximity to the Customer

It's the experience and the perception customers get every time they interact with your company. It's about taking manual tasks off your associates' hands and empowering them with timely customer insights to reduce costs, increase labor efficiency, and improve decision-making on the continuum to profitability at-scale.

Warehouse Management Solutions: Increase Results, Not Headcount

The highest operating cost in a warehouse is labor, which G2 says accounts for 50-70% of the warehousing budget. Eliminating manual or paper-based tasks fuels growth by dramatically increasing the number of orders your company can accept and fulfill, in a shorter amount of time, without adding staff.

Purpose-built warehouse management tools drive rapid competitive advantages, including the ability to earn more, reduce fulfillment errors, synchronize available-to-sell + available-to-promise inventory, increase throughput, extend labor investments, and onboard staff on the fly.

DEPOSCO

Warehouse Management Systems Remove Blind Spots

Warehouse management systems accelerate your path to boundaryless commerce by continuously deepening what you know about customers. This knowledge helps you remove costly blind spots in 7 key areas, including:

1. Do I know how much inventory I have? Is it accurate?

2. Do I know where my inventory is located?

3. Do I know if my inventory has been allocated to an order?

4. How do I manage warehouse staff performance?

5. How do I eliminate backorders?

6. How do I handle seasonal spikes?

7. How do I show available-to-promise inventory on my website?

Let's look at each of these KPIs, including why they are vital to growth, along with some warehouse management strategies you can use right now to improve:

1. Do I know how much inventory I have? Is it accurate?

Why this matters

Some things don't scale. As order volumes grow, so does the impact of not being able to properly represent on-hand inventory—leading to backorders and/or overselling, higher costs and frustration among your operations team. Higher order volume means more mistakes, slower execution, and less time to uncover opportunities to trim costs—such as rate shopping for shipping cost optimization.

What to do

Trade-in "tribal knowledge" for a single source of truth that can keep pace with modern commerce. Warehouse management systems automate time-

consuming, error-prone processes and deliver enterprise-grade benefits such as company-wide visibility, extensive flexibility, and real-time data generation.

These systems create fluid processes for your team and a fully traceable, unified view of all warehouse operations in one spot. Warehouse management systems seamlessly handle inbound/ outbound tracking; streamlined waving, picking, packing, put-away and returns; advanced cartonization services; printing B2B retail-compliant labels; multimodal shipping management; and centralized inventory knowledge across all warehouse activity, in the cloud.

According to Industry Week, organizations that implement a warehouse management system report 4% higher perfect-order performance on average than those without these systems. In addition, companies have seen a 150% increase in fulfillment efficiency; +99.95% accuracy; and fulfillment time within 24 hours on average.

2. Do I know where my inventory is located?

Why this matters

How much time do your warehouse associates spend tracking down

Project Spotlight

Educational Development Corporation

Problem
EDC is a large publisher of children's books produced in the UK. When demand increased faster than their legacy system could adapt, they faced a backlog of over 40,000 orders they couldn't fill. They also needed to scale into +230,000 sq. ft. of new warehouse space without additional labor.

Solution
After a warehouse assessment, UPS recommended a WMS solution that could drastically improve EDC's inventory visibility, execute on multi-carrier shipping and streamline receiving, putaway, replenishment, picking, packing and tracking. Advanced WMS technology would efficiently manage inventory and orders, while integrating to existing systems to eliminate manual processes.

Results
- 77% reduction in total fulfillment costs
- +10,000 orders fulfilled per shift
- +98% order accuracy.

Read More

inventory that's in the wrong place, or simply not there? What do manual inventory processes cost your business?

[G2 shared](#) that order picking alone accounts for 50% of a warehouse's labor costs. In addition, human error from manual processes is the #1 root cause of inventory fulfillment issues for 62% of respondents. These problems create more backorders, overselling, sub-optimal or poorly timed replenishments, higher on-hand inventory and labor costs, and broken customer promises.

What to do

Employ an automated cycle count program that constantly audits your inventory for accuracy. Best-in-breed warehouse management solutions enable system-directed replenishments to confirm that inventory movement within the warehouse is done appropriately.

This dramatically improves productivity, while keeping everyone on the same page about what's in stock, what's needed, and how to proactively plan as order volumes rise.

3. Do I know if my inventory has been allocated to an order?

Why this matters

Without proper representation of available-to-sell quantities, your warehouse can't correctly prioritize, process and ship orders. It's a best guess as to whether an order will be backordered before being released to the warehouse team for fulfillment. There's no way to communicate backorders or fulfillment delays to your customers in a timely fashion. They get mad; and you either lose the sale, or compromise margins to make it happen.

What to do

Explore automated inventory allocation. Intelligent warehouse management systems use flexible rules to incorporate allocation into all customer orders needing to be fulfilled, including how to allocate, when to allocate, and in what priority. Rules consider inventory allocation in real time when determining what's available to sell. Some tools offer extensive order waving and batching capabilities that can automatically allocate inventory to customer orders, and even consider order types and profiles.

This is especially useful with multiple sales channels that have detailed inventory allocation rules. Teams can easily prioritize what inventory within the warehouse gets allocated to what types of customer orders. Look for warehouse management tools that dictate not just what inventory is allocated, but where to allocate it, based on sales channel and factors that influence profitability, such as fulfillment speed and operational costs.

4. How do I manage warehouse staff performance?

Why this matters

Hourly labor costs have increased 10-15% in the past 5 years. So YEAH... employee performance matters. As your business grows, replacing blind, paper-based methods with a digital process to clearly evaluate warehouse staff performance will improve critical KPIs.

According to G2, 89% of organizations will be using modernized Warehouse Management Systems functionality for labor planning and management by 2024.
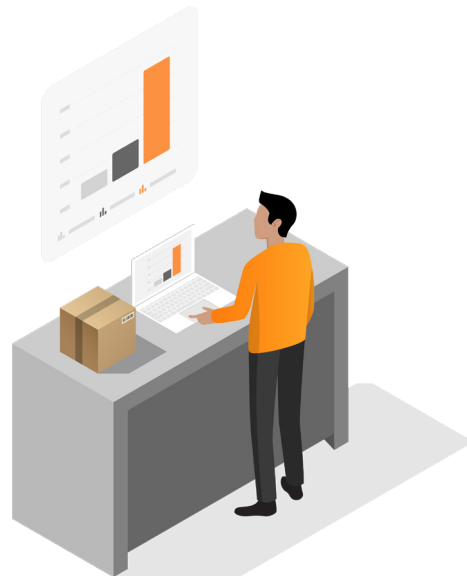
What to do

Make your labor investments count. Put a warehouse management system in place that can track and record all activity performed by users in the system. It should be able to feed this data into reports and dashboards, so managers can easily track performance across the organization in a variety of ways, and deploy those resources optimally.

5. How do I eliminate backorders?

Why this matters

Don't sell what you don't have. That's the fastest way to lose customers you've had for a long time.

Beyond the trust factor, there could be other items in the same order that are in stock, but the backorder causes you to lose the sale altogether. Or, the order may get split and shipped at different times, further inflating the cost to you. According to Multichannel Merchant, e-commerce backorders can cost $15-$20 each, eroding profits.

What to do

A simple, pre-built warehouse management integration can significantly reduce backorders and overselling by connecting inventory data closer to the sale. These sockets ensure accurate inventory is in the system at all times by publishing real-time Available-to-Sell data to sales channels.

Shopify is one example. Without customization, you can set up Shopify to talk directly to your warehouse management system, so that when inventory adjustments are made, they get communicated back to sales channels on the fly.

Project Spotlight

Problem
LazyOne's growth was hindered by physically allocating inventory. Due to high demands during peak season, seasonal labor was required to keep up with orders. Onboarding time was lengthy and costly due to the weeks of training required to ramp up a new employee.

Solution
LazyOne implemented a fully automated system to allocate inventory, dissolving all paper processes. They are now empowered to onboard new hires within days instead of weeks, saving both time and money. This allows them to respond to peak season demands as well as unexpected spikes in orders. LazyOne has been able to grow year over year, fulfilling and shipping more orders than the year before with the same team they started with.

Results
135% Increase in labor efficiency per day

Read More

6. How do I handle seasonal spikes?

Why this matters

E-commerce is a game of seconds... especially as supply chain disruptions continue to threaten product availability. Salesforce expects logistics complications alone to result in $163 billion of added costs compared to peak season 2020. That means we can expect to see those dreaded words, "Out of Stock", to trend well through the next year or longer.

While there's not much you can do to control industry-wide supply issues, you can get your warehouse organizationally primed for optimal execution all year long.

What to do

Explore solutions that enable your teams to process orders faster. Using advanced technology with system directives, validation and warehouse processes, many warehouse management systems support system-directed put away, user-directed put away, and stock replenishments for different types of inventory based on volume or popularity.

Simple adjustments can shave seconds, minutes or even hours off your processing times. Even in smaller warehouses, those seconds add up to significant annual cost savings while improving daily throughput, sales, market share and profitability.

7. How do I show available-to-promise inventory on my website?

Why this matters

'Because my competitors do it'. True. More compellingly, it's because that's what modern consumers expect. This becomes even more important if you are planning to expand your warehouse space, add locations or introduce new sales channels.

Omnichannel shoppers have a 30% higher lifetime value than those who shop using only one channel. In fact, 51% of firms use at least 8 selling channels. The more you scale, the more selling channels you'll need to add. The more selling channels, the more logins/platforms accessing your website, leading to more data silos and a greater urgency for instant, accurate representation of inventory online.

What to do

If you're finding your online inventories are always off, it's time to apply some science. Best-in-breed warehouse management software offers socket integrations that can **automatically sync Available-to-Promise (ATP)** inventory calculations to all sales channels. These integrations calculate ATP numbers as:

> *On Hand Inventory*
> - *Allocated Inventory*
> - *Unavailable Inventory (on hold/damaged/not pickable)*
> _____
>
> *Available to Promise*

Streamlining your warehouse processes right now to allow real-time inventory tracking, labor management, and data access in one system will cut a clearer path for growth later.

Let's Turn the Lights on

Ready to confidently understand where your inventory is, how your associates are performing, make promises you can keep, and save time and capital along the way? Need someone to turn on the spotlight on your modern warehouse?

Meet Deposco [Bright Warehouse](#), the essential warehouse management system used by leading businesses to meet the intense on-demand sourcing and fulfillment requirements of today's multichannel, omnichannel, B2B retail and direct-to-consumer environments.

With complete end-to-end control, automated inventory tasks and enterprise-wide visibility, Bright Warehouse prepares businesses to rapidly scale and support long-term growth including the addition of new locations, peak seasons, promotions and new product launches—through the smartest orchestration of their building, hardware, inventory and human assets.

Now You're Good to Grow!

Over 3,000 of the world's fastest growing ecommerce and D2C businesses rely on Deposco. We're supporting over $10 billion in sales and over 43 million consumer orders annually. In 2020 alone, our solutions helped customers increase total shipments by 78%.

- ✅ Real-time 360° visibility
- ✅ 99.95% inventory accuracy
- ✅ Automated pick, pack, ship
- ✅ Cartonization & kitting
- ✅ SSCC label generation for EDI
- ✅ Wave strategies based on priority or order size
- ✅ Segment across marketplaces & customer groups
- ✅ Rate shopping: best price & speed
- ✅ Direct API with shipping carriers

Deposco WMS: One Solution, One Focus, One Team

Reach out to one of our Growth Gurus to discuss your specific WMS challenges.

Let's Talk