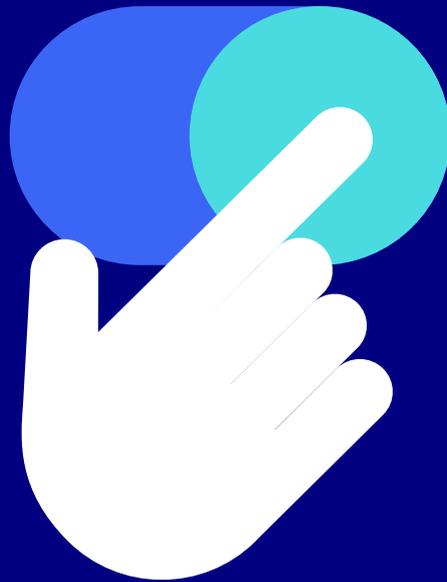


Efficient Omnichannel Fulfillment Made Easy

Enhancing customer loyalty and business results with the new fulfillmenttools platform

fulfillmenttools
by REWE digital



In technical and logistical terms, order fulfillment has to be the most complex aspect of eCommerce. A large number of processes run in the background when fulfilling orders, as soon as the online customer goes through the checkout – from the intelligent forwarding of orders to stores and warehouses (order orchestration), to picking and packing, transferring orders to the carrier, and even personal delivery to the customer on site. The entire process places strong demands on operations, especially with innovative and flexible models such as ship-from-store or click & collect (BOPIS).

So what if all these processes, including ERP system maintenance and returns management could be handled fully automatically and highly efficiently, and even integrated without major effort into the existing system landscape?

Why seamless fulfillment creates loyal customers

Amazon and co. have shown us how it's done: ordered today, delivered tomorrow. This is a service benchmark that customers have now become accustomed to. Expectations in terms of convenience and speed in eCommerce fulfillment have risen sharply. Nevertheless, many retailers neglect the shortcomings in their eCommerce fulfillment processes – and risk creating negative experiences for the customer by missing delivery deadlines or even shipping the wrong articles. Surveys show that satisfaction with the fulfillment process is a prerequisite for customers if they are going to return to their trusted retailer and fill the shopping cart again. Seamless processes are therefore the number one factor in fueling customer loyalty.

How poor service levels can damage your market standing

Rising customer expectations are only one side of the coin. As fulfillment standards continue to heighten, competitive pressure is also intensifying and established retailers now offer instant, same-day or next-day delivery, or click & collect.

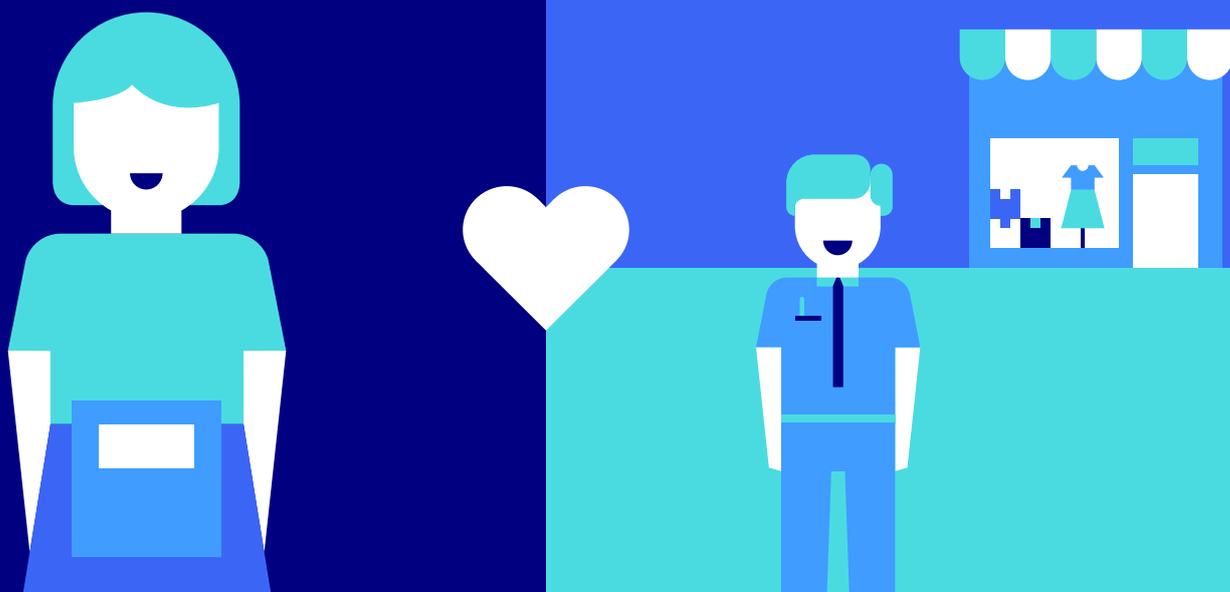
By itself, simply focusing on central warehouse fulfillment will no longer meet customer expectations. Similarly, you will fall short in terms of competitive standards and you'll certainly no longer meet sustainability requirements. One important tool that can be used as a key lever in enabling same-day and next-day deliveries is a wide network of stores (McKinsey, 2020). Ship-from-store solutions offer an effective alternative to order processing by fulfilling deliveries in nearby stores. In fact, all it takes to achieve a same-day service level for 50% of the German population is 30 stores.

Why in-store fulfillment is good for customer loyalty and profitability

The pressure on profitability in retailing was mounting even before the coronavirus pandemic. Customers are increasingly unwilling to visit stores in up-market, downtown locations due to cannibalization from online shopping. Stores are undergoing a transformation in the expanding omnichannel landscape. As a result, their role in the retail ecosystem now requires a re-think. In-store fulfillment injects value into stores, making it an important instrument for retailers in delivering customer value.

Surprisingly, it's actually not that difficult to expand service offerings and set up professionally run ship-from-store systems, including click & collect solutions. Not only does this improve delivery deadlines, it also works wonders on out-of-stock ratios. Retailers also reap product range benefits and can expand assortments, optimize inventories, and reduce sell-out items. Scaling your eCommerce with fulfillment-tools enables you to improve flexibility and make better use of store capacity.

Failing to seize the opportunity to introduce flexible in-store fulfillment solutions not only risks losing long-standing customers, there's also a risk that stores will have to close. In the long term, this threatens your survival in the market.



An Omnichannel Fulfillment Solution for Every Need – Really?

The fulfillmenttools platform was designed for what is probably one of the most challenging market environments in retailing. Developed for REWE digital, it has already proven its potential. In no other market are the challenges of picking and packing more demanding than in online food and beverages retailing (or as we call it: e-food). Fulfillment in this area is a highly complex undertaking, not only due to the high number of product lines, but also because of the diverse choice of picking strategies for increasing performance (such as multi-order picking or picking sequences), plus the fact that different types of products have to be picked

(single-item goods, weighed articles, bundles, etc.). You also have to take item replacement into account, across a wide variety of storage types and cooling zones, not to mention differing delivery methods and pickup options.

fulfillmenttools maps every individual step of order processing – across all product categories, warehouse types, and delivery models. And one highly practical aspect with fulfillmenttools is its underlying software, which combines a distributed order management system with all key in-store fulfillment applications – right through to shipping.



fulfillmenttools enables the eCommerce order fulfillment process by retail stores – from order receipt to shipment to the customer

Three Steps to Highly Efficient In-store Order Fulfillment

fulfillmenttools offers an integrated end-to-end platform solution for efficient omnichannel fulfillment. The suite spans three modules: a distributed order management system (DOMS), in-store fulfillment, and shipping integration – ideal preparation for the retail fulfillment processes of the future. All tools are provided from a single source, offering seamless connection and enough flexibility to adapt to any retailer's requirements.



Module 1: The distributed order management system (DOMS)

The customers have completed their online orders, so now all they can do is wait for their products. Immediately, the distributed order management system, or DOMS, jumps into action and manages the first step: intelligent order distribution to the optimum fulfillment location. In doing so, the system automatically helps retailers and manufacturers link their eCommerce systems and brick-and-mortar sites, fully automating order coordination. Further down the line, it also coordinates returns across all retail stores and warehouses. Even click & collect and in-store returns can be processed effortlessly.

The DOMS automatically takes predefined, customer-specific parameters into account, processing everything from physical proximity to the customer, to (highest) availability levels, shortest delivery times, capacity levels, and if required the cheapest fulfillment costs. Based on these parameters, each order is assigned to the most suitable store or warehouse. The DOMS can also split orders by sharing them with different fulfillment channels. This is an extremely useful option if certain items are missing, damaged, or incorrectly entered into the system. It's also important if parts of an order need to be shipped the same day but other items may take longer. In practice, however, this option is normally not prioritized and is offered as a customizable function.

The DOMS is easy to integrate into existing system landscapes, offering bilateral communication with existing stores, ERP systems, and if required warehouse management systems. One important factor here is the information on listings and inventories used to maintain the DOMS, since it plays a crucial role in planning routing. The same applies to any details provided on customer orders.



Module 2: In-store fulfillment – including pick and pack

The fulfillmenttools system not only takes care of in-store fulfillment, it also improves process efficiency. The solution comes with a picking app that digitalizes and optimizes the in-store picking process. It also improves automatic running sequences. To accelerate processes and minimize errors, products stored in the system are shown with images and barcodes to make them easy to identify using the scan function.

Combined with the intuitive user experience, these features mean that the fulfillmenttools picking app is easy to operate and quick to implement. In addition, very little training is needed. The system also ensures that all instructions on ideal packing combinations and filling materials are fully automated, from selecting the right shipping boxes to highlighting any documentation that should be enclosed. To wrap up the process, the system runs through an integrated checking procedure to ensure the order is complete. And then it's ready for shipping or click & collect.



Module 3: Integrating shipping into the delivery process

The fulfillmenttools shipping integration module provides an out-of-the-box delivery solution for last-mile connectivity in the ship-from-store process. By coordinating processes with all kinds of existing delivery services, couriers, and cargo forwarding specialists, the app provides a variety of options for getting the product to the customer: from printable labels to lining up the most cost-effective service provider and issuing automatic notifications. It also sends emails and text messages on tracking statuses.



Module 4: The click & collect handover app

Of course, not all customers want their orders to be delivered to their home. To cater for such requirements, module 3 can be supplemented with a further module to offer both click & collect and click and reserve options (BOPIS).



Backoffice functions, evaluations, and reports – ideal for gaining an overview

All KPIs central to configuring, managing, and monitoring the system come together in the backend of fulfillmenttools. It also offers real-time evaluations and reports around the clock at the click of a button – ideal for retailers wanting to keep a close eye on everything!

– Supporting store management

Manage and edit user accounts, capacities, stocks, and picking sequences quickly and easily. Check and update the status of orders, sales, capacities, and throughput times – plus much more.

– Gaining an overview at headquarters

The backend system also allows administrators to manage routing rules, users, and stores, providing high-level dashboards in real time that allow the retailer to maintain an overview of KPIs, such as the number of orders per store, throughput times, and ideal order ratios.

Fast, Flexible, Customized: The SaaS Platform with its State-of-the-Art Architecture

Adaptable software-as-a-service (SaaS) solutions allow retailers to raise their processes to a new level and safeguard the long-term viability of their IT infrastructures. Particularly with large, long-term investments, it's important to ensure that your systems are flexible enough to respond and adapt to future challenges. With its modern software architecture, fulfillmenttools is based on the very latest standards of modularity, flexibility, and scalability. Because the platform is based on building block principles, it is ready to use in an instant and easy to expand step by step. This enables retailers to expand their horizons according to their needs by offering the tools that are matched to their demands, exactly when they need them, with everything from a single source. In terms of architecture, the platform is based on most important principles of modern retailing – starting with the first line of code:



Modular architecture

For maximum flexibility and adaptable, tailor-made configuration to meet individual customer needs



API first

For quick and easy integration into existing IT systems and third-party systems



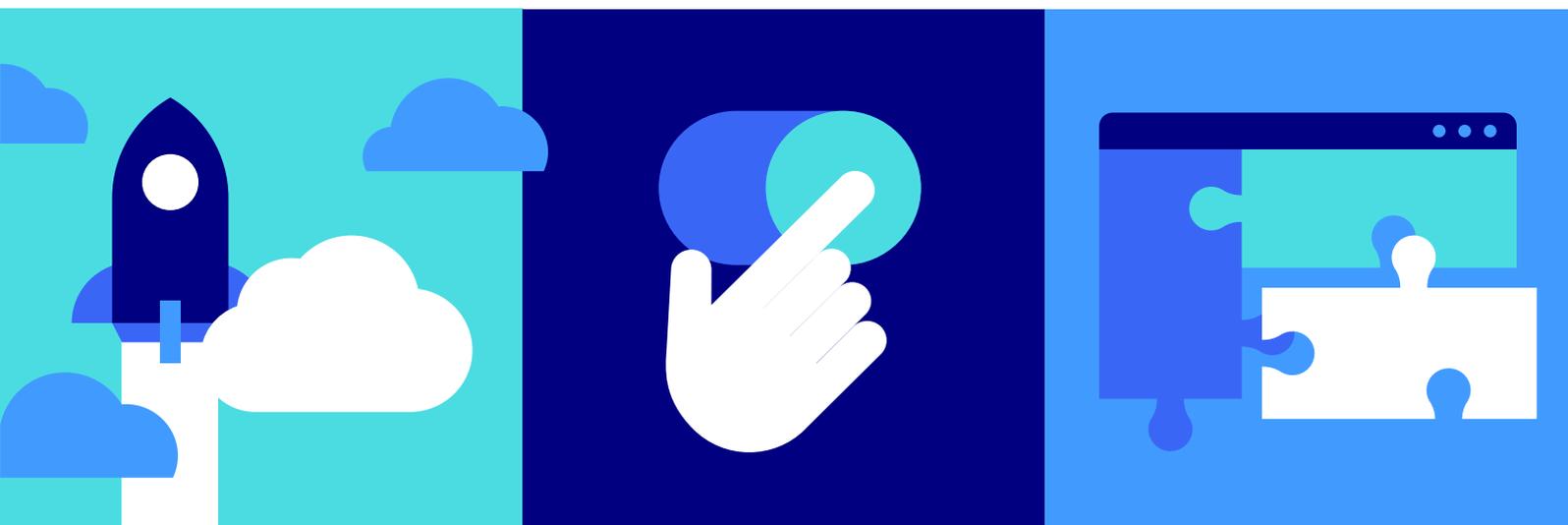
Cloud native

For easy and seamless scaling up of the throughput, users, or stores handled by the platform – precisely when you need it. In addition, the system offers ongoing automated feature updates and releases, make costly system maintenance a thing of the past.



Placing emphasis on leading standards and platforms

Whether it's security standards, GDPR, the reliability of technology partners, or selecting suitable carriers – fulfillmenttools is fully up to speed with the industry standards of retailing and knows how to implement them so that retailers can focus on their core business.



Five Important Reasons why fulfillmenttools Makes Sense

fulfillmenttools stands for state-of-the-art module-based cloud solutions that enable next-level eCommerce fulfillment. As an experienced team, we have the tech knowledge and understanding of retail business to create intuitive, high-performance software for retailers – based on novel and unique methods. As specialists in retailing ourselves, we also know the ins and outs of business – of our customers and their customers – and we relish every opportunity to help meet everyone's requirements. We have already successfully launched a smart fulfillment platform for the delivery and pick-up service run by REWE, and our solution excels in serving more than 1,000 sites every day.

We now want to offer this key competitive advantage to third parties. We love what we do. And we thoroughly enjoy working with hand-picked, best-of-breed partners – who have joined us on this journey with the same energy and eye for perfection. Our experience and innovative approach are turning us into a pioneer in omnichannel fulfillment SaaS for retail.

1

A State-of-the-art technology platform: Our modern software is based on the latest standards of modularity, flexibility, and scalability – laying a future-proof and expandable foundation for expansion in parallel to customer requirements, thus underpinning their success.

2

Software with the DNA of Retail: Thanks to our retail expertise, not only do we help our customers find the right software, we also empower them to perfect their processes. This is because we are highly familiar with the issues faced by modern retailers – we've already solved these challenges for ourselves, by building a modular tool kit for retailers that now works in all kinds of sectors.

3

Tried and tested in one of the most complex business environments: Online food and beverages retailing (e-food) is probably the most challenging of eCommerce fulfillment environments. Our software has already proven its worth and demonstrated its user-friendly operation in everyday use – with over 11,000 users in more than 1,000 REWE outlets.

4

Everything from a single source: The fulfillmenttools solution offers you a comprehensive, seamlessly integrated tool kit for ship-from-store fulfillment and click & collect deliveries.

5

Support and advice from first-class specialists formerly part of the core team at REWE digital: You will find it extremely difficult to find such a high degree of pooled tech competence, omnichannel commerce experience, and fulfillment expertise in one place.

Interested in hearing more?

Feel free to get in touch with us at any time. We look forward to accompanying you on the journey in introducing straightforward, scalable fulfillment!



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