Optimized Omnichannel Fulfillment

Improving GMROI by providing on-demand visibility to existing inventory and enabling store order fulfillment across multiple banners, over 900 stores, and distribution centers

The Client

A $1.0B North American online and brick-and-mortar retailer of pool equipment and supplies operating over 900 stores and multiple online banners.

The Challenge

The client was in the process of upgrading their technology platforms for upfront customer order capture and fulfillment operations. The company implemented the first phase of software to replace the web front end used by online customers as well as the back end used to manage customer service and order fulfillment operations. This initial implementation scope excluded the portfolio of stores and was completed during the height of the COVID-19 pandemic.

The next phase involved extending the platform to the client's stores. The challenge was to leverage the new platform to include the ability to fulfill online orders in the stores via either in-store pickup or direct shipment to customers. A key desired capability was optimized omnichannel fulfillment from current store inventories or from distribution centers. In addition, the client wished to enable in-store customer returns of items ordered online. Additional complexity included the need to provide these capabilities across multiple separately branded web sites. Further, the in-store phase of the project was on a tight timeframe for completion in time for the company's busy season (spring 2021).

The Parker Avery Solution

Parker Avery led the design efforts across two critical workstreams: web front end (customer facing) and fulfillment back end (store operations)

Key to the design was exposing store inventory to online customers to enable buy online, pickup in store (BOPIS) or ship to store (STS), allocating store inventory for customer shipments (SFS), as well as seamlessly processing customer returns in store.

The optimized omnichannel fulfillment system uses a cost model to broker orders to the most desirable fulfillment location using several factors, including keeping ordered items together and proximity to the fulfillment destination.

Key Parker Avery activities during the initiative included:

- Creation and management of the program plan for the entire implementation
- Coordination with the IT organization and software vendors to deliver all capabilities within specified budgets and timelines
- Process design for the online customer journey as well as all store operations activities required for fulfillment and return processes
- Design of sales posting, sales credit, and inventory protection/allocation processes

The Result

With the optimized omnichannel fulfillment implementation timed just before the start of the 2021 peak pool season, the client experienced immediate results, with store fulfillment accounting for 5% of sales within the first quarter. In particular, the ship from store (SFS) program provided incremental sales of store inventory that was previously not visible or available for fulfillment of online transactions. This resulted in better GMROI by leveraging existing inventory.