

Boosting GMROI with a Successful Omnichannel Fulfillment Solution

Client Challenge

This \$1.0B North American retailer of pool equipment and supplies operates over 900 stores and e-commerce across multiple banners. The company had recently implemented the first phase of new software to replace the aging customer online order capture as well as the back end used to manage customer service and order fulfillment. This initial implementation scope excluded the portfolio of stores and was completed during the height of the COVID-19 pandemic. 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 and distribution centers. The client also wished to enable in-store customer returns of online orders. Additional complexity included the need to provide these capabilities across different brands. Further, the in-store phase of the project was on a tight timeframe for completion in time for the company's busy spring season.

Parker Avery Solution

Parker Avery led the design efforts for the customer-facing web front-end and fulfillment (store operations) workstreams. Key to the design was exposing store inventory to online customers to enable buy online, pickup in-store (BOPIS) or ship-to-store, allocating store inventory for customer shipments, and seamlessly processing in-store customer returns. The omnichannel fulfillment solution uses a cost model to broker orders to the most desirable location using several factors, including keeping ordered items together and proximity to the fulfillment destination.

Key Parker Avery activities 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

RESULTS



INCREASED STORE
FULFILLMENT



DROVE
INCREMENTAL SALES



IMPROVED
GMROI

With the implementation of the omnichannel fulfillment solution timed just before the start of the 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 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.