

Maximising distribution efficiencies

A distribution system managed from a single point – an integrated IT system – has a direct impact on the productivity, efficiency and profitability of your business, advises **Andrew Maszyr**, Development Director, Cromwell Business Systems.

One of the many challenges facing retailers is how to implement an effective and efficient distribution system, whether you have a single store or many, a modest storage area or a large warehouse setup. Substantial savings can be made by ensuring all deliveries reach your customers in a cost-effective and efficient manner.

Many retailers have got by for decades with manual systems for handling distribution – whether a diary system, schedule planner, post-it notes or a combination of all these. Why then, when manual systems appear to work effectively, should you spend time and money getting to grips with an IT system that offers distribution capabilities? The question you need to ask is have you ever really analysed the points of inefficiency and excess cost that are inherent in manual systems?

All important elements

Successful deliveries are totally reliant on efficient processes taking place prior to the delivery vans setting out. Then, they rely on the customer being available to accept delivery at the first attempt. We all know that the perfect shopping experience, whether in-store or online, can be completely negated by a poor 'last mile' delivery experience.

What is needed is rapid access to accurate and timely information, just as much as physical assets such as staff, goods and delivery vehicles all being in the right place at the right time.

In a system like Cromwell's Open-Retail, all deliveries are managed from a single point so all the information required to manage the delivery process is at your fingertips: customer details; package dimensions and weight; mode of delivery; and delivery commitments such as date and morning or afternoon time slots.

In Open-Retail you can also, depending on security clearance, override pre-booked delivery slots to allow for a special delivery, and change the means of delivery to



maximise the efficiency of your own van(s) or the use of third-party carriers. The system will also extend the time slot for a delivery if it includes an installation.

If you have more than one van, you can switch items between them to make routing more efficient and also change the order in which deliveries are made. Customers can be reminded of delivery details and provided with tracking information via e-mail or SMS.

Other functions of a good distribution system such as Open-Retail include:

- Order consolidation into collated 'master' lists that manage stock picking (a great improvement on handwritten notes that see warehouse staff making multiple trips to the same parts of the storeroom or warehouse to fulfil different orders).
- Generation of invoices (which can also be e-mailed to reduce postal costs), delivery notes and labels, carrier-compliant shipping labels and paperwork, and electronic manifests
- Automatic production of consignment notes detailing recipient, number of boxes, weight of consignment etc.
- Integration with third-party carriers such as City Link (sending information straight into their IT systems for full order tracking).

Making a difference

Imagine you have three vans, each making ten deliveries per day. In a manual system,

you would have to update every sale record individually to record whether or not each delivery had been successful. With an IT system like Open-Retail, you can call up a delivery manifest list covering each van and, if all deliveries have been successfully completed, ask the system to automatically update all stock and sales information.

In an e-commerce operation, the delivery manifest/distribution capabilities in Open-Retail will enable you to set a threshold for purchases. Once a customer has passed the validation checks, and wants goods priced lower than the threshold, the system would enable you to go from taking the online order to stock picking without any manual intervention at all. Using the delivery manifest system you can also print a picking list for next-day deliveries for any web or call centre orders, giving you a huge saving on the costs of handling small-value orders. You can also have automatic invoicing for the entire sale.

Each channel to market has different distribution requirements that introduce complexity into the business. With fully integrated capabilities such as those in Open-Retail it does not matter whether you are managing retail, mail order or e-commerce operations. The system will enable you to fulfil your ultimate aim of meeting all your delivery promises to every customer. This will give you a clear means of differentiation from your competitors. ■