Stock visibility central for John Lewis Omni-channel

There's much more to the world of retail home deliveries than a man in a van. In fact, successful fulfilment stems from strong stock visibility and the retailer's ability to make quick and intelligent decisions about deliveries when orders are being placed. Simon Duddy reports on recent IT developments.

In the last month, I've noticed two interesting developments in IT designed to help smoothly link what can be quite disparate parts of a retailer's business - ordering, storing & despatch and delivery.

I'll later discuss the MACS Software partnership agreement with delivery management company MetaPack but first its Descartes, which last month updated its home delivery solution and hosted an Omni-channel Summit in London featuring highly experienced operations director Dino Rocos from Descartes customer John Lewis.

Part of Descartes' cloud-based Logistics Technology Platform, its home delivery solution is built on an integrated, but modular, architecture consisting of:

- **Reservations** for delivery appointment scheduling;
- **Route Planner** for route optimisation, despatch and tracking;
- **Mobile** for wireless communications and mobile applications; and
- **Notifications** for automated call-outs.

Route Planner supports same- and next-day delivery, tight delivery time windows and white glove services planning for consumers, while offering retailers "profitable choice" home delivery options. This is designed to allow retailers to increase their revenue through premium delivery windows and value-added services, while reducing costs by offering delivery options that reduce delivery route mileage. The solution includes real-time delivery appointment scheduling, route optimisation and execution, mobile applications and notification services, and is available in cloud-based or on-premise configurations.

"Home delivery success for retailers starts when the order is taken," says Chris Jones, EVP marketing and services at Descartes. "Because our home delivery solution schedules appointments in real-time at the point of order and evaluates the profit of potential delivery choices, we can provide retailers the ability to offer better customer service, increase their revenue and cut their delivery costs."

Dino Rocos, operations director at John Lewis gave the keynote presentation at the Descartes Omni-channel Retailing & Home Delivery Summit. Among many points, his talk emphasised the importance of excellent stock visibility in an Omni-channel world where customers interact with a retailer in a variety of ways but always with the same high expectation of a satisfying result.

Rocos explains: "We will develop a single view of stock and are including RFID in that, as it can help us spot stock exits in store for online sales, for example. We are also in the process of getting legacy systems out. It is all part of a strategy to use stock, wherever it is, to serve the customer, wherever they are, in whatever mode they choose to interact with us."

The growth of eCommerce has been good business for John Lewis. It was originally regarded as a sideline, and back in 2007 when the company predicted a £100 million online business by 2017, they thought

> *It is all part of a strategy to use stock, wherever it is, to serve the customer, wherever they are, in whatever mode they choose to interact with us.*

Customer services and collections

Click and collect
Export and VAT
Gift list
Partnership

that would be going some. In fact, its online business now turns over £1bn per annum and is forecast to surpass £2bn by 2020.

It has boosted profits but also also increased supply chain complexity and customer expectations. Supply chain costs as a percentage of sales at John Lewis was 11% in 2011 and is projected to be 14% by 2020.

To increase efficiency and keep costs in check, John Lewis launched Programme Q which is a £369m investment in supply chain infrastructure, systems and staff. One of its key pillars is having 'The right amount of stock in the right place at the right time'. What this requires is a strong information business with transparent internal communication. There is a role for IT companies to play in helping retailers link this together.

MACS and MetaPack in partnership

Staying with logistics IT in Omni-channel retail, WMS supplier MACS Software inked a partnership deal with delivery management specialist MetaPack.

MACS has developed an interface which allows the transition of data between the MetaPack system and its own WMS to provide management information across multiple warehouses and carriers.

This is critical as MetaPack's software is used by fulfilment houses to handle the distribution and management of online sales to 200 countries via 80 carriers for companies such as Tesco, B&Q, Halfords and M&S.

MACS' MD Tony Liddar says: "Online retailing is expanding at a phenomenal rate and the systems that control the storage and distribution of goods need to stay one step ahead."