

COVID-19 Action Guide:

Navigate the Impact on Your Ecommerce
Fulfillment Operations



How can you take action now?

We've been receiving a number of questions from customers asking how to navigate the impact COVID-19 has had on their fulfillment operations. The good news is that there is a lot that can be done now to adapt to volatile demand and supply chain disruptions while building resiliency into your business for the future.

The size and complexity of your operations, the technology you already have deployed, and how current market conditions are affecting your business will determine the most appropriate actions.

Small/Medium Online Sellers Experiencing Increased Demand

If you sell goods that are in high-demand and are experiencing spikes in order volume:

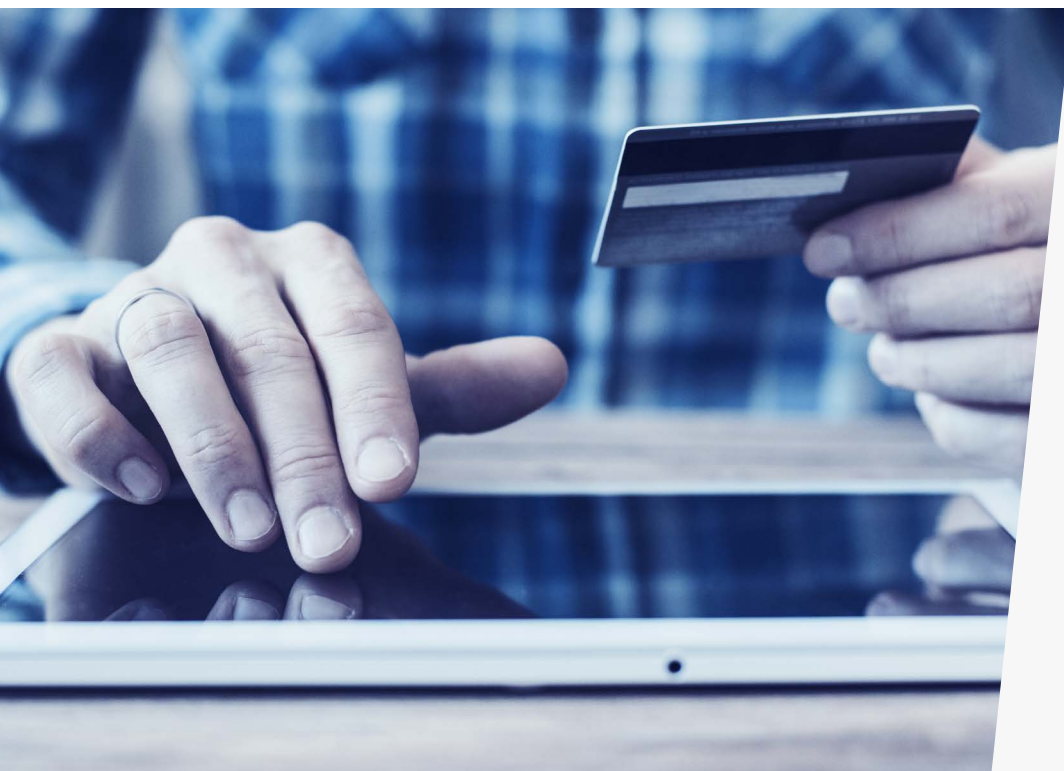
- **Increase order processing, shipping scale and speed** – Online sellers who rely on manual processes or basic technology need to quickly scale up their shipping practices with technology. The automation provided by cloud-based shipping platforms that are tightly integrated with shopping platforms and marketplaces, as well as parcel carriers, can significantly increase order processing and fulfillment while providing access to better shipping rates and service options.
- **Provide great customer service** – Tracking orders in real-time, sending automated order status emails, and providing branded tracking pages for status updates throughout the order lifecycle are often out-of-the-box capabilities provided by cloud-based shipping solutions. These features go a long way toward enhancing the customer experience, especially in the current environment where transit times can be more volatile.



Small/Medium Online Sellers Experiencing Lower than Usual Demand

If your business has contracted and you are looking for ways to weather the crisis:

- **Eliminate unnecessary costs** – Small/medium sellers generally have less overhead and lower fixed costs, which is an advantage in challenging times. Look to further squeeze out any non-essential variable costs and inefficiencies. Shipping rates are a great example. Ensure you are getting the best possible rates on the items you are shipping. Many cloud-based shipping platforms offer carrier discounts and rate shopping alternatives. They can be accessed with free trials and other programs being offered to help sellers through the crisis.
- **Explore alternatives** – The shift in the ecommerce landscape and the retail industry as a whole has been dramatic as a result of the pandemic. Beyond the significant increase in online shopping, consumer buying choices have also changed to meet the needs of spending more time at home. Consider the opportunity to modify your product mix to include categories such as home fitness, home office, gardening supplies, personal care and food, which are currently experiencing triple and high double-digit growth.
- **Plan for the future** – Stores will eventually reopen, travel will resume, and economic activity in sectors that are currently in decline will pick up again. Consumer shopping behavior, however, has likely been changed for the long term. The good news for all ecommerce sellers is that the increase in online buying is here to stay. Apply measures to get through the immediate challenges but invest time in envisioning and planning how to enhance your business to meet the opportunities of the future.

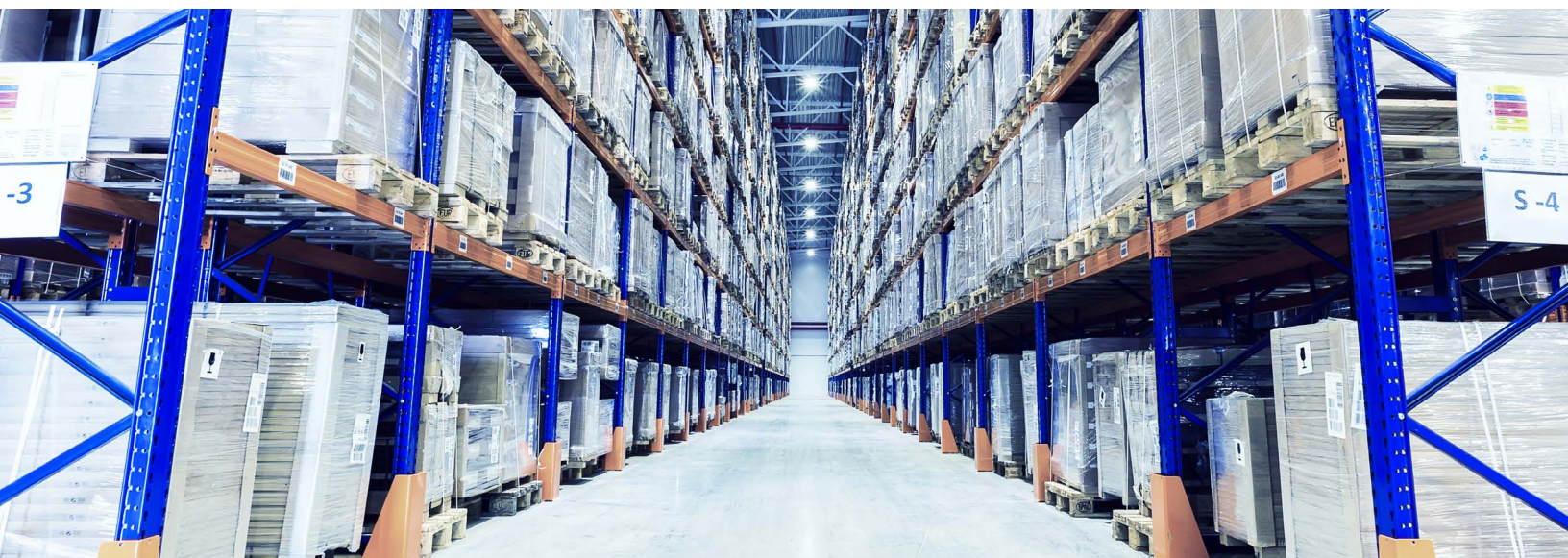


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Larger and More Complex Ecommerce Operations Experiencing Peak Demand

If you sell essentials and other goods that are currently in high-demand or are running successful promotional campaigns where stock is moving quickly:

- **Optimize warehouse space** – With social distancing and other disruptions caused by the pandemic, increasing staff to fulfill higher order volumes can be challenging. Sellers can increase operational efficiency by reordering SKUs using integrated ABC classification of items as calculated by their warehouse management solution (WMS). Promoted or high-demand items (A-items) should be moved closer to the packing area. This practice minimizes walking time, keeps labor costs down, and enables faster fulfillment. If you don't use a WMS designed for ecommerce, consider one. Leading technology providers offer solutions that can take only a few days to implement and yield significant operational, visibility, productivity and customer service improvements.
- **Facilitate social distancing**
 - **Prioritize employee health and safety** – Observe World Health Organization (WHO)-compliant practices including:
 - Sanitizing facilities daily, especially high-touch surfaces
 - Spreading out scheduled shifts to reduce the density of warehouse traffic
 - Moving shipping stations at least three arms' length apart
 - Placing distance markers on the floor in the shipping area
 - Reorganizing receiving, put away, and outbound processes to minimize close contact
 - Requiring workers to wash their hands for at least 20 seconds at scheduled intervals
 - Offering Personal Protective Equipment (PPE) and ensuring it is used properly



- **Reorganize warehouse processes** – The sudden increase in warehouse traffic due to higher order volumes combined with the need to support social distancing can impact productivity tremendously. Optimizing workflows and leveraging warehouse management system-directed picking processes for peak demand are ways to help boost productivity.
- **Go paperless and consider the use of personal mobile devices** – Manual paperwork slows down operations and is less safe because multiple people come in contact with documents. Integrated digital workflows eliminate paper hand-offs. Empower employees to use their own mobile phones for warehouse processes. If you have a WMS in place with this key capability, workers can download a mobile version of the application and log on using their own phone instead of a shared device. Since most employees already own a smartphone, this self-serve process is scalable and rapidly deployable.
- **Maximize customer service** – Leverage information, communication, and flexibility to provide impeccable customer service by showing the real-time availability of goods in your ecommerce platform and setting expectations correctly. Delayed deliveries may happen more often than before, so it's more important than ever to keep customers informed about every step and status change of their order. Providing more shipping options during check out enhances the customer experience and helps control costs. One example is to offer "no rush" delivery options where customers are incentivized with discounts if they accept a slower delivery.

Larger and More Complex Ecommerce Operations Experiencing Lower than Usual Demand

If demand has sharply declined for certain product categories or your business as a whole and you are looking for ways to stabilize revenue and innovate:

- **Eliminate Inefficiencies** – Use these challenging times to address sub-optimal areas of your operations. It could be that these areas were problematic before COVID-19. For example, optimizing the space and inventory flow of your warehouse can reduce fulfillment and labor costs today while providing the scalability needed for future growth. Today's cloud-based stock and logistics management tools can deliver rapid ROI, even in the toughest of times, by streamlining receiving, picking, packing, shipping, and returns to efficiently handle more orders with less human effort while helping you better adjust to demand fluctuations.
- **Explore new sales channels and product categories** – While many ecommerce businesses are suffering as a result of the changes in consumer buying choices in response to the pandemic, online buying overall has increased. Product categories that provide essentials for consumers to stay healthy, productive, comfortable, and entertained while spending more time at home are seeing significant growth. Similarly, some online sales channels, marketplaces and platforms are fostering growth for their seller communities while others are not. Analyzing and diversifying your product and channel mix can open up new opportunities for increasing revenue now while building future resiliency for your business. Leading cloud-based fulfillment solutions enable this flexibility with pre-integrated connections to different channels and platforms to help you get up and running quickly.

- **Plan for the future** – While taking action now to navigate and address the immediate impact on your business, keep in mind that the significant shift by consumers to conducting more purchases online is likely a permanent and positive outcome of the COVID-19 pandemic. Improving your operations today and planning enhancements to your future go-to-market and fulfillment strategy is a worthwhile investment to best position your business to meet the opportunities of tomorrow.

“Brick and Mortar” Retailers with Volume Shifting to Online Sales

As customers have moved to shopping online as a result of mandated store closures, it is likely that traditional retailers have trapped inventory. Using stock from stores to fulfill ecommerce orders is an opportunity that is likely worth exploring.

- **Unlock trapped inventory** – You can take immediate action to fulfill ecommerce orders with stock from stores by shipping directly to consumers from existing retail locations and using current carrier accounts. Cloud-based shipping solutions can be implemented in a few hours to facilitate this process to meet consumer demand and move idle inventory sitting in retail stores. This type of technology helps to automatically select the best shipping rates across multiple carriers, print labels in bulk, and features configurable business rules to meet your sales and service requirements.



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We're Here to Help

No matter the size and complexity of your ecommerce business, Descartes can help you navigate, adapt and meet the challenges of COVID-19 today and for the future. Our ecommerce solutions go beyond the online transaction to provide an end-to-end ecommerce platform for fulfillment from sales channel connectivity to order and warehouse management to shipping.

We're here to assist and would like to share how we've helped other operations like yours. [Our experts are standing by.](#)

About Descartes Systems Group

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at www.descartes.com and connect with us on [LinkedIn](#) and [Twitter](#).

Uniting the People & Technology That Move the World.