



How Consumer Goods Businesses Can Meet **Evolving Consumer Trends**





We live within a digital framework.

So much of our lives take place within the limitless bounds of the internet. Between work and school, exercise classes and grocery shopping, there's hardly a reason to leave the house anymore.

This is particularly true when shopping for consumer goods: chairs, Legos, tires, keyboards—you can get nearly any item you want to be delivered to you nearly immediately. Anything you want is available to you at the simple click of a button. As a consumer, what could be better?

But it does present a challenge for consumer goods distributors.

Distributors must be prepared to fulfill an order at a moment's notice. This means having the right inventory (and the right amount of inventory), and having enough labor to pick, pack, pull and ship the orders. Not to mention printing labels, tracking shipments and processing payments.

There's a lot to do. And it all has to be done quickly. Efficiently. Expertly.

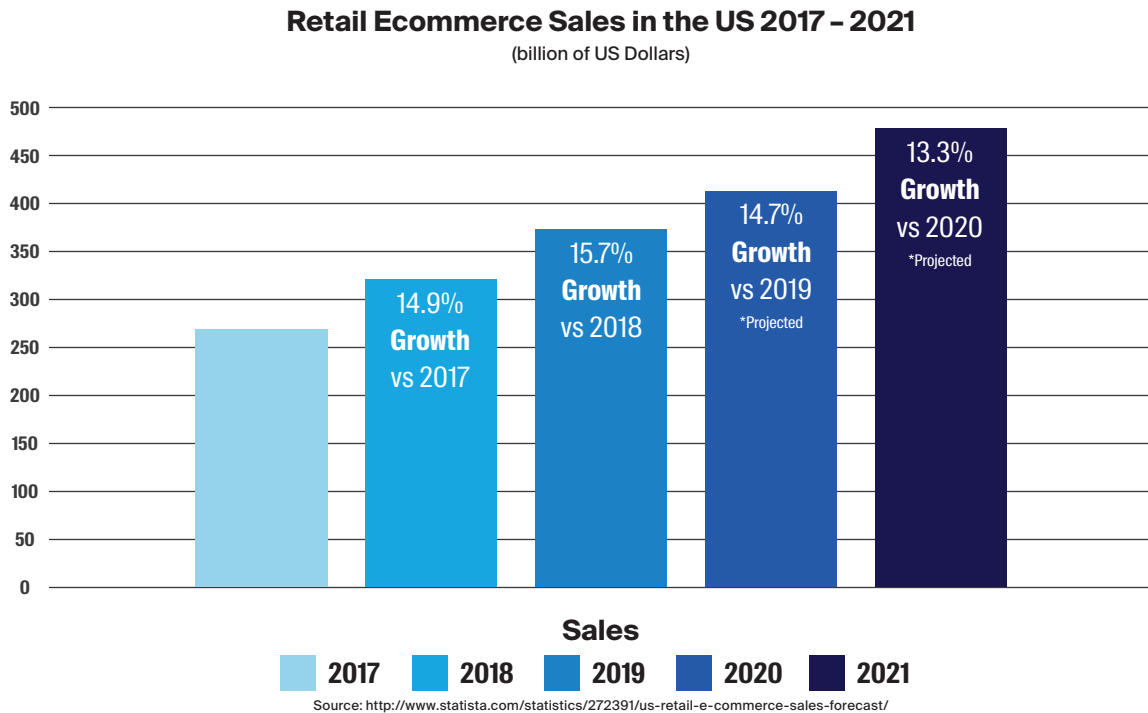
To help you master the art of drop-shipping with an enterprise resource planning (ERP) solution, we developed this whitepaper to explore:

- › Changing consumer buying habits
- › The power of drop-shipping
- › Overcoming drop-shipping challenges
- › How to meet evolving customer trends

Changing Consumer Buying Habits

The digital economy has reshaped the marketplace. Buying habits are changing.

The traditional method of visiting retail stores is declining, and over the past several years, that decline has shifted and created space for ecommerce platforms to grow.



This graph tells us that retail ecommerce sales activity was increasing year after year. By double digits.

And still, these numbers don't reflect the effect the pandemic has had.

Big-name retailers like Neiman Marcus, J. Crew, GNC and J.C. Penny have filed for bankruptcy because their customers just aren't shopping in their brick-and-mortar stores.

There remains a big unknown in terms of consumer buying habits. What will buying preferences look like in our new normal? Will they visit retail establishments with the same frequency as before? Or will consumers have become more comfortable with buying online and having the product delivered to their doors?

That last alternative seems the most likely.

If you're not in the ecommerce market now, you want to begin to shift in that direction. That's the way people are shopping, so you must keep up and meet the demand or risk going out of business.

Luckily, there are purpose-built software solutions you can employ to help you effectively manage this ecommerce transition and evolve with your business to meet your long-term goals.

The Power of Drop-Shipping

Interacting with your consumers through an ecommerce platform, creates massive growth opportunities for your business.

For example, and this admittedly is on the higher side of the scale, these numbers are from a consumer goods distributor who currently uses our [all-in-one ERP](#):


- ▶ 20-30% growth year over year in drop-ship orders
- ▶ 5,000+ single parcel drop-ship orders received in a single day
- ▶ 1,000,000 drop-ship orders in 9 months

These numbers are rather extraordinary in terms of the volume of activity they experienced when shipping to the end-consumers.

And this was all before the coronavirus pandemic.

Still, this same customer is having some of its busiest times ever. And the majority of that activity is in the form of drop-shipping to consumers. They are one of the lucky businesses to have had an ecommerce presence before the pandemic, both through their own ecommerce business-to-consumer site, as well as doing fulfillment for other ecommerce retailers.

So when the pandemic hit, they were in a good position to accept and meet the demand, or the challenge, of drop-shipping to their customers.



Now, it's all about making **bold steps in the right direction** to **empower your business** for the drop-shipping revolution.

Overcoming Drop-Shipping Challenges

Consumer goods distributors face several challenges when drop shipping to customers.

1. Exchanging information

If you're not exchanging information electronically and in real time, you're likely experiencing several challenges:

- **Manual Data Entry** – Without electronic information exchange, your team is doing a lot of manual data entry. Your employees are likely keying orders, tracking information and inventory levels into a single system or between multiple systems.

It is laborious. And time-consuming. And costly and prone to mistakes. A human must be involved to receive that information and then place it somewhere.

With manual data entry, it's tough to scale up.

If you double the volume, for example, and you're operating with manual processes, you must increase staff to accommodate those orders.

You may have this great website that consumers can easily use. Still, on the backend, if you're doing all that manual work to transfer data between systems and platforms, you're operating inefficiently and less profitably than you could be.

Let your software do the work on the backend so you and your staff can dedicate more time to growing and cultivating your business.

- **Data Inaccuracy** – If you're manually entering data or transferring it between systems, you're going to have inaccuracies. It's unavoidable.

It could be a simple case of mis-keying information, but still, it's inaccurate, and it's eventually going to cause downstream issues.

Let's say, for example, you have a consumer that's upset because he didn't receive his tracking information. Or he did receive it, but it had the wrong number on it. Or maybe you mis-keyed the availability for an item on your website, accidentally typing 1,000 instead of 100.

If it's an in-demand item, you're going to have many unhappy customers. You can't fulfill their orders.

When you're using an industry-specific ERP, manual data entry is a thing of the past.



- › **Delays in Advancing Orders** – Manual data entry not only leads to data inaccuracy, but it also leads to delays in advancing orders. Anything done manually is going to add time to the overall process, and when you're drop-shipping to consumers, every minute counts.

Especially when your customers have come to expect quick responses—if they're on their smartphones placing an order, they're waiting for that confirmation e-mail, and a couple of hours after that, they're checking to see that it has shipped and can track it on its journey.

Consumers expect information on a real-time basis, which means your warehouse also needs to be running and uploading data in real time.

If you're doing fulfillment on behalf of other ecommerce retailers, typically, they're placing specific requirements and standards upon you. You may have two hours to confirm, two days to ship out and so on. And if you don't comply with each retailer's specific requirements, they're going to fine you.

- › **Integration Issues** – If you have several integration points—whether for accounting, warehouse management, ecommerce platform management, electronic data interchange (EDI) documentation – these systems and solutions need to be able to communicate easily.

If you're not doing that in a streamlined, automated manner, you're bound to have integration issues.

Many consumer goods businesses have begun to eliminate their antiquated multi-system environment by selecting an all-in-one ERP solution.

With all your information in one place, you'll be able to avoid integration problems. An all-in-one ERP system works across all departments, streamlines processes and stores all data for easy reporting and analysis.

That single solution can connect to a multitude of ecommerce platforms to easily manage DTC fulfillment, has built-in EDI and warehouse management capabilities, has API connectivity, offers validations (on pricing and addresses), can provide acknowledgments and tracking information, and our favorite part: all of this information is in real time.

2. Managing single-parcel shipments

If you operate your own warehouse—rather than out of a third-party logistics provide—you want an ERP with built-in [warehouse management](#) functionality.

One of the complaints we hear most often from consumer goods distributors is about a lack of visibility. Customer service has no visibility into whether an order has been picked and shipped, or the tracking information until they come in the next day when there's been an overnight sync. The order, it turns out, was wrong, but by then it's too late to do anything proactive to fix it. Now any move that's made is reactionary and costly.

Let's say you have 20 orders to process. You walk the aisles 20 times, place the products into 20 unique piles at a packing station, and each of those 20 orders is then packed individually. And for each one of those 20 orders—depending on whether the carrier is UPS, FedEx, USPS, etc.—someone must grab the appropriate paper label, then go to the appropriate station to make the parcel label. As each worker is doing that, he/she may even have to manually enter critical data into that station to get the correct label.

This is far too many touchpoints, with significant room for errors.

When you're using multiple, disparate systems, you don't always have an alternative option. If you're going to ship it UPS, you've got to get a UPS label out. If you're shipping FedEx, you've got to get a FedEx label out. All while ensuring your team is meeting any retailer-specific requirements. And if you wanted to scale that, you'd have to add more people at the expense of more labor, and honestly, that's all you can do.

But if you had a single all-in-one system that had the functionality you needed, then you have an entirely different situation.

You could have those same 20 orders, and rather than walk the aisles 20 times to pick those orders, you can bulk pull. You walk the aisles once and pull all the product you need to fulfill those 20 orders.

Maybe you also have a cart with you, so not only are you picking the products across those 20 orders, but you're keeping them organized, and better yet, picking and packing simultaneously so that as you're walking the aisles and picking the product, you're placing it in a shippable carton. That way, in the end, there's no repacking of product that has to take place.

The next natural step would be to produce parcel labels. What if you were able to produce those labels at the point you'd like to have them? Whether that is when you bring the parcel to a pack station or have the label in the aisle when you're picking it and placing it in the carton.

We understand every warehouse operates differently. What works well for one is not going to work for another.

There can be constraints in the warehouse—physical (building layout, racking, etc.), and there can be product constraints (glass and ceramic, for example, require specific packaging) where you may not be able to do a pick and pack in the aisle. It's all about reducing the touchpoints both with the physical product and with the systems you're utilizing.

3. Streamlining processes

Streamlining processes is all about saving time, giving your staff hours back in their weeks to do more meaningful activities for the business.

- ▶ **Demand Planning** - You want a solution with built-in tools to help you with what to buy and when to buy it. A solution with forecasting and inventory planning tools. A solution that can consider those long lead-times when you've sourced abroad.

There are minimum order quantities that you generally have to adhere to within your factories and respective vendors. Having automated tools that are going to help you make smart decisions is invaluable.

- ▶ **Credit Card Automation** - Credit card automation better enables you to process credit card transactions, authorize them, and charge them. Perhaps you accept credit cards as a form of payment after the fact—that's easily manageable with credit card automation within your ERP. And the best part about this: you can do it all while being PCI compliant.

- ▶ **Large Remittance Advice Auto Application** - If your product is offered through a large ecommerce site, like Wayfair.com, for example, every order you receive from Wayfair.com ultimately corresponds to a consumer that has placed an order.

And if you get a couple of hundred orders a week, that's a remittance advice with a couple of hundred lines of detail. You want to be able to get that remittance advice and those payment details into the system in an efficient manner. You don't want to have someone manually entering that information into the system—both for the timeliness of it and the risk of error.

- ▶ **Product Information Management** - Product information is a must, whether on your ecommerce website or another retailer's. If you're talking about a lamp, your consumers want to know the wattage, the cord length, the color of the base, the color of the lampshade, whether or not the lampshade is included, the dimensions, as well as a host of digital images, and occasionally a 360° view of the product.

You want the ability to store that information and communicate it electronically to those who need it. It makes the process of updating product information easier.

If you have product information that's manually entered and stored in multiple places, then each time you need to do an update, you have to track where updating needs to occur for each product.

The right ERP solution enables you to track and update your product information. The data is stored in one location so that when it comes time to update your product information, you only have to do it in one place.

- ▶ **Sales Tax** - As a consumer goods distributor in an ecommerce world, you're likely going to have sales taxes to worry about.

Depending on the number of states in which you operate, there may be multiple rules and rates with which you must comply. Not to mention, these rules and rates change all the time.

To make your life easier, you want to streamline this as much as possible with an all-in-one ERP solution. Rather than using multiple systems to calculate taxes and regulations, using a single system where all your data lives makes maintaining and regulating this information that much easier. You don't have to dig for it because it's right there, and you can easily see your history of payments and how the rules and rates have changed over time.

Meet Evolving Customer Demand with an All-In-One ERP

As long as you can keep growing, keep trying to get better and overcome whatever challenge presents itself, you're positioning yourself for success.

A single system that encompasses all you need to effectively and profitably run your business—warehouse management functionality, streamlined processes, managing productivities, exchanging information electronically—will enable your company to operate more efficiently. To be a mainstay on the ecommerce platform. To drop-ship to your consumers easily.

People are only going to become more comfortable ordering online. It's a trend that will soon no longer be trendy—it'll simply be a part of the shopping landscape. The ecommerce world is here to stay. Let's make sure you're ready for it.



Are You Ready to Learn More?

Contact us at info@aptean.com or visit www.aptean.com.



About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

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