

COMMERCE TRENDS

YOUR SECRET SAUCE

- Thousands of **OPTIMAL** decisions every day
- **CLICK & COLLECT** for everyone
- **UNLOCK** the full potential of your supply chain

'Start the Active conversation today'





GET ACTIVE WITH MANHATTAN ACTIVE™ SOLUTIONS

Today's fashion trend may come to an end tomorrow. Business peaks and troughs disrupt distribution. New competitors pop up overnight. Retailers that use Manhattan Active™ Solutions stay ready to flex. Our Manhattan Active Solutions for **omni**, **supply chain** and **inventory** are seamlessly interconnected, keeping everything and everyone up-to-date. From warehouse management to order management to store fulfillment, Manhattan Active solutions enable you to optimise order fulfillment and distribution operations for greater profitability.

Learn more at manh.com/active

Always current | Seamlessly interconnected | Runs anywhere | Continuously adaptive

 **Manhattan**
Associates.

© 2017 Manhattan Associates, Inc.

Content

A Manhattan Associates Magazine 2017/2018



Henri Seroux –
Senior Vice President EMEA
Manhattan Associates



8

The three pillars of Asda's toyou service. **'We can start getting a customer's parcel ready as soon as we see them arrive.'**



16

EMEA study shows: **'Today's store is more than a place to try and buy.'**

20

Guiseppe Guillot, Kurt Geiger: **'We transform our retailing capabilities to support future growth.'**



- 04. Thousands of optimal decisions every day
- 07. Make senior management embrace digital
- 10. Henri Seroux: 'Start the Active conversation today'
- 12. Unlock the full potential of your store
- 15. Don't wait, don't hesitate – keep on moving!
- 19. Increasing customer loyalty through digital transformation
- 22. Streamlining operations with waveless picking
- 24. Cdiscount: 'We saved ten million kilometers travelled by trucks per year'
- 26. Let's put the 'Shop' back into Shopping

Your secret sauce

A few years ago, in the world of retail, we wondered how long physical stores would be able to survive. Now they've become an imperative to survival. Despite the sustained growth of e-commerce, there is no doubt that the retail store will continue to play an important role in the customer journey and is a key strategic tool for all retailers

The roles of both the store and the store associates have changed and will continue to do so. The days that a store format and go-to-market proposition would endure for five, six or even seven years are gone for good. Retailers must stay keenly alert to the changes in the market and be able to react immediately. That means being able to rapidly 'adjust all the available dials' to continuously keep their proposition in tune with their customers' needs. Technology is playing an increasingly important part in that, as you will read in this magazine. If customers encounter any friction during their interaction that can be reason enough for them to take their business elsewhere – and that holds true not only in the retail sector, but also in a growing number of other industries.

The biggest danger in these dynamic and ever-changing times is that we risk losing touch with our 'secret sauce', that little something which makes us special, that way of operating which encourages our customers to be loyal to our brand and that fundamental proposition that speaks of who we are and what we stand for.

In recent years, a rapid succession of companies has been consigned to history as a result of ignoring their secret sauce, allowing themselves to be distracted by hypes and eventually suffering the consequences. Don't let the same thing happen to you. Place your faith in technology, the right technology, but above all have faith in your secret sauce.



Thousands of optimal decisions every day

Retailers who succeed in making the transition to omni-channel see their supply chain strategy shift from push to pull. In other words, supply chains are becoming increasingly demand-driven. Even so, the use of advanced analytics enables retailers to assess the trade-off between costs and service for each and every order.

Consumers clearly have control of the reins nowadays. They are the ones who decide what they want, how much they are prepared to pay, and when and where the product they've ordered should be delivered. They know that they can always find a vendor who will pander to their needs. Retailers and wholesalers are left with no choice but to dance to the consumer's tune.

Push versus pull

It was a different story – in retail, at least – not so long ago; rather than the consumers 'pulling' products, the retailers 'pushed' their stock. In those days, consumers had to actually go to a store if they needed something. Back then, the only way for shoppers to get transparency was to visit every store in town – and retailers knew they were unlikely to go to such lengths. So the retailers themselves could decide which products to stock, and the 'lazy' shoppers simply accepted

what they were offered. If they couldn't find what they were looking for, they just lowered their expectations. The cash tills kept ringing no matter what. Nowadays, the power has shifted to the shopper. Armed with their smartphone or tablet, they can find the product they are looking for in just a couple of clicks. They can decide whether they want home delivery, to pick it up on their way home or to try it out in the store first before actually hitting the 'buy now' button. If the retailer can't meet all their needs, they take their business elsewhere.

Logistics machine

Every time a customer hits the 'buy now' button, it sets a large, complex logistics machine in motion. An order shoots into the supply chain and ultimately ends up in the closest distribution centre with an order picker who picks, packs and dispatches the relevant products to the customer. The speed and scale of that operation meant that, up until recently, retailers were required to fully standardise the process. Every order followed the same route through the supply chain. It wasn't possible for an order to deviate from that route until it was about to leave the distribution centre – and, even then, that depended on which delivery option had been selected. Shipment from the distribution centre as standard is not always the best solution, however. Because what happens if the item is out of stock in that particular distribution centre? Does that result in the order being delayed or cancelled, even if the product is available elsewhere in the supply chain? And even when the item is in stock, one could question whether the distribution centre is always the best source location to ship it from. Perhaps it would be better to supply the product from a store where it could end up being discounted if left on the shelf too long.

Data opens up opportunities

But retailers no longer have to dance to the consumer's tune all the time, and that's mainly thanks to the data which is available for each order. That data opens up opportunities for supply chain optimisation, enabling the optimal source location and supply-chain route to be determined for every >

ANALYTICS-RELATED BENEFITS

An optimal fulfilment process is not the only way that retailers can benefit from data and analytics. The recommendations by webshops such as Amazon are another well-known application. They are based on analysis of which customers have viewed the same three products. If 80 percent of that group also viewed a fourth product, there is a strong likelihood that the other 20 percent will also be interested in it.

Yet another benefit is dynamic pricing. A small price difference can sometimes be a deciding factor in a buying decision. Thanks to analytics, it is possible to factor variables such as the weather, the customer's location and their buying behaviour into the price. And what about social media? Analysis of posts on Facebook or Twitter can reveal early insights into a product's popularity.



THE VALUE OF ANALYTICS

Companies that utilise predictive analytics go a step further than those who base their decisions on historical data alone. According to research firm Aberdeen Group, this type of analytics helps companies to anticipate potential scenarios so that they are better prepared for supply chain risks. Prescriptive analytics tells them what they should do and helps them to make the optimal trade-off between costs and service. Aberdeen Group describes these types of analytics as a prerequisite for supply chain orchestration and end-to-end optimisation. The firm's research has revealed that the frontrunners invest more than twice as much money and effort in technology and change as the rest, which enables them to achieve better results. Retail Systems Research (RSR) reached a similar conclusion in a benchmark report published in June 2017. According to those findings, the leading retail companies place significantly more importance on technologies such as cross-channel analytics.

order. The first consideration is the customer-related data, such as address and delivery preferences. Could the item be dispatched from a nearby store? The next consideration is product-related data. From which inventory location is it available, and how many units are in stock there? What is the expected level of product demand at each location?

The optimal decision depends on the costs. The fulfilment costs are lower in a distribution centre than in a store, but how about the transport costs? And what's the ultimate cost of a product lying unsold in a store and having to be discounted or even returned? One challenge lies in being able to rapidly evaluate all these options but, thanks to cloud-based solutions, there is now an almost unlimited supply of the necessary computational power – so the hardware is no longer the problem.

Predictive analytics

The biggest challenge is to apply the right kinds of analytics: predictive and prescriptive. As the term implies, predictive analytics is about predicting the future. Retailers are used to making forecasts, although primarily to decide precisely how much inventory should be pushed to which stores. However, many other things can be forecast too – such as the likelihood that a particular product in a particular inventory location will actually be sold. How is that influenced by the price or the on-shelf location? And what is the impact of external factors, such as competitors' pricing policies, reviews on product comparison websites, consumer spending trends or the weather? Predictive analytics calculates the correlation between all these variables by analysing a huge number of

scenarios based on historical data. All the scenarios are then compared to reveal areas of overlap. This makes it possible to predict that a certain result will actually occur in the future.

Rules of logic

As the name suggests, prescriptive analytics prescribes what retailers should do, including making use of the insights from predictive analytics. For example, if the sales impact of certain variables is already known, how can those variables be influenced to achieve the desired result? What should the price point be? Where should the product be displayed on the shelf? Prescriptive analytics indicates the optimal trade-off between such variables. What makes prescriptive analytics so valuable is that it enables a great many day-to-day supply chain decisions to be automated. Around 80 percent of the decisions today's planners repeatedly have to make are based entirely on the rules of logic. Such decisions waste the planners' valuable time, which would be much better spent on the other 20 percent of the decisions that do not follow the rules of logic.

Optimal decisions

Prescriptive analytics enables retailers to determine the optimal source location and supply chain route for every order. After all, when the company is dealing with thousands of orders a day, planners don't have time to choose the best fulfilment option for each and every order manually – and now they no longer have to attempt to. Intelligent algorithms and business rules make thousands of optimal decisions for them, day after day.



Martin Hermesen
Partner and Co-founder,
Dicitas Consulting

**DICITAS
CONSULTING**
PARTNERS IN TRANSFORMATION

Make senior management embrace digital



Digital is taking over the way we live, the way we do business and many other aspects of our lives. The digital natives and the younger generations of our organisations are the ones who will be able to help us adapt to change and to become at ease with using digital in our everyday business lives.

Society and how we live and work has changed vastly since digital technologies appeared. A lagging aspect however, is how business is run. 'Reverse Mentoring' is an approach to help senior executives take a fresh look at their business with the help of their own digital-savvy employees. Since 2016, we have trained over 500 mentors. We have taught them how to use the right tools, how to stay on a continuous learning curve, how to boost empowerment and confidence in themselves when it comes to digital, and how to take a hands-on approach with specific activities.

Digital Leadership

Most companies have a clear digital strategy with the resources to deploy it, but they lack senior leaders that are used to the new, emerging digital technologies that they are expected to work with. Most hate to admit that they have not succeeded in keeping pace with digital to be able to lead their company into the future. Everyday use of digital remains a challenge that is still difficult for most teams and executives. Robust attempts don't always succeed on their own, and although it sounds good in theory, the actual execution sometimes lingers behind.

Many organisations sit on untapped skills when it comes to digital. Most millennials grew up with internet, and are very comfortable with using multiple digital devices and tools simultaneously. It is an advantage to have these individuals in house, and to learn from someone already familiar with your organisation and its ways of working.

How to make it work?

Reverse Mentoring is aimed at facilitating the younger generations to help senior management realise their digital strategy. It aims to strengthen experienced leaders by ensuring they live and breathe digital too, and can utilise digital tools and solutions to their full potential, customised to their individual needs.

That digital needs to be embraced and adopted by any organisation aiming to survive today is old news. New technologies and behaviours are surrounding organisations and their customers alike, and it is important to know how to deal with these changes in all parts of your organisation. Being 'digitally capable' is vital, and organisations who fail at this will find themselves left behind.

With a senior management team that feels comfortable and up to speed on all things digital, initiatives will have a greater chance to succeed within the organisation, plus the adoption itself will also be more successful. Using the skills and capabilities of the younger employees will not only save time and money, but will also create stronger and lasting bonds within the company.



Click & Collect for everyone

The popularity of click & collect in the UK inspired British grocery retailer Asda – part of Walmart since 1999 – to launch its ‘toyou’ service proposition which offers other retailers access to its network. Through toyou, online retailers with few or no physical stores can offer their customers the option of picking up orders in their local shop.

Besides Asda’s own fashion label ‘George’, 19 retailers are already utilising the toyou network. Customers can choose to collect their orders from any of Asda’s 625 supermarkets, including drive-through and filling stations that Asda operates nationwide. “UK consumers are changing and embracing new ways to shop; being able to shop and also collect or return a parcel is really convenient,” says Paul Anastasiou, Senior Director for toyou at Asda Logistics Services.

In effect, the Asda toyou service is just like any other parcel delivery service. Consumers can opt to collect their order at an Asda store via the toyou service and track their parcel all the way to their chosen collection point. They receive an automatic confirmation as soon as the parcel is ready for collection. “To ensure that toyou is competitive, we’ve had to set the bar higher. Leading on service is very important



Paul Anastasiou:
‘We can start getting a customer’s parcel ready as soon as we see them arrive’

in order to win the consumer’s confidence – and we’re succeeding. 99 percent of all the parcels we handle are ready for collection the very next day”, states Anastasiou.

THE THREE PILLARS OF TOYOU

1. Software selects the optimal route

Software plays an important role behind the scenes of the toyou service concept. Asda’s distribution centres and depots use Manhattan’s Warehouse Management for Open Systems (WMOS) for the toyou service and, in combination with its Distributed Order Management (DOM), Asda’s logistics infrastructure is seamlessly connected to its network of shops and filling stations. The DOM software allows Asda to optimally manage the flow of parcel across its network.

“We use it to select the most optimal route through our logistics network. That’s a very complicated puzzle because we’ve got different sizes of stores serviced with different delivery frequencies,” explains Anastasiou. Asda closely monitors the progress of all shipments through the network. Anastasiou likens the technology to an air traffic control system. “We can immediately see if there’s the potential for something to go wrong, so we have the opportunity to pro-

'From initial discussions on concept, into design workshops and into delivery and then execution, Manhattan's delivery and support has been absolutely outstanding.'

actively do something about it. We've also been able to push back the order cut-off times for George.com without negatively impacting on efficiency."

2. Scanning and personal service

According to Anastasiou, a successful click & collect concept calls for a deep understanding of consumers' wants, as Asda has found out for itself over the past decade. "Consumers want to buy from you, but on their own terms. That means that we must listen to them even more closely," he comments. He believes that customers are no longer prepared to wait in all day for a parcel, rather they want the parcel to wait for them. Customers want collection points in stores with long opening hours in a safe and well-lit location with easy parking. Moreover, they don't want to have to queue. Asda is responding to all those needs, claims Anastasiou: "Our bigger stores and our drive-throughs all have a self-service kiosk where customers can scan the QR code in their confirmation email. A colleague then brings the parcel to the customer. We utilise wireless paging technology to expedite this process. With each parcel stored in a specific location, it means colleagues don't have to go hunting for it." Anastasiou continues: "Consumers can now also use Apple Passbook or Google cards technology for support during collection."

3. Dropbox for returns

In addition to listening to customers, another crucial factor is smart, and above all, user-friendly technology. Customers want to be able to track their parcels every step of the way – not only before collecting them, but also after sending them back. They want to be able to see the status of their returns at any point in time, right up until when the money is refunded to their account. "We've noticed that customers prefer not to have to use highly complex technology when collecting or returning shipments, which is why we've developed a special drop box. In effect, it's little more than a very large postbox where the customer can print out a returns label for any retailer linked to the toyou network, without employee intervention. All they then have to do is stick the label onto their parcel, scan it and put it in the dropbox," says Anastasiou.

STATE OF THE ART SOFTWARE

Manhattan Associates' Warehouse Management for Open Systems is used in Asda's fulfilment centres. It is also used alongside Manhattan's Distributed Order Management, Extended Enterprise Management and Supply Chain Intelligence Solutions to power Asda's third party parcel pick-up and drop-off service toyou in Asda stores.

Growing demand for open logistics networks

Within the logistics world, there is growing demand for open logistics networks that operate similarly to the internet. In that 'physical internet', parcels would find the best way through the logistics network themselves, just like information does online. In such a scenario, it would no longer matter which warehouse an item ends up in, as long as the item can be delivered with optimum efficiency making an easier experience for customers. Asda's provision of open access to its click & collect network represents a small step towards a physical internet.

When does it make sense to offer an open logistics network?

Could an open click & collect network work in other countries? For one, Anastasiou sees clear differences between the market in the UK and the USA for instance. "In the UK, we already have a network in place for the sorting and distribution of parcels to collection points. That's not the case in the USA, where many retailers pick their internet orders from in-store stock and hence don't have such a network – which is logical, in view of the bigger distances. The UK has a limited scale, which means that it pays off to set up a so-called 'hub & spoke' network. Click & collect is much more mature here than in the USA."



Henri Seroux, Manhattan Associates

'Start the Active conversation today'

To keep their customers happy, companies should invest in their supply chain responsiveness and flexibility. Access to innovative solutions and concepts is crucial – not only in retail, but also in other sectors – and software suppliers can play a key role in meeting this need. Henri Seroux, Senior Vice President EMEA at Manhattan Associates: "The time between idea and action needs to be significantly reduced."



The changes we have been seeing in retail for some time are now starting to become apparent in other sectors too; consumers' ever-higher expectations in terms of speed, range of choice, quality and convenience are spilling over into their professional lives. If they can order a new TV or a new dress during their morning coffee break and have it delivered to their home that evening, why shouldn't that be possible for the office supplies or components that they need at work too? "Whether for office supplies, spare parts, electrical components or medical devices, B2B sectors such as these are increasingly showing similarities with the B2C market; the customer expectations are the same.

Both at home and at work, people are demanding a personalised service that is fully aligned with their needs," says Henri Seroux, Senior Vice President at Manhattan Associates for Europe, the Middle East and Africa (EMEA). "That also means a very low level of customer loyalty. If they can't get the prices, products or service they're looking for, then they don't hesitate to take their business elsewhere. That's the new paradigm of today." Seroux describes the

emergence of this new paradigm using two words: digitalisation and consumerisation.

Digitalisation refers to the real-time information at people's fingertips, whenever

and wherever they need it. Consumerisation refers to the resulting change in people's behaviour now that they feel entitled to utilise that information. They are already making the most of all the opportunities on offer in this omni-channel age to ensure their needs are optimally met. "And things are only going to get worse," cautions Seroux. "So far, I don't see any signs of things levelling off in terms of people's expectations for faster delivery times, for example. This is being intensified by new, powerful competitors such as Amazon and Alibaba, who are posing a growing threat to the traditional wholesale business too. Thus, companies are facing huge challenges. After all, you can't ask a consumer to give you a forecast."

Responsiveness and flexibility

Gone are the days that we could plan our supply chain activities in advance and could predict our flow of goods in detail. Today, as fickle customers generate too much volatility, the growing number of sales channels create too much complexity and the loss of buffers in the supply chain results in too much uncertainty; responsiveness and flexibility are essential. You must be agile to survive. "If a customer asks for an item that's no longer in stock in the national distribution centre, it's wise to check the rest of your network. Is it perhaps in the distribution centre in a neighbouring country? How quickly could the supplier dispatch it? Or is it perhaps in stock elsewhere, such as in a retail store? To be agile, you need to have insight into your inventory in combination with an intelligent system that can calculate the best delivery option," states Seroux.

Manhattan Associates is responding to that need with new, smart algorithms in its Adaptive Network Fulfilment (ANF) optimisation process which forms part of the Manhattan Active Omni solution that was launched this spring. ANF

'So far, I don't see any signs of things levelling off in terms of people's expectations for faster delivery times, for example. And things are only going to get worse.'

identifies the most profitable delivery option for each online order. "With Available to Commerce, we already had the ability to use inventory levels and transport costs to calculate the best supply point in the distribution network from which to ship a customer's order.

ANF is a more advanced tool that also takes account of things like product discounts," comments Seroux. He illustrates his point with an example: "Based on labour costs alone it probably costs more to ship from a local store than from a central distribution centre. But the balance shifts slightly if we factor in the transport costs too. And if the product is due to be discounted in the end-of-season sale in three weeks' time, then the store quickly becomes the most profitable option. ANF enables you to analyse and act on these kinds of decisions, in real-time and fully automatically."

Order streaming achieves even greater responsiveness and flexibility in the warehouse. Instead of orders being released in batches or waves, each incoming order is directly transmitted to the employee that is best-placed to deal with it. "The planning is continually optimised each time an order is received, based on level of priority, speed, capacity, truck departure times and other parameters," explains Seroux.

Continuous innovation

Seroux's example highlights another important factor for companies that want to remain dominant in their B2C and B2B markets: access to innovative, intelligent IT systems. Retailers or wholesalers without immediate access to the latest tools such as ANF are missing out on an important opportunity to sustain their margins. After all, a new algorithm can make all the difference between profit and loss on an order. "Companies will have to innovate faster. The time between idea and action needs to be significantly reduced," claims Seroux, adding that software suppliers themselves must move towards a new paradigm too. "Moving from a yearly release to a constant delivery of innovation is definitely the pace commerce transformation is asking for."

This trend is what spurred Manhattan Associates to make its biggest investment in software development for 20 years. The result: Manhattan Active Solutions, a new generation of cloud-based software and services. "Our cloud platform gives our customers guaranteed access to all new innovations as soon as they are released. Instead of installing updates, they now simply have to activate the new functionalities. As an added advantage, a cloud solution puts more computing power within quick and easy reach for companies. An end-of-season sale normally substantially increases the visitor traffic to a web shop. The real-time calculation of

'We're used to a time in which we released our innovations once a year in a new version of our software systems. That really doesn't cut it any more.'

'Adaptive Network Fulfilment enables you to analyse and act on decisions about the most profitable delivery option in real-time and fully automatically.'

the best delivery option for all the orders from

all those visitors creates a temporary need for much more computing power. A cloud solution enables companies to scale up rapidly."

Customers can choose whether they want to run the Manhattan solutions in a public cloud or a private one. "Even if they choose a private cloud, we still ensure that the software is always up to date. Nothing gets in the way of the updates – not even if the software is enriched with client-specific modules. We've adapted the architecture in such a way that we can enrich and upgrade the software on the go. You could liken it to a Formula One racing car that we can improve while it's driving."

Trial & error

To offer rapid access to innovations, the software must be easy to use so that users can make the most of the new functionality quickly. "We've spent a lot of time on giving complex programming a simple look and feel, which has resulted in attractive, intuitive and personalised user interfaces. Nobody wants a situation in which companies have access to innovative solutions but are slow to adopt them because users don't understand how to work with them."

Effective support by smart software is especially important in warehouses and store environments. In that context, Manhattan has made great strides with products including Manhattan Active Omni, which combines various operational in-store processes into one single solution. Store associates can now place orders, advise shoppers and check stock all in the same app on their smartphone, tablet or any other device. "They used to need several different systems to do that. Now, if an employee is counting stock and is approached by a customer, he can use one and the same device to provide tailor-made advice, offer a personalised discount, order an out-of-stock product and then arrange for home delivery."

The introduction of cloud technology is causing the balance of power over innovations within companies to shift back to the business. Managers and employees can now benefit from IT innovations directly rather than having to wait six months until the IT department finally has time to get their one-month project under way. Seroux: "New functionality can help them to set up new processes, analyse the results and make changes accordingly. And if the new functionality isn't useful, it can be deactivated again. It's that kind of trial & error approach that's needed nowadays. We can no longer afford to first spend weeks talking about innovations and then to spend months waiting for them to materialise."





Amy Tennent,
Director Product Management,
Manhattan Associates

Unlock the full potential of your store

The retail world is changing and the fulfilment of direct-to-consumer orders continues to expand beyond distribution centres (DC's), warehouses and vendors to now include hundreds or even thousands of stores.

Retailers with store networks have a great opportunity over online retailers if they can provide fast, free delivery profitably. Optimised fulfilment is only possible if the store is not treated as simply another ship node, but used to a far greater advantage.

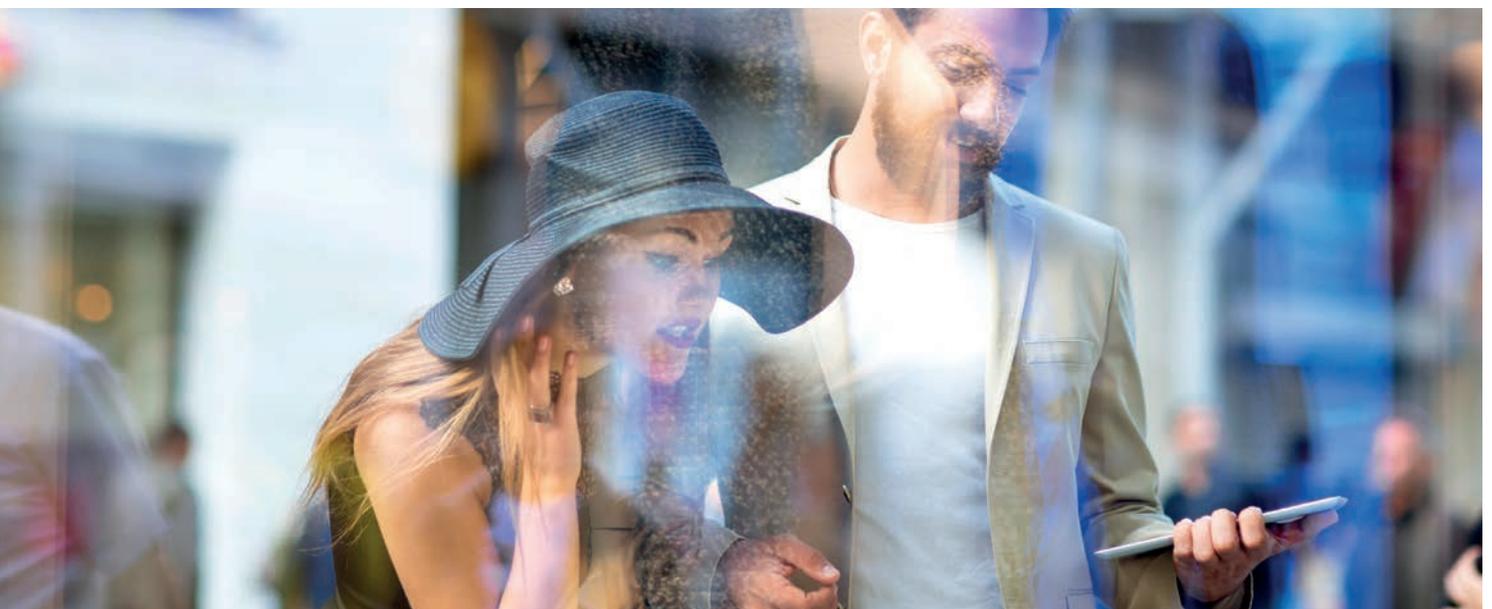
Next level optimisation

Adaptive Network Fulfilment (ANF) empowers retailers to maximise the profitability of direct-to-consumer orders with continued systematic learning. Systematic learning improves the understanding of the factors that really matter to your store far beyond shipping, handling and geo-proximity.

By utilising ANF, retailers can maximise overall order margins in a variety of ways. Automatic identification of products likely to require a price reduction based on their sales, stock and location. Optimal pricing reduces overstock and mark-down situations which in turn reduces operational and logistics costs when dispositioning end of season inventory to the distribution centres and vendors.

Adaptive inventory management directly impacts profit margins. ANF can reserve store inventory for the higher margin in-store shopper based on the accurate probability of an in-store sale or, when appropriate, use store inventory to fulfill online orders. In fact, ANF evaluates the demand from all sales channels and fulfils every order, regardless of its source, from the optimal location.

Streamlined operations are another significant contributor to maximised profit. Adaptive learning over time calculates the probability of fulfilment success, rejection rates and time to ship. ANF will strategically allocate fulfilment to locations that are best placed to handle demand, have the correct capacity, lowest rejection rates and fastest 'click to deliver' times in order to reduce hidden costs. Hidden costs include service level upgrade costs that are associated with store rejections and delayed fulfilment and customer credits and refunds.



Total fulfilment costs

With a holistic representation of the total cost to fulfil, retailers can now configure and evaluate options by simultaneously reviewing multiple factors to minimise the overall cost of fulfilment. It has become necessary in an omni-channel world to continuously evaluate and execute based on multiple considerations:

- Do I want to spend an additional 10% in shipping and fulfil this order from a location that is drowning in inventory to prevent potentially costlier price markdowns?
- For my free shipping orders, should I only consider locations within 5% of the lowest shipping & handling costs or... choose the location with the deepest inventory, highest fulfilment success rate and most available store capacity for fulfilment.



“... choose the location with the deepest inventory, highest fulfilment success rate and most available store capacity for fulfilment.”

The shipping costs to fulfil an order are easily measured. However, the true cost to fulfil expands beyond pure monetary costs to operational and opportunity costs such as store associate capacity, deep inventory and failed or delayed fulfilments.

With Adaptive Network Fulfilment, significantly more fulfilment optimisation factors are considered and converted to a cost equivalent which makes life easier. Real-time data within the Order Management System (OMS) is leveraged to refine the cost of any given factor. Retailers have the flexibility to define the cost or incentive and penalties of using one option over another. For example: Retailers may wish to curb the usage of a location by 20% when inventory is low. Leveraging rich order data within the OMS to convert all considerations to an equivalent cost enables retailers to evaluate the overall cost of fulfilment holistically.

Measuring performance

Purpose-built enterprise dashboards enable retailers to understand overall fulfilment performance, view pockets of opportunity and understand if business objectives are being met.

For every order, the business can view fulfilment decisions made, options evaluated, parameters evaluated and the deconstructed break down of each factor making up the overall cost of fulfilment. And it is this window into the algorithm enables retailers to maximise margins while exceeding customer expectations.

ADAPTIVE NETWORK FULFILMENT

Retailers are leveraging store inventory and ship from store to improve:

ABILITY TO MEET CUSTOMER EXPECTATIONS

- Fast and free is the new normal.

ABILITY TO REACT TO ADDITIONAL PRESSURE ON FULFILMENT NETWORK

- Automatically redirect supply to fulfil order spikes in online sales that occur because of holidays, flash sales or promotions.

USAGE OF NETWORK INVENTORY

- Utilise the entire global network of inventory to prevent stock-outs and markdowns, sourcing from the most efficient supply source.

Our customers say:

s.Oliver®

Ansgar Weber, Digital Operations & IT Director at s.Oliver Group:

"Operating complex omni-channel services such as ship-from-store is impossible without having a streamlined and reliable IT infrastructure across all channels. An Order Management System, which fulfils orders against network inventory based on an optimised routing logic, is critical to success."

FENIX
OUTDOOR INTERNATIONAL AG

Marcel Gerrits, Global Supply Chain Director at Fenix Outdoor International:

"As part of the global streamlining of logistics and operations at Fenix Outdoor International, we decided that we required a new single warehouse management system solution across our network. We decided to partner with Manhattan Associates thanks to their long-term experience in retail and the seamless integration with our Microsoft Dynamics ERP along with their local support in our key markets including Germany, Netherlands, US and China."

STAPLES

Bas Beurskens, VP Head of Supply Chain & Customer Service Staples Solutions:

"Manhattan Associates' Warehouse Management solution enables us to successfully and rapidly harmonise our supply chain operations across Europe. We are delivering world-class customer service through the implementation of industry best-practice processes, and Manhattan Associates has proven to be a strong partner in our transformation journey."

Meet our customers at our annual event



2017 - 3 and 4 October,
8 Northumberland, London

**Manhattan
exchange**



2018 – 9 and 10 October,
Grand Hotel Krasnapolsky, Amsterdam

www.manh.com/exchange



Geerten Peek,
Director Consulting Services
Food, Retail & Consumer Services
CGI



Don't wait, don't hesitate, keep on moving!

As I started my master studies long time ago my professor began by saying "take a look at your left and your right neighbour, only one of the three of you will graduate in the end." Realistic yes, motivating no! Nowadays, retail seems to be having the same kind of shake-out: But we say "realistic yes, motivating yes!"

The road to retail success may not be like a highway on a clear day however, it's not a jungle either. Whereas companies may find it difficult to choose the right way forward, they shouldn't stop moving just because danger could be anywhere! So, what to do?

An inspiration to me is Benjamin Zander. Have a look on YouTube at his 'How to give an A-lecture'. My takeaway: define your goal and give yourself an A right from the start.

FACTORS THAT MAKE THE DIFFERENCE:

- **Defining a clear customer focused spot on the horizon:**

Don't focus on technology or solutions but ask yourself: What are the real drivers for your business? What makes your customer tick? Is it price, quality or convenience? Will this be different tomorrow or next year?

Use a day or two with stakeholders across the company to create and draw this desired state. Gathering information upfront that is discussed in such a small group session will be far more successful than a project team devising a strategy over weeks or even months.

- **Build a roadmap:**

A roadmap will define the set of requirements to reach your goals. A roadmap is not a full-blown architecture; support your roadmap with user stories that will make a difference for current and future customers. Assess the effectiveness of current business processes and models and identify the areas to improve. For example e-tailers now opening physical stores emphasise the importance of all five senses in an omni-channel 'phygital' customer experience.

- **Take the first step:**

Do not wait until you can see the full highway as it will never happen. Do not hesitate because there may be better ways, there will always be other ways, not necessarily better ones.

Getting a clear view on the horizon is different from designing a full-scope architecture upfront. Your picture should be agile and responsive to changing customer needs, not carved in stone. The digital transformation of your retail brand will not happen as a project from A to B; it is an evolving view of your customers' needs.

A key factor to success in fulfilling your customers' needs is your staff and this is not limited to in-store staff, customer service, marketing, logistics and finance: all play a vital role and add value to the customer across the various customer touch points. Today's customers expect to be recognised anytime in any channel. This will be facilitated by technology but will also require additional skills and new awareness from your people. As a simple example: 54% of retail customers today¹ see providing product information as the most important task of in-store sales reps. This may seem obvious? Note that 75% of these customers believe they have more knowledge than the sales person!

The two-day investment with stakeholders across the company will prove to be extremely beneficial when communication is clear, continuous and supported by the correct training and management initiatives. Even if some roles are not directly involved in the first step, your new and clearly defined vision will start your journey to a successful future! Keep on moving!

¹ Manhattan Associates Retail survey 2017



Great Expectations: shoppers' demands on the store

An EMEA benchmarking study

It seems funny to think that, ten years ago, industry experts were predicting the demise of the store. If anything, the rise of ecommerce has given bricks-and-mortar a more secure role within the retail mix. Today's store is more than a place to try and buy. It is a customer support centre, a fulfilment hub, a validation point and an exploration station. However, physical retail's reinvigorated role is heightening shoppers' expectations.

We've acknowledged that the store is becoming increasingly diverse in the services it can offer shoppers. This is reflected in the wide range of reasons that consumers choose bricks-and-mortar over online retail.

The ability to try and feel the product before buying is a key reason for visiting the store across all regions. There is also great variety in the number of people who visit stores to browse and explore new products.

The survey shows that there is a clear distinction between regions which underlines the need for retailers to have a strong understanding of their customers in every market in order to optimise the shopping experience down to store level.

However, although there is great diversity in the role of bricks-and-mortar, our research did identify some interesting EMEA-wide shopper trends when it comes to their in-store expectations.

Expectation 1: seamless channel experience

Throughout Europe, shoppers crave a consistent quality of retail experience, whether they are interacting with a retailer in a physical store, via their website, or through their smartphone.

But although the benchmark is high, there are clear disparities between their expectations and reality. Across EMEA, more than 70% of shoppers currently notice disparities when they shop with the same retailer across multiple channels. One reason for the gap between consumers' expectations and reality is that many retailers are not prioritising consistency between channels. There is a big variation in how seriously retailers are considering channel consistency investment.

• KEY TAKEAWAY

More investment needs to be put into integrating what is happening in the store with online if retailers want to keep enhancing the customer experience. Retailers must fully leverage the power of technology and data to bring greater digital connectivity into bricks-and-mortar shopping.



EMEA BENCHMARK

To understand how consumer demands are changing, and how effectively retail organisations are responding, we have undertaken a ground-breaking EMEA-wide benchmarking study, surveying both retailers and consumers in Denmark, France, Germany, Italy, Netherlands, Spain, Sweden and UK.

The full report explores our key findings, and provide strategic guidance for retail organisations looking to connect more closely with bricks-and-mortar shoppers.

Expectation 2: helpful, knowledgeable store associates

The diversification of bricks-and-mortar's role has directly impacted the responsibilities placed on front-line staff. Today's shoppers expect the store associate to provide a greater variety of services than ever before.

This is reflected in the fact that, when we asked consumers to rate what they feel is the most important job of the store associate, and gave them four key areas to choose from, we received a range of answers:

But while our survey shows that consumers expect a detailed level of service from store associates, our research among EMEA retailers reveals this depth of detail is not always expected among front-line staff.

Two thirds of the retailers we spoke to ranked a 'generally friendly and approachable customer service' as the most important role of the store assistant, rather than listing a specific support function. Recommending products and offering advice was their second priority, while their third response was checking stock availability.

• KEY TAKEAWAY

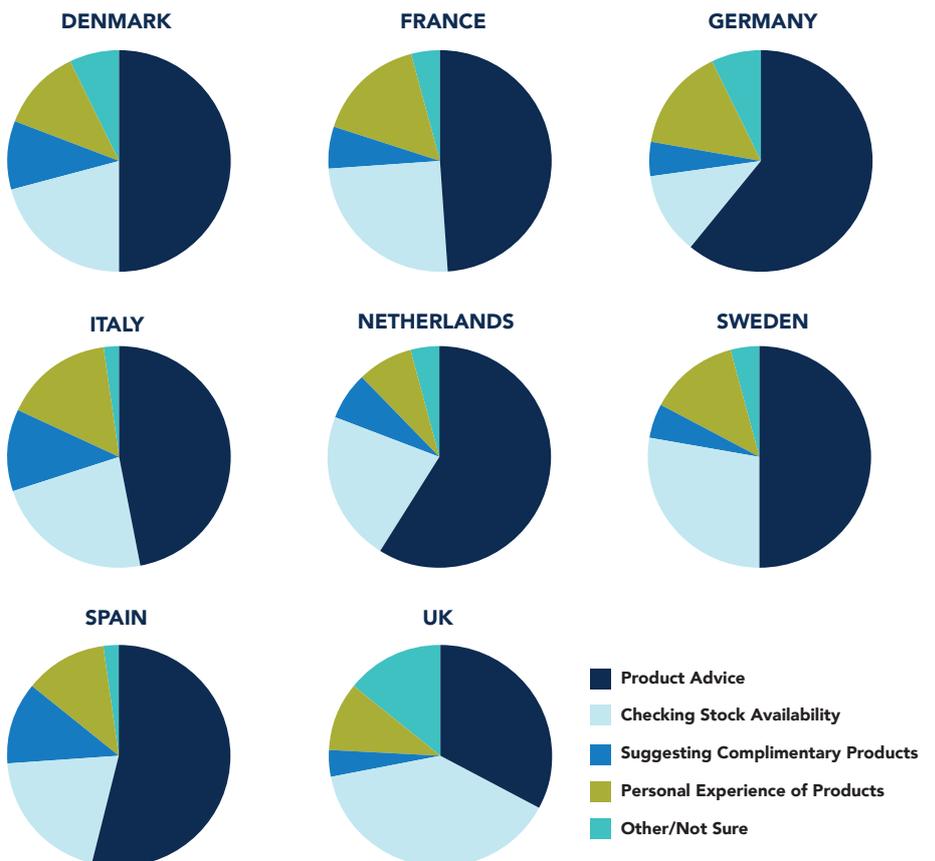
In addition to being a friendly point of contact, consumers have a real need for store associates to deliver a detailed level of service.

Retailers, therefore, need to invest in the technology and training that will allow the store workforce to become 'trusted experts', forging valuable personal connections with customers by providing immediate practical and personalised assistance.

HELPFUL, KNOWLEDGEABLE STORE ASSOCIATES

The diversification of bricks-and-mortar's role has directly impacted the responsibilities placed on front-line staff. Today's shoppers expect the store associate to provide a greater variety of services than ever before.

This is reflected in the fact that, when we asked consumers to rate what they feel is the most important job of the store associate, and gave them four key areas to choose from, we received a range of answers:



>

Expectation 3: acknowledgement of individual value

While sharing their own personal experiences did not rank highly, our research revealed that consumers are far more interested in store associates tailoring service to their needs. Across EMEA, over half of all shoppers on average would like store associates to personalise recommendations in the same way as online. One other important trend that our study identified is the close link between personalisation and loyalty where the quality of loyalty incentives is also a clear loyalty driver.

As with omnichannel consistency, when it comes to personalising the customer experience, our study identified a disparity between shopper expectations and retailer realities. While 71% of EMEA retailers has some technologies in place to support personalisation, more than half of those retailers describe them as 'limited'.

• KEY TAKEAWAY

Tools for personalisation provide customer insight and allow store associates to assist specifically rather than speculatively. However, not all retailers are prioritising this technology in the way that shoppers hope for in order to receive more tailored and relevant in-store experiences. Retailers need to empower store associates with the ability to address customer requirements in personalised ways in order to build new levels of brand loyalty.

Expectation 4: availability in every channel

As the previous three expectations have demonstrated, today's shoppers want retailers to offer them a connected experience across all channels, and meet their needs – however diverse – in a personal manner. Getting the right items to the right customer in a seamless manner relies on retail organisations having a single-view of inventory and customer activity in real-time. But less than half of all retailers view this as a business priority. When it comes to gaining a real-time single view of the stock, there is also great variety in how close retailers across EMEA are to achieving this.

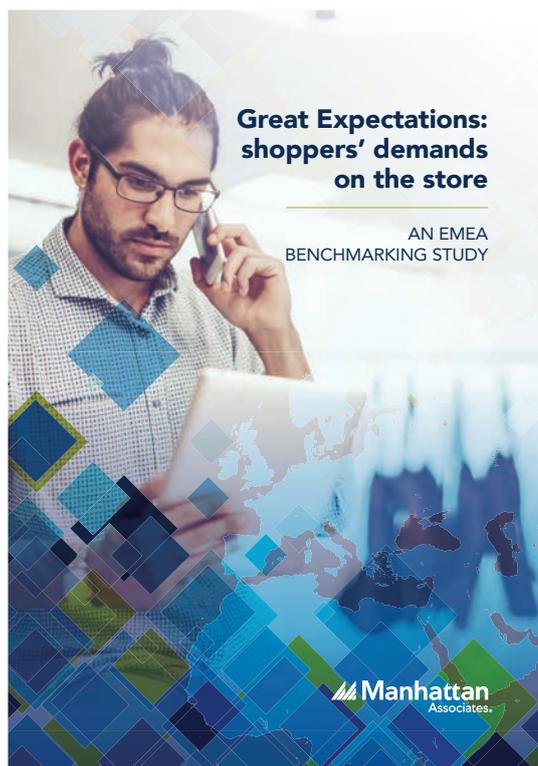
Of those that have achieved a single-view, 34% have done so by using one technology system, while a further quarter (25%) that have multiple systems currently are looking to move towards one solution. The rest are using multiple systems, with no plans to consolidate.

• KEY TAKEAWAY

Establishing a single view of stock availability is at the heart of creating a seamless cross-channel experience. A holistic picture of shoppers, orders and inventory is the essential backbone of connected commerce, provided retailers can leverage the data this view generates within their customer interactions. Being able to match availability to demand is key to omnichannel retailers delivering on the promise they make to customers. No amount of customer service personalisation can compensate for the product not being in the right place at the right time.

DELIVERING ON EXPECTATIONS

As our research has underlined, consumers are raising the bar for retailers in terms of their in-store service expectations. The challenge now is for retailers to input the technology, processes and people to bring them to life. The full report is available on www.manh.com/en-gb and www.manh.com/en-nl or via QR code below.





Matthew Johns,
Product Marketing Manager EMEA,
CenturyLink



Increasing customer loyalty through digital transformation

It's an understatement to say that the retail industry is somewhat competitive. Retailers need to meet and exceed revenue and profit targets, keep costs down, innovate, engage with and attract customers and employees, and keep up with the competition, all while delivering an excellent customer experience.

In the midst of these business imperatives, online commerce has altered every aspect of a retailer's business. These new capabilities provide traditional high street retailers with innovative new ways to create customer value, but also bring increased competition from agile new online market entrants – matching their prices, range of products and shipping options can appear to be an insurmountable obstacle. Additionally, now that almost everyone is able to share their thoughts and experiences instantaneously through social media, one bad customer experience can cost a retailer more than just one customer.

Instant access

With instant access to price comparison engines in the palms of everyone's hands, online retailers need to make themselves stand out from the crowd, and physical retailers need to entice shoppers and persuade them to buy from their store instead of online. This is where customer experience and loyalty building comes to the fore. Finding that new way to engage shoppers and keep them returning to your stores – physical or virtual – is something that keeps retailers awake at

night. Some physical retailers choose to open franchised coffee shops in their premises, while others have been experimenting with cocktail bars and virtual reality to persuade shoppers to stay longer and make a purchase. Some online retailers work with partners and even competitors to find new ways to differentiate themselves. However, creating innovative solutions and services like these can put considerable strain on existing IT teams and infrastructures, by bringing additional traffic to your network.

Cloud platforms

To meet this challenge, digital transformation is already well underway in the retail industry, but is still not mainstream – however, the benefits are considerable. Retailers who have already adopted cloud platforms are benefiting from increased business agility and the ability to scale up and down to cope with the seasonal spikes of traffic that are fast becoming the norm during major retail periods.

Does this mean that retailers need to become technology experts now, though? Not necessarily – the right partner will work collaboratively to design the correct solution to meet the business objectives, and can then implement the solution onto the most suitable platform, providing ongoing support and maintenance thereby enabling retailers to focus on their core business of delivering excellent customer experiences.

ASDA'S TOYOU

One recent innovation in this area is Asda's toyou service. This market-leading solution takes advantage of Asda's extensive logistics network to enable consumers to return or collect purchases from third-party online retailers across its stores, petrol forecourts and Click & Collect points. The goal was to provide a next generation parcel experience and enhance Asda's reputation for convenience shopping. CenturyLink worked with Manhattan Associates to support Asda in their move to an agile IT platform for their toyou service.

Giuseppe Guillot, Kurt Geiger:

'We want to increase our stock visibility to 99.9%'

This year, Manhattan Associates was selected by Kurt Geiger to help transform their retailing capabilities and support their growth into the future. We sat down with Giuseppe Guillot, Logistics & Systems Infrastructure Director at Kurt Geiger, to find out what progress they've made and how Manhattan have been supporting the retailer in achieving their goals.



Hi Giuseppe. Could you start by telling us a little bit about Kurt Geiger?

Of course. Kurt Geiger is a British shoe brand that opened its first store on Bond Street, London in 1963. It creates covetable fashion-forward footwear and accessories with a unique market position that pairs aspiration with accessibility. Kurt Geiger now has 70 standalone stores globally, over 200 concessions within department stores, our flagship kurtgeiger.com and the multi-brand shoeaholics.com.

Which solution have you been using and why did you choose Manhattan?

We're implementing the Omni-Channel platform which includes its Enterprise Order Management and Warehouse Management solutions. This provides us with powerful order orchestration and execution capabilities to give customers greater control of when, where and how they receive goods.

We chose Manhattan because of its vision for future omni-channel commerce enablement and its expertise in fashion retailing. Furthermore, we liked the fact that the solution is highly configurable, so can be easily customised, and is constantly evolving with new functionality added over time to meet changing businesses' needs. We are also very excited about the upcoming Manhattan Active solution which will allow continuous and seamless upgrades vs the traditional painful approach of one-offs

Customer data is seen as an asset to any retailer and in store data can be difficult to collect. How are you leveraging technology to ensure you're getting a more unified view of the customer?

For in store recognition, you need to find a way to capture two key data points: the product and the customer. We will

soon implement RFID tags which coupled with dynamic tracking technologies will enable us to capture the movements of individual products within the store. Identifying the customer can be achieved through the app or in store WiFi; by linking this data together with that from the online channel can provide a very insightful omni-channel view. We basically want to transform our physical stores into digital stores when it comes to data insight.

What are your end objectives and how is Manhattan helping to achieve these?

Firstly, we need systems that are designed for omni-channeling, enabling movement of stock seamless across channels and eliminating the need of physical segregation of inventory. Secondly, having a single platform that links the warehouse to stores and is designed to support technologies such as RFID will simplify integration and roll-out of new capabilities. Finally, having configurable product vs a framework simplifies the roll-out of new logistics flows by minimizing/eliminating IT development. Our objective is to increase the accuracy of our stock visibility to 99.9%, and Manhattan provides that omni-channel backbone to achieve it.

You'll be speaking at Manhattan Exchange 2017 in October - can you give us a teaser of what your presentation might include?

We'll be showcasing our multi-year vision on how the Manhattan's solutions coupled with technologies such as RFID will reshape and enhance our commerce platform allowing us to reach 99.9% stock accuracy and gain stronger insights on our customers by coupling data from the online and offline channels.



KURT GEIGER



Eric Lamphier,
*Senior director product management,
Manhattan Associates*

'For DC managers, there are four key 'natural resources' that must be constantly monitored: labour, equipment, orders, and inventory.'



Streamlining operations with waveless picking

Modern supply chain and logistics professionals are grappling with the most challenging environment that they have ever faced, especially as one focuses to end point of retail commerce and consumption. Retailers have to operate sophisticated omni-channel distribution centres (DC's) that strive to satisfy around-the-clock customer demands. In the face of these pressures, DC managers are focused on streamlining processes, boosting productivity, and expediting order fulfilment. A new approach to processing orders can help them.

The strategic criticality of the e-commerce channel and e-commerce orders has truly changed the game for DC's. Instead of just simply shipping in bulk to retail DC's and/or retail stores, today's DC's also ship directly to customers, giving them a direct connection to the shopper – every order has a face. Delivering orders accurately and on time means a higher likelihood of a repeat order. Conversely, failing to meet or exceed customer expectations could lead to a lost customer for life. While DC's have not traditionally been considered integral to customer retention, in today's world they play a significant role in delivering a satisfying experience that keeps customers coming back.



Hence, rapid and efficient e-commerce order fulfilment is a top priority in today's omni-channel retail landscape. Consumers expect it, shippers promise it, parcel carriers work to deliver the goods, and market innovators work hard to develop and deploy new solutions. Speed is vital, but order accuracy can't be sacrificed, and the supply chain operation must be tailored to maximise efficiency and profitability. In order to compete, distribution centres are being transformed, thereby giving birth to new requirements, new workflows, new solutions, and new opportunities.

Key components in the DC

For DC managers, there are four key 'natural resources' that must be constantly monitored: labour, equipment, orders, and inventory. Not enough or too much of any of these individual resources and the DC has a problem on their hands. On the labour and equipment side, balance is needed between automation and human labour to ensure that things flow while avoiding costly under-utilisation. On the inventory side, achieving equilibrium between stock and order levels is critical to meet demand without experiencing a crippling surplus or shortage.

To avoid negative outcomes and to ensure proper balance, the DC managers and supply chain teams leverage specific tools, notably purpose-built software systems including an enterprise resource planning system (ERP) to capture and transmit orders, a warehouse control system (WCS), to drive automated equipment, and a warehouse management system (WMS), which orchestrates interdependent inventory, orders, and labour decisions. These systems must work together in harmony for a successful, efficient and balanced DC. Failure to align the systems and natural resources could result in costly setbacks, including higher cycle times, inventory shortages, and unfulfilled orders. In fact, no matter how balance is lost, the result is either money wasted or unhappy customers – sometimes both.

A new approach

Efficient fulfilment procedures are critical for addressing the challenges associated with e-commerce orders. The traditional order fulfilment approach in the DC, known as wave processing, involves processing orders in large batches. As each batch of orders nears completion, the next batch is started, and this approach is known as a 'push model', meaning orders are 'pushed' into the DC operation for

processing in batches. While wave/batch processing does deliver specific efficiencies for other channels, it can create peaks and valleys as one tracks the utilisation of labour and automated equipment in an e-commerce operation. Under-utilised assets reduce overall fulfilment capacity which is not a desired outcome in an e-commerce distribution centre where orders stream in all day, every day, 24x7. Customers increasingly place orders via streamlined apps and mobile experiences and in turn, their expectation is that their order will be fulfilled and delivered rapidly. In other words, real-time order fulfilment and speed is as critical as it has ever been.

Order Streaming

Dealing with a massive amount of relatively small orders, with just a few items per order, demands a different kind of fulfilment approach. Order Streaming, a form of waveless picking, reimagines traditional order fulfilment logic and produces a more flexible, e-commerce centric fulfilment method. Rather than batching orders and dropping them into the DC operation in waves, Order Streaming continuously evaluates the order pool and offers ways to optimise those orders as they are being driven through their required DC workflows. Unlike the wave 'push model', Order Streaming operates under a 'pull model', meaning that as soon as there is capacity in the fulfilment operation, new orders are 'pulled' into the workflow to the available asset(s). This results in more immediate action – orders are not held until they can fit into the next batch; as soon as an order can be addressed, it is pulled in and processing begins.

This approach to fulfilling e-commerce orders ensures real-time alignment between labour and equipment availability and helps maximise efficiency to enable DC's to strike a better overall balance of resources. Additionally, the dynamic assembly and assignment of tasks when they can be actioned – versus waiting to batch – means that fulfilment decisions can be delayed and more specific. Instead of queuing up a batch of orders with different needs or priorities, orders can be dealt with in real-time on a more individual level, and ultimately decisions can be made based on the most recent and best data.

Constant influx

E-commerce has shaken up the retail world in numerous ways – stores, technology, employees, and processes are evolving to accommodate retail's new world order, and DC's are no different. Order Streaming enables DC's to more efficiently process the constant influx of small orders that are characteristic of e-commerce shopping and ensure speedy fulfilment and a positive experience for the consumer. E-commerce shopping will only become more dominant and more complicated in the years to come, and brands that are ready and willing to adapt their fulfilment processes to strike the right balance across labour, equipment, orders and inventory will be the ones that prosper and stand out from the competition.



Pierre-Yves Escarpit, Cdiscount

'Upstream, flow mapping is crucial'



Order Management Systems are not yet particularly well-known compared to Warehouse and Transport Management Systems, but a growing number of businesses are turning to it. One of them is the French retailer Cdiscount. Thanks to OMS Cdiscount has saved 10 million kilometres travelled by trucks per year. Pierre-Yves Escarpit of Cdiscount: "Now we are able to offer even faster delivery to our customers in Paris and Lyon."

Is Cdiscount one of the first French companies to have installed an Order Management System (OMS)? Were you interested in this type of solution from very early on?

Pierre-Yves Escarpit: I believe that Cdiscount is a pioneer of the OMS in France, with Manhattan Associates' Distributed Order Management (DOM) solution. But when we looked to this solution provider, it wasn't necessarily to equip us with an OMS. Indeed, traditionally, our logistics organisation was founded on a specialisation of our warehouses by product type, from USB sticks to garden swimming pools. Operating within that framework, with a product stored at a single site, the OMS did not seem necessary for us, even though we had internal software for inter-site communication. In 2012, when Cdiscount made the decision to replace its WMS with a Manhattan Associates solution suite, it contained this OMS component that allowed us to precisely configure and optimise our goods flows through each warehouse, by cross-dock platform, pre-order status and order grouping. In 2014, we adopted a new logistics master plan. That's when we began implementing the OMS, to underpin a new fulfilment service we provide to merchants and which we

host on our marketplace. Having been running for a year, we extended the OMS deployment in 2015 to be able to handle our heavy (over 30 kg) and bulky (household appliances, sofa, bed, etc.) products, which was a 9-10 month project.

In 2016, we also included products weighing less than 30kg. For heavy products, we decided to split France in two, with a 90,000 sq. m. facility in Paris serving the north and a 90,000 sq. m. facility in Saint-Étienne for the south. In this context, the OMS acted as a support in serving and dividing our catchment areas, replenishing the warehouses, including inter-site transfers, and managing multi-container shipments. The OMS serves as a dashboard for controlling the two sites.

What issues have you run into when implementing the OMS?

During the first few weeks, the implementation project was not a smooth process, as I'm sure you can imagine. Changing a Warehouse Management System (WMS) is simpler, as it's the last component. The OMS is a new component that is installed at the heart of a company's existing IT infrastruc-



ture and to which are connected all company departments and their associated systems including, in Cdiscount's case, over a dozen different ones spanning sales, billing, finance and logistics. But we also integrated it with our solution provider's WMS. This is one of the riskier projects that I've been involved in, including during my former role as a consultant. But we did some test runs before pushing the final "go-live" button, and this was important since at Cdiscount, we're handling 30 million orders per year. This kind of tool needs to be able to handle spikes in order volumes, such as around sales periods, otherwise it becomes a bottleneck and you can't deliver on your ultimate goal to condense delivery timeframes. What we learned with the first implementation was that upstream, the flow mapping is crucial. With a comprehensive tool, you inevitably reduce the margin for error.

Did you assemble a dedicated team for this project?

At Cdiscount, we're all for internalisation and for controlling our information systems ourselves, especially in the context of our IT services organisation comprising several hundred people, including our IT partner teams. As such, we didn't call on any additional external IT services provider. The project team consisted of almost 20 people, with information systems and supply chain representatives as well as Manhattan Associates employees.

What was the level of investment made?

With a software suite such as this one and a project like ours, which wasn't only centred on an OMS installation but was much broader and involved several warehouses, you can

'Reducing delivery times is a key driver for growth in e-commerce.'

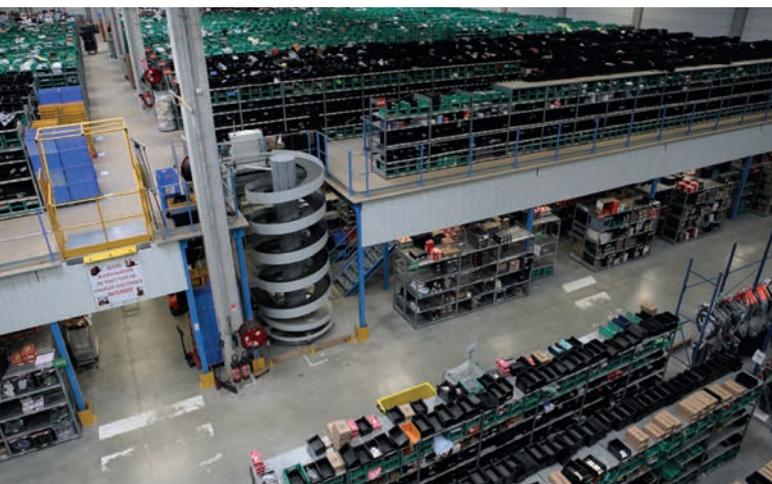
expect a sizeable investment. But an OMS tool rolled out in a simpler environment, as part of a less complex information systems infrastructure, and in a business involving smaller volumes, will cost less and may be suitable for businesses that are not of the same scale as Cdiscount.

Have you measured the return on investment?

It was quickly apparent in the kilometres saved and in the reduction of our carbon footprint, that without the OMS, savings on transport would not have been possible. Per year, we have saved 10 million kilometres travelled by trucks in our large product operations, and have reduced a truck's average distance travelled from 400km to 200km. Now we are able to offer even faster delivery to our customers in Paris and Lyon: if they place an order before 2pm, they will receive their order that same evening. Reducing delivery times is a key driver for growth in e-commerce.

Do you think that the OMS is a competitor for the WMS?

No. The WMS manages goods flows within the warehouse, and the OMS has an overarching role, enabling the optimisation of goods flows across the entire business and setting them in motion at the right time.



'Now we are able to offer even faster delivery to our customers in Paris and Lyon: if they place an order before 2pm, they will receive their order that same evening.'

ABOUT CDISCOUNT

Cdiscount was founded in 1999. Initially devoted to cultural products, the site dedicated to online shopping at discount prices quickly became a trendsetter, opening its pages to high-tech in 2000, ready-to-wear in 2002, wine and major appliances in 2004, automotive and travel in 2007, and successfully pursuing its diversification to offer today the best offers on an increasingly wide range of products and services .

The opening of its marketplace "C le Marché" in 2011 has further strengthened the scope of its offer. Cdiscount is a subsidiary of Cnova, the e-commerce division of the Casino Group.





Georgia Leybourne
International Marketing Director
Manhattan Associates

Let's put the 'Shop' back into Shopping

In the past I have confessed to an escalating online shopping habit.

So convenient, so easy and so quick... but I miss Shopping... the hunt for just the right thing, the social engagement and the total rush of those shopping bags as you make your way back to the car... it's addictive.

In a world where we spend way too much time sat in front of a computer or tapping away on our smartphones, the opportunity to be active, to interact and to physically shop is making a comeback.

But retail need to re-invent their stores.

I have very high expectations of a joined up journey between online and offline, of endless aisle stock availability, of input and value from the store associate and ultimately of a unique and compelling shopping experience.

Let me down and I won't come back. Show me a good time and I'll be loyal to the end.

- Telling me it's out of stock and sending me to the website on my phone or to a kiosk is a no - I want you to work with me on finding it in your network and giving me the best outcome on when and where I get it from.
- Making me transact separately for an item you're delivering to my home as opposed to taking away from the store is not good enough - I want a single transaction - swipe, tap and job done.

Stores have become the secret weapon in a retailer's toolkit with the ability to surprise and delight the consumer whatever their age or demographic but they need to get smart by being seamlessly interconnected with their online presence and their network and by providing an experience just as fulfilling.

My commitment to retail continues... I will keep shopping if you keep making it fun.



CREDITS

CommerceTrends is a joint publication from Manhattan Associates and RetailTrends Media.

Chief editors: Marcel te Lindert, Martine Toussaint
Contributors: John Bird, Martin Hermsen, Matthew Johns, Eric Lamphier, Georgia Leybourne, Marcel te Lindert, Logistiques Magazine, Geerten Peek, Henri Seroux, Amy Tennent, Martine Toussaint

Design: Inline Design

Photography: Manhattan Associates and iStock

Printing: Veldhuis Media

Manhattan Associates

Europe B.V.

Buizerdlaan 2
3435 SB Nieuwegein
Netherlands
T: +31 (0)30 21430000
www.manh.com/en-nl
www.manh.com/en-gb

ManhAssocUK

ManhAssocBNL

ManhAssocFR

ManhAssocNews

Manhattan Associates

Page concept and publishing:

RetailTrends Media
Postbus 78
NL-6720 AB Bennekom
Lindelaan 8, Bennekom, the Netherlands
Editor: T +31 (0)318-431557
Management administration:
T +31 (0)318-431553
E info@retailtrends.nl
retailtrends.nl, retailnews.nl
 @RetailNews_NL



(Disclaimer) © 2017 RetailTrends B.V. All rights reserved. No part of this publication may be duplicated, stored in an automated file or made public in any form whatsoever, whether electronic, mechanical, by means of photocopies, photos or any other manner, without obtaining the publisher's prior written consent. The publishers and authors state that this magazine has been collated in a careful manner and to the best of their knowledge, although the publishers and authors can in no way vouch for the correctness or completeness of the information. The publishers and authors do not accept any liability either for any loss whatsoever, resulting from actions and/or decisions based on the information referred to. Users of this magazine are strongly advised not to use this information in isolation, but to rely on their professional knowledge and experience and to verify the information to be used.

INTRODUCING MANHATTAN ACTIVE™ SOLUTIONS

Always current | Seamlessly interconnected | Runs anywhere | Continuously adaptive



MANHATTAN ACTIVE INVENTORY

MANHATTAN ACTIVE FORECASTING & REPLENISHMENT

- » Demand Forecasting
- » Replenishment
- » Vendor Managed Inventory
- » Multi-Echelon
- » Sales & Operations Planning

MANHATTAN ACTIVE PLANNING

- » Financial Planning
- » Assortment Planning
- » Item Planning
- » Promotional Planning
- » Store Clustering



MANHATTAN ACTIVE OMNI

MANHATTAN ACTIVE HQ

- » Enterprise Order Management
- » Distributed Order Management

MANHATTAN ACTIVE STORE

- » Clienteling
- » Point of Sale
- » Store Fulfillment
- » Store Inventory



MANHATTAN ACTIVE SUPPLY CHAIN

MANHATTAN ACTIVE DISTRIBUTION

- » Warehouse Management
- » SCALE
- » Labour Management
- » Slotting Optimisation
- » Billing Management

MANHATTAN ACTIVE TRANSPORTATION

- » Procurement
- » Planning & Execution
- » Modeling
- » Fleet Management
- » Audit, Payment & Claims
- » Carrier Management

MANHATTAN ACTIVE EXTENDED ENTERPRISE

- » Supplier Enablement
- » Hub Enablement
- » Appointment Scheduling
- » Yard Management

Event Management | Visibility | Supply Chain Intelligence

MANHATTAN ACTIVE INTEGRATION PLATFORM

 **Manhattan**
Associates®



Empower Seamless Selling Online or In Store.
Manhattan Active™ Solutions

In retail, consumers have ubiquitous access to products online, with virtually limitless choices. They expect a unified and frictionless shopping experience. Manhattan Active™ Solutions for **omni**, **supply chain** and **inventory** optimize operations for selling, customer service, fulfillment, and distribution to increase revenue and profitability. From order management to store fulfillment to POS, Manhattan Active Solutions enable seamless integration of physical and digital retail, inventory and distribution across the enterprise.

Learn more at manh.com/active

Always current | Seamlessly interconnected | Runs anywhere | Continuously adaptive

 **Manhattan**
Associates.

© 2017 Manhattan Associates, Inc.