Intelligent Fulfillment™

Today's omni-channel world means offering personalized products and services, without losing sight of profit margins. JDA's integrated, cloud-based supply chain planning and execution solution helps companies serve "me commerce" demand profitably.

Balancing service and profitability in an omni-channel world

While virtually every company is increasing its investments in omni-channel selling, very few businesses are earning a return. Caught in a rat race to satisfy ever-changing consumer preferences, companies are paying a high price to sustain or grow their market share. In fact, according to a recent study conducted for JDA Software by PwC, only 16 percent of companies can fulfill omni-channel demand profitably today.

What's eroding margins as businesses sell and deliver products across multiple channels? It's simple: the high cost of fulfilling orders. A full 67 percent of companies in JDA's study reported that these costs are growing, not shrinking, as they increase their focus on selling across channels.

The increasing complexity of today's fulfillment networks is becoming cost-prohibitive for many businesses — especially when end consumers place orders for individual products or small quantities, compared to the orders placed by traditional channel partners. Handling returns and shipping to the store for customer pick-up also represent huge cost centers.

Understanding the true cost of fulfillment

It's no surprise that the emergence of omni-channel selling has created a plethora of planning and distribution challenges not just for retailers, but also for manufacturers, wholesale distributors and third-party logistics providers. In the face of increasing competition and rising demand volatility, companies often make ambitious price/product/service offers in order to win the sale — without considering the true cost of fulfilling those offers.

By making fulfillment decisions without a holistic view of inventory, labor and transportation availability and costs, companies often sacrifice long-term profitability in service to short-term customer satisfaction. Frequent expedites, excess inventory, transfer costs, suboptimal freights and mismatched labor skillsets — each of these inefficiencies has a direct impact on the bottom line.

For example, if there isn't enough labor at the distribution center to unload inbound shipments for a planned promotion, companies have to choose between costly overtime and lost sales. If order management and transportation management systems are not linked, carriers may be frequently shipping less-than-full truckloads to the same location. If the planning process lacks visibility into upstream and downstream order and inventory information, the supply chain cannot respond quickly when the unexpected occurs — leaving plans both out-of-date and un-executable. This leads to overstocks, out-of- stocks and dissatisfied customers.

How can companies ensure that their planning and execution decisions are synchronized to make intelligent, profitable distribution and fulfillment decisions? How can they gain real-time visibility into orders, in-transits, on-hand inventory and near-term events across the supply chain? How can they satisfy customized "me commerce" demand without losing sight of their own financial targets? Enter JDA® Intelligent Fulfillment™.

The JDA Intelligent Fulfillment solution

JDA Intelligent Fulfillment is an integrated, cloud-based solution that combines best-of-breed functionality with thought leadership, global best practices and partnerships with leading providers of complementary services and technology. JDA's long-term strategy is focused on going beyond software functionality to help customers leverage best practices and high-impact system integration — enabling them to transform fulfillment into a true competitive advantage.

While the end-to-end visibility enabled by technology is critical, just as important is optimizing processes across the supply chain. Only then can companies achieve the profitable resiliency they need to survive, and even thrive, in today's volatile omni-channel environment.

To support that level of game-changing performance, JDA Intelligent Fulfillment holistically, iteratively and profitably solves inventory planning, replenishment and order fulfillment challenges. By leveraging the power of JDA Intelligent Fulfillment, companies can:

- Integrate order management with other key systems, such as warehouse management and transportation management, to consider fulfillment costs and ensure that all customer promises are profitable

- Implement customer-centric segmentation strategies, providing differentiated service levels to end consumers that are optimized for profitability

- Make profitable distribution decisions based on real-time visibility into inventory, orders and events

- Seamlessly react to events and disruptions with iterative planning and execution

- Reduce inventory, labor and transportation costs while improving on-time, in-full customer deliveries — creating profitable operations and a competitive advantage

- Profitably deliver on omni-channel promises to fulfill customer orders where, when and how customers want them

- Leverage cloud deployment for optimal agility, visibility, consistency and return on investment

Profitable order fulfillment

JDA Intelligent Fulfillment considers real-world fulfillment and distribution costs as part of the customer ordering process. This capability, which is made possible by integrating IBM's best-in-class Commerce and Order Management solutions, ensures that customer promises will result in supply-chain profitability. By synchronizing order capture and management with labor optimization, as well as fulfillment and distribution management, companies can see the true cost of offering a specific product/price/delivery combination — before an offer is made.

By linking customers' product and delivery preferences with real-time information on inventory, labor and transportation availability, companies can offer only those promises which make good business sense. Offers such as "pick up in store" and "ship to store," which provide the flexibility customers demand today, can be made with confidence that costs will be minimized.

Just as important, integrating those customer fulfillment preferences into upstream planning helps ensure that inventory is staged accurately across the network in the future. This destination-driven demand capability ensures that the true source of demand is captured properly for future planning purposes — even when the path to purchase is complex.

For example, when shoppers can't find a product in the store, typically it's ordered from a fulfillment center. While traditional systems track this demand only as far as the fulfillment center, JDA links it to the specific store, so that the product can be replenished there.

This powerful JDA solution also manages returns, which represent one of the largest cost centers for any company. Because warehouses typically lack visibility into incoming returns, labor is often unavailable to process them. Products languish and margins erode. JDA's returns authorization process alerts the warehouse to expect returns, so products are quickly available to promise.

Demand: The true driver of fulfillment

Making profitable fulfillment and distribution decisions begins with creating a single, enterprise-wide, demand-shaping forecast based on omni-channel customer order data — augmented with price, promotion and event information. By providing access to information about all customer orders, across channels, JDA delivers insights that go well beyond traditional point-of-sale (POS) data.

This holistic view of demand must be integrated with real-time insights into execution constraints across the supply chain, including warehouses and transportation networks. This allows companies to schedule the right number of associates with the right skills to fulfill orders; secure appropriate levels of transportation capacity to match expected shipments; and create time-phased, realistic replenishment plans for inventory, labor and transportation.

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Planning to fulfill long-term demand

In addition to ensuring the profitable short-term execution of fulfillment plans, JDA Intelligent Fulfillment also supports a longer-term demand forecast that enables strategic, proactive planning across stores, warehouses and distribution centers for inventory levels and slotting. By leveraging time-phased deployment capabilities, JDA also enables proactive transportation planning based on both capacity and procurement plans.

Visibility into long-term demand trends, inventory movements and workflow patterns enables a higher, data-focused level of strategic planning that helps companies make more informed and relevant decisions on their long-range business strategies. This can turn short-term cost and service differentiators into a long-term competitive advantage. And, by sharing information via technology integration, the end-to-end supply network can operate as one coordinated entity, instead of disconnected silos.

Achieving profitability in today's omni-channel world means combining long-term goals — which drive the business assumptions for centralized planning — with flexible, dynamic execution in the short term. JDA makes this vision a reality.

Enterprise-wide visibility: Knowledge is power

While a single, execution-aware fulfillment plan brings the entire supply network together, it's critical to recognize that the demand-and-supply picture is never static, especially in today's omni-channel world.

Inventory is constantly in motion throughout the network, and each customer order has unique cost-to-serve opportunities. JDA's order-orchestration capabilities serve as the hub of network-wide visibility into inventory levels and other critical supply chain conditions. Backed by powerful customer-segmentation capabilities, JDA Intelligent Fulfillment combines these insights with profitable order-promising logic, thanks to the integration of IBM's best-in-class Commerce and Order Management solutions. The result? All orders are fulfilled from the optimal location, while also matching customer delivery windows with corporate assets such as labor and carrier capacity.

JDA's unique combination of enterprise-wide visibility, order orchestration and profitable promising enables real-time, customer-centric order fulfillment decisions that optimize the tradeoffs between service and profitability in a dynamic environment.

Expecting the unexpected

Not only is the end-to-end supply chain in constant motion, but it is also characterized by frequent, unpredictable disruptions. The famous saying by General George Patton, "No plan ever survives the battlefield," can be applied to the supply chain as well.

Inventory gets damaged during picking, a rush order is dropped late in the day, a carrier fails to arrive on time, customers change their minds — all these events force managers to make ad-hoc manual adjustments to plans. Over time, these manual adjustments can significantly decrease profitability.

While disruption is an unfortunate fact, JDA Intelligent Fulfillment captures these unexpected events as early as possible, then creates an optimal response quickly. Unlike manual adjustments, this response considers long-term profitability as well short-term customer satisfaction, creating a win-win situation.

The enterprise-wide visibility provided by JDA Intelligent Fulfillment enables fulfillment plans to be quickly re-optimized for service and low cost. Transportation and warehouse processes interact to replan pick waves, shipments, loads and routes.

The JDA advantage

In optimizing fulfillment, the functionality needed to create execution-aware plans and deliver integrated execution is critical. But integration touchpoints are not enough to drive long-term financial results. Businesses struggling to achieve profitability in today's complex omni-channel world also need to ensure that all individual disciplines are performing at a best-in-class level.

JDA's demand and replenishment planning, warehouse management and transportation management systems are rated in the Leaders Quadrant of Gartner's respective Magic Quadrant reports on enterprise software. JDA provides an unparalleled combination of business process breadth and functional richness in each process area, making the value to customers much greater than the sum of the parts. That's why 21 of Gartner's "Supply Chain Top 25" turn to JDA.

Along with best-of-breed software, JDA provides unparalleled professional service and consulting expertise to guide customers through a successful business transformation. JDA can help define where the greatest benefits can be achieved, create a realistic roadmap based on industry best practices and unique business constraints, and help customers develop a fact-based perspective on strategic benefits and potential return on investment.

JDA Cloud: Real-time access, real-time insights

For myriad reasons — including the cost of hardware and software, rapid advancements in technology, and most important, the need for maximum agility in responding to today's fast-changing marketplace — it no longer is optimal for businesses to invest in complex, cost-intensive information and technology systems at each of their locations.

Because nearly all the new technologies driving the omni-channel revolution are Internet-based, today cloud solutions are better positioned to match the rapid changes in retail and manufacturing markets.

The cloud-based JDA Intelligent Fulfillment solution provides all customer locations with consistent, reliable and up-to-date capabilities that are carefully calibrated by JDA experts to match shifting conditions. No matter where in the world they're located, key stakeholders across the supply chain can benefit from a real-time view of conditions and constraints. This greatly improves agility, reduces risk and helps ensure seamless supply chain operations across the enterprise at all times.

In an era where profitability is more difficult to achieve than ever, the cloud-based JDA Intelligent Fulfillment solution offers every company access to worldclass fulfillment capabilities in a cost-effective, rapid manner. Cloud-based JDA software can begin adding value almost immediately — resulting in a fast return on investment and reduced bottom-line costs. With JDA, you can plan to deliver!

About JDA Software Group, Inc.

At JDA, we're fearless leaders. We're the leading provider of end-to-end, integrated retail and supply chain planning and execution solutions for more than 4,000 customers worldwide. Our unique solutions empower our clients to achieve more by optimizing costs, increasing revenue and reducing time to value so they can always deliver on their customer promises.

Using JDA, you can plan to deliver.
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