

# 10 Strategic Steps for Fine-Tuning Holiday Fulfillment



*An in-depth look at holiday fulfillment with ideas for optimizing operations, improving service levels and controlling costs.*



For those who spent the past holiday season struggling with inaccurate orders, delayed shipments, and dissatisfied customers, improving fulfillment operations is likely to be a high priority this year.

The challenge? Handle a tremendous surge in volume while delivering the right products on time at a reasonable cost to ensure customer satisfaction. The solution? Follow these strategic steps to achieve optimal fulfillment performance:



## 1. Start Planning Early

Successful fulfillment begins with strategic and tactical planning well in advance of the holiday. Take time to identify objectives and the steps needed to improve holiday fulfillment for the coming year. Establish projections for holiday sales volume early on, paying special attention to key dates such as Black Friday and Cyber Monday. Share these projections with any fulfillment and/or transportation partners, so they can prepare accordingly.

The timing of the planning process varies by sales channel. While some companies begin planning for the next holiday season the day after Christmas, B-to-B fulfillment planning typically takes place during the second quarter of the year, and B-to-C and retail planning generally begin in the third quarter. However, if changes to fulfillment operations are required, it will be necessary to start even earlier to allow adequate time for implementation.

## 2. Assemble Necessary Resources

Take stock of facilities and equipment. Confirm that there is enough space available to handle increased holiday volume and that it is configured for optimal order processing. Verify that there is enough equipment on hand to accommodate the additional volume and source extra forklifts, hand-helds, etc. Identifying and addressing these needs ahead of time can prevent major headaches at the height of the holiday season.



Third-party partners often have the flexibility to accommodate the ebb and flow of seasonal volume, helping to meet customers' peak requirements without adding overhead costs. They are also equipped to handle items that require extra space or labor to process.

## 3. Strengthen Systems

Systems-based planning plays a critical role in successful holiday fulfillment. Confirm that software is capable of handling increased volume. If a third-party partner is used, ensure that systems are effectively integrated with theirs. Data-tracking metrics are also essential for identifying issues and addressing them quickly.

"Information is key," says Perry Belcastro, vice president, fulfillment services at Saddle Creek. "Sophisticated systems ensure real-time visibility and accurate reporting. These capabilities allow companies to identify potential issues and react before they can become a threat to customer satisfaction."

#### 4. Streamline Processes

Take time to evaluate fulfillment processes and operations. Fine-tune receiving to ensure that incoming products are compliant (i.e. correctly bar-coded, packaged), so they can be put into stock quickly for an efficient turnaround. Evaluate picking and packing processes to ensure optimal efficiencies. Be prepared for backorders, returns, etc. An experienced fulfillment partner can share best practices and offer solutions to specific challenges.

#### 5. Plan for Contact Center Needs

To ensure a positive customer experience, assess contact center needs such as staffing, hours of operation, returns processes and more. Customers will expect responsive service, regardless of increased holiday volume. Clearly communicate with contact center associates regarding policies, procedures and upcoming promotions so that everyone is informed and ready to respond to issues as they arise.

#### 6. Prepare for Packaging

Well in advance of the holiday season, it is helpful to assess upcoming packaging needs. Consider any requirements for gift pack assembly, gift wrapping, etc. “Find seasonal packaging options that are systematic and scalable from an operations standpoint,” says Belcastro. “This helps to ensure a professional presentation at a manageable cost.”



Attention to even the most minor details can pay off in the long term. Stocking up on common packaging items such as tape, tissue, and mailing labels can prevent costly rush orders. Pay attention to items requiring special orders and custom printing. Ask third-party providers to review historical data to help determine appropriate quantities for the coming year, and leverage their established relationships with packaging suppliers.

#### 7. Get All Hands on Deck

Staffing can be one of the biggest challenges during the peak holiday season. Arrange for extra support well in advance and provide sufficient training and cross-training, so associates in all areas can hit the ground running and offer excellent service. Have key people (especially IT) on call throughout the season and minimize the use of vacation time.

#### 8. Fine-Tune Delivery

Be sure to research holiday delivery options well in advance. Understanding these details is essential in order to set and meet customer expectations. And if an expansion of shipping and delivery options is in the cards for holiday 2013 (i.e. in-store pick-up, same-day delivery, free returns), planning must begin even earlier.



Transit time is often critical for holiday shipments. For companies using multiple distribution centers, analyze shipment patterns to ensure that inventory is in the right place in order to minimize shipping costs and delivery times.

## 9. Make Communication a Priority

Sharing information—both internally as well as externally with supply chain partners and customers—is a vital component of the fulfillment process. For example, developing a thorough understanding of retailers' special requirements and communicating them to the entire fulfillment team can help to avoid costly charge backs. On the B-to-C side, sharing information about upcoming promotions helps associates and vendor partners prepare to support them effectively.



End-customers also need to be kept informed. Ensure that policies, shipping information, and other frequently asked questions are clearly explained on company website, packing slips, order confirmations, recorded messages, etc. This helps to minimize the need for customer service assistance and can even help to reduce shopping cart abandonment.

## 10. Seek Out Support

A third-party fulfillment partner can be a valuable ally for seasonal fulfillment. Scalable space, advanced technology, flexible staffing, established relationships with suppliers and carriers, familiarity with best practices ... these are just a few of the reasons companies look to an experienced fulfillment service provider to accommodate increased holiday volume.

"Effective fulfillment outsourcing can actually increase efficiency, improve customer service, and reduce costs," Belcastro explains. "It allows everyone to play to their strengths."

With strategic planning, careful attention to necessary resources, effective communication, and support from key supply chain partners, the holidays truly can be the "most wonderful time of the year."

## Fulfillment at Saddle Creek

Saddle Creek Logistics Services delivers multi-channel order fulfillment, including e-fulfillment, to support customers' business objectives. Through its extensive network of facilities, broad range of services and advanced technology, Saddle Creek develops

comprehensive solutions customers can rely on to satisfy their customers and enhance their brands. By leveraging its integrated logistics capabilities, Saddle Creek helps customers address today's toughest supply chain challenges.



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