Enhance Omnichannel Visibility

How to Gain Visibility Across the Extended Supply Chain through Every Selling Channel
The Challenge

Retailers are struggling to meet customer expectations across all channels due to lack of end-to-end inventory visibility.

Buyers hold the power in the retail market today. They are demanding more options and leveraging retailers against each other to get the best value for their money. Retailers want to meet consumer demand but lack a system that can bring all inventory data onto a central platform, making it difficult to see where their products are and provide accurate ETAs to buyers.

When pools of inventory are isolated in each selling channel, retailers must rely on buffer inventory and deliver lower levels of service to their customers.

The Root of the Problem

Retailers are making the move to omnichannel because they don’t have the visibility needed to meet today’s requirements. Sourcing and selling in many regions to customers that expect many options is difficult without visibility into inventory across all channels. A few things cause the need for omnichannel visibility:

1. Increasing consumer expectations
   Today’s customers expect to buy a product at the most convenient time, place, and price. They are disappointed and consider switching to a different retailer when goods are out of stock or delivered late. This leads to:
   - More lost sales
   - Lower revenue from fewer purchases and more markdowns

2. Expanding global reach in supply chains
   Retailers are sourcing and selling in emerging markets, sending products to stores and directly to customers who order online. The more regions involved in a supply chain, the easier it is to lose track of inventory along the way. This causes:
   - High landed cost of product
   - Excess inventory due to poor allocation
   - Barriers to entry in new markets

3. Technological advances
   Rapidly advancing technology is blurring the lines between commerce and “ecommerce”, allowing customers to purchase on mobile phones, tablets, in-store from kiosks that pull from online inventory, and online to pick up at a store later. This cross-channel demand can clog up the supply chain, causing:
   - High volume of expedited air freight
   - Over-promising and under-delivering on product availability

Impact of Poor Omnichannel Visibility

When retailers can’t see their inventory across all selling channels, they miss out on opportunities to sell and gain customer loyalty. Some negative effects include:

- Inaccurate inventory and lack of visibility create the need for inventory buffers to protect the sale
- Lack of cohesive systems inhibit cross-channel visibility and effective use of inventory
- Lack of extended visibility from planning, purchasing, and factory floor to goods in-transit make it difficult to promise availability
The Solution

Retailers are investing big money into new technology to gain visibility, manage the growing pool of data, and collaborate with their global trading partners. On a cloud-based network, companies can provide customers and themselves a view into all inventory, regardless of which channel is being used.

On a cloud supply chain platform, the system can automatically allocate from a single pool of inventory when an order is made, regardless of where the customer is viewing the product.

Rather than buying and installing traditional license software, visionary retailers are now “renting” their technology — paying for subscription models, hosted in the cloud.

Value Propositions

By viewing all inventory in the cloud, retailers can greatly improve customer service. The benefits from improved omnichannel visibility include:

1. Obtain higher fill rates and reduce stockouts
   - Use accurate item-level carton details to locate goods
   - Create production reports and gain factory floor visibility into production and scan and pack
   - Get item-level visibility and dynamic ETAs from shipment notifications and milestones
   - Count in-transit inventory as on-hand for any channel

2. Reduce markdowns and the need for buffer inventory
   - Increase margins by allocating to demand
   - Lower inventory costs

3. Increase service levels and customer satisfaction

Omnichannel Visibility and the Networked Company

To improve omnichannel visibility, companies must transform themselves from silo-based, inward-facing corporate operators to interconnected, highly agile business network orchestrators.

Gain visibility across the extended supply chain at the lowest level.

- Combine data from partners (ERP, factory, forwarder, carrier, bank) in the cloud
- Gain inventory visibility and availability of item/SKU from production to consumer
- Accurately promise on delivery and respond to changing customer demand

How to use an omnichannel solution:

1. Collaborate with your supply chain partners to find in-transit inventory status
2. Adjust volumes and dynamically allocate based on changing customer demand
3. Adjust production midstream to push ‘hot’ SKUs or adjust big ticket items

Online or in-store, the customer buys a product and the system gets it to them in the most efficient way possible.

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GT Nexus provides the cloud-based collaboration platform that leaders in nearly every sector rely on to automate hundreds of supply chain processes on a global scale, across entire trade communities.