



VOITEQ WHITE PAPER

Overcoming Omnichannel Fulfillment Challenges with Voice





Introduction

Retail warehouses were originally created for one purpose: to get inventory to the storefront. With the rise of eCommerce and shopper expectations, warehouse operations are pressed to overcome a list of challenges that come with having an omnichannel supply chain. While these challenges are significant, many of them can be addressed by implementing the right technology solutions that provide you flexibility and visibility into your operation.



Omnichannel Challenges

Returns and Mispicks

According to the National Retail Federation, the cost of returns in 2016 totaled more than \$260 billion, or 8% of items sold throughout the year. With the additional industry pressure for free online returns, the cost of returns to the retailer have exponentially increased. While many of these returns are caused by a customer decision, a fraction of them are the result of a mispick on the warehouse floor. These returns have additional, often non-calculable costs, as they often result in customer complaints, reimbursement, and lost business. Often, they are a result of untrained workers hired to handle seasonal peaks or errors caused by lack of attention on the warehouse floor.

Category	Percentage Rate	Retail Industry	Example Company (\$1 Billion Revenue)
Retail Sales	100%	\$3,256,650,000,000	\$1,000,000,000
Returns	8.00%	\$260,532,000,000	\$80,000,000
Receipted	90.0%	\$234,478,800,000	\$72,000,000
Non-receipted	10%	\$26,053,200,000	\$8,000,000

Source: National Retail Federation 2016 Return Fraud Survey



Customer Satisfaction and Expectations

Over the past 10 years, customers have developed a desire to have what they want, when they want it- even when the distribution center holding that item is across the country. What used to be considered last minute shopping has now become the norm, with many shoppers waiting until the last minute to place orders online rather than going into the stores. These last minute orders can put high stress on warehouses, as shipping windows and cutoff times become increasingly important. Although these purchases are made last minute, the customer puts an extremely high value on the order arriving when they want it, and will become highly dissatisfied if that is not the case. Failing to deliver the right product within the window they desire will result in lost business, and potentially drive your customers to the competition for future purchases.



Item Availability and Visibility

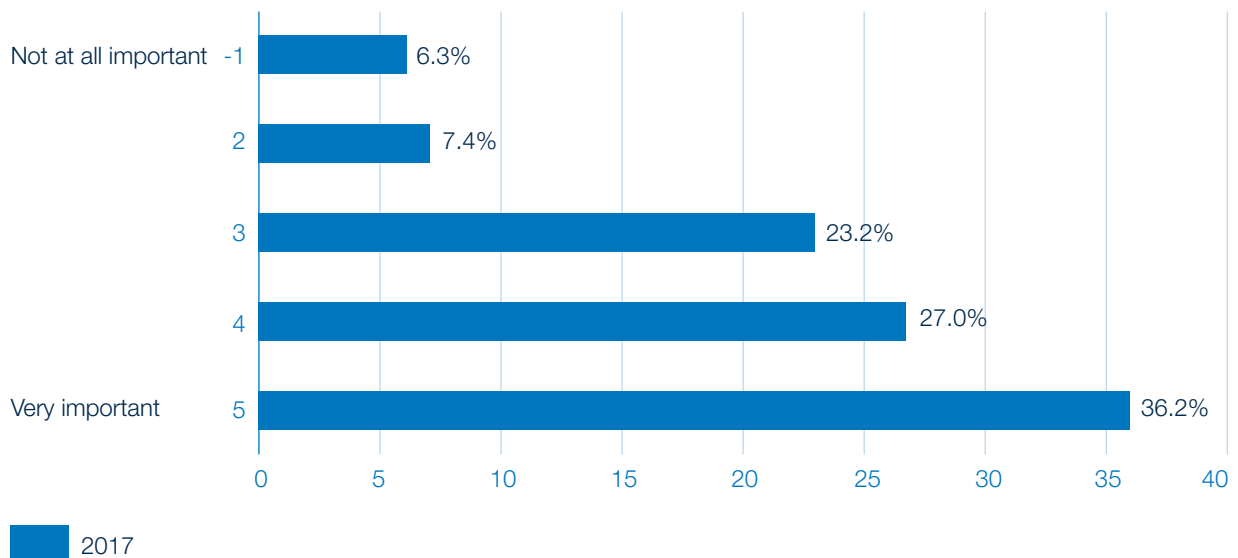
With consumers increasingly choosing to browse for their purchases online, it is more important than ever to have live inventory updates. Ensuring that customers have an accurate view of product availability can prevent the disappointment of the “out of stock” notification after purchase, and can also increase the likelihood of a sale if the customer is assured that the item is available for them.

Beyond customer expectations, the ability to have visibility into the inventory and demand on the supply chain has become incredibly important way for retailers to stay ahead. Being able to predict and prepare for fluctuations in demand, especially around the peak seasons, can help alleviate many of the stresses that take place in operations in a state of flux.

Click and Collect

A new trend causing stress on the supply chain is the idea of “click and collect”, where customers can order items online and pick them up (often for free) in a retail store of their choosing. This forces retailers to not only use their store transport to stock the shelves, but also as a fulfillment network. This process does decrease the shipping costs often associated with online orders, but brings forward new issues like frequency of delivery, timeliness, parcel tracking, and the handling of packages by store employees.

Importance of having the ability to pick up or return in a store when shopping online



Source: Monthly Consumer Survey, conducted by Prosper Insights and Analytics

Thinning Margins

As free shipping becomes an industry norm, and a requirement for a majority of customers, many retail operations struggle to maintain demand while making a profit. Often, this shift calls for increased optimization of warehouse operations, as cost cutting becomes important throughout every level of the supply chain.



Source: Monthly Consumer Survey, conducted by Prosper Insights and Analytics



About Voice

Voice technology was created to help operations extend their logistics and fulfillment processes. It offers the promise of hands-free, eyes-free, wireless access to the information needed to drive key warehouse processes and has become an important component in the success of many IT strategies.

Like the traditional RF-based scanners, voice solutions center on a small, wireless mobile device. The difference is that voice delivers instructions verbally through a headset and captures responses using a microphone, eliminating the need to stop, look at a screen, and key in a quantity or scan a barcode. Coupled with a wireless headset, voice users can completely remove the need to have the mobile device on their body, offering even more freedom of mobility compared to traditional RF units.

Voice Benefits

- *Average 35% productivity increase*
- *Average 85% accuracy increase*
- *Average 67% training time decrease*
- *Average 50% turnover decrease*
- *Decrease in damaged items*

How Voice Helps

Increased Throughput

Omnichannel operations often have to deal with incredibly tight shipping windows, as online sales often come with a promise of same-day shipping and open many businesses up to international shipping. This requires the warehouse and its workers to be as productive as possible at all times. After implementing voice, it is common for warehouses to see improvements in productivity up to 35%, with some operations seeing improvements upwards of 70%. This allows warehouses to not only increase throughput, but also handle fluctuations with ease.

Improved Customer Satisfaction

When ordering online, what matters most to customers is that they get the product they want when they want it. To fulfill this promise, warehouses must work to increase accuracy on the picking floor without sacrificing the productivity needed to get orders out on time. With voice, pickers are able to keep their hands and eyes free at all times, maintaining complete focus on the task they have been given. The voice system also utilizes check digits, which ensure that the picker is in the correct location, has chosen the correct item and has the correct quantity. With all of these factors in place, voice typically leads to an 85% increase in accuracy, which can mean hundreds or thousands more satisfied customers.

Alleviating Seasonal Peak Stress

When implemented efficiently and in conjunction with great workflows, voice can positively impact and alleviate many of the peak season issues. A well-implemented voice system will not only benefit you during your peaks, but will also continue to provide value throughout the rest of the year.

When training new or seasonal workers on a voice system, training time is often reduced by more than 65%. This can be attributed to the ease of use for the voice system, as well as workers being guided by the voice interface rather than having to learn how to use RF scanners or read a paper list and interpret the directions.

Additionally, voice will help ease any fluctuations in demand experienced during the peak seasons. On average, workers are 35% more productive once they have been voice enabled, allowing you to handle more orders without needing more workers.



Rapidly changing orders and inventory updates

The voice dashboard displays give you real-time views and alerts that enable you to react to the challenges of the day, and make adjustments in order to drive throughput and increase efficiency across the board. These adjustments include workforce reassignment to meet order requirements, order management, and real-time replenishment to ensure you have the product on the floor when you need it.

Additionally, these real-time updates allow your mission critical systems to remain up to date as your workers are picking on the warehouse floor, ensuring that availability information on your website, or in-store systems will always be correct.



“Voice has allowed us to address the peaks of our business by enabling us to see the increased volume required, adjust our workforce of temporary and allocate staff to the hot spots, equipping them with the equipment they need then by flooding the work zones with resources needed to meet the demand.”

**–Warehouse and Distribution Director,
London Drugs Specialty eCommerce Retailer**



In-store Use

As in-store pickup and local delivery become more common for omnichannel operations, store fronts need to become increasingly efficient to keep margins down. Retail workers are now filling orders that were previously filled from the distribution centers from store shelves, which is a practice that can quickly become costly as many retail workers are paid at a higher rate than their counterparts in the warehouse. It is important to implement a process in store to keep labor costs at a minimum, while getting the maximum efficiency from the employees. With voice, retail employees can utilize the same technology as their warehouse counterparts without disrupting the store environment. The voice headset has a low profile and doesn't look much different than a traditional headset, allowing voice-enabled workers to discreetly move around your storefront completing tasks like picking and inventory checks.

Flexibility and Scalability

Voice is built to enable warehouses large and small, and in a variety of workflows. Whether you are a smaller operation that only looking to improve picking, or if you are a massive company looking to overhaul all your warehouse processes, voice can be tailored to fit your needs. The software will also scale as your operation grows, as you can integrate voice with any size of WMS or ERP while maintaining many of the same business processes. This ensures that your investment will last, regardless of the changes the industry might take in the future.

About Voiteq

Headquartered in Blackpool, United Kingdom and with offices throughout Europe and North America, Voiteq is a leading global supplier of voice-directed and auto-ID solutions for optimizing intralogistics processes.

The company offers a range of methods to improve warehouse, in-store and inspection operations with the award winning VoiceMan product family: VoiceMan Warehouse Execution System (WES), VoiceMan Screen-to-Voice, SAP-certified VoiceMan Connect for SAP and VoiceMan Connect for other WMS/ERP-systems. All solutions are supported by VoiceMan Data Analysis, a sophisticated data analytics tool to provide operational transparency.

Voiteq has offices in North America, the UK, France and Germany. The company belongs to the Business Unit Software and is part of the Business Area Logistics Systems belonging to the international technology group Körber.

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