



Adstral

Outsourcing Fulfilment

How an outsourced fulfilment solution
can help your business



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Introduction

With a record number of stores closing on high streets across the UK and shoppers turning to online retailers in their thousands, there's no surprise that the eCommerce economy has grown steadily over the last few years, rising to £175 billion in 2023[1].

According to the Office of National Statistics (ONS), in October 2009 internet retail sales accounted for 6.8% of total retail sales in the UK. Fast forward to today and internet retail sales have risen to over 25% of total retail sales. This means that in a online sales have almost quadrupled as a percentage of retail sales - and that number is set to carry on rising as more people look to online shopping rather than visiting the high street.

According to analysts, Retail Economics^[2], the internet is expected to account for over 50% of all retail sales by 2029.

From high street retailers to small online-only retailers, there are very few companies which don't have an online presence. It's now possible to buy almost anything online, from food through to large electrical products and everything in between – just take a look at the variety of products large online retailers such as eBay and Amazon sell.

Factors such as the UK's adoption of the USA's post-Thanksgiving Black Friday and Cyber Monday sales means that more consumers are turning to the internet for their purchases – both big and small. Retailers, therefore, need to develop a business plan that ensures they can meet their customers' demands and expectations as orders increase, as well as during seasonal peaks.

At the core of any successful online retail and eCommerce business is an efficient, thorough and flexible order fulfilment operation. Ensuring prompt order fulfilment is key to not only keeping existing customers, but managing increasing sales also.

One solution to ensuring your order fulfilment operation meets the demands and expectations of your customers is by outsourcing your order fulfilment requirements. The following pages sets out in detail how you can outsource your order fulfilment operation and the benefits thereof.





What is an outsourced fulfilment solution?

An outsourced fulfilment solution, to simplify, is where a third party company undertakes all of the warehousing and shipping of products for other businesses. However, there's much more to it than that description suggests.

Outsourcing your fulfilment is not just for eCommerce businesses. Many marketing and design agencies, print and media companies, manufacturers, distributors and charities all use an outsourced fulfilment solution for a wide range of purposes. They can handle anything from advanced consignments for sales promotions, magazine subscriptions, membership packs, loyalty rewards, direct mailing campaigns, and of course products sold by eCommerce retailers.

A specialist fulfilment house will provide its customers with a flexible and tailored fulfilment solution that meets their individual requirements. It may be that companies require extra help during seasonal peaks, or an ongoing solution that grows with them as their business grows. It is therefore important that businesses choose a fulfilment service that can adapt their services to meet the changing requirements of their customers.

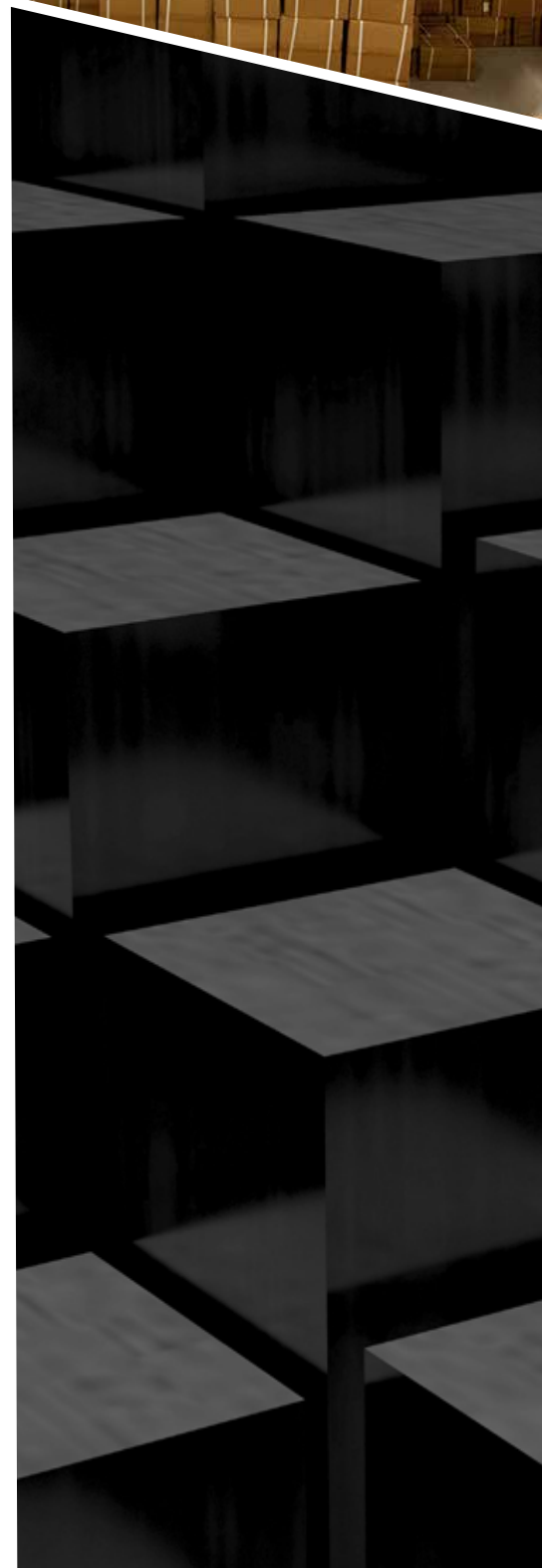
How does an outsourced fulfilment solution work?

Goods are received into the fulfilment company's warehouse where they will be carefully checked, entered into the stock control system and stored safely, ready for onward distribution.

Most fulfilment companies operate a 3PL (third party logistics) order management software which links with most online sales channels and also integrates with most popular eCommerce platforms. The 3PL system will automatically check websites and other online sales channels for orders, as well as being able to import orders from in-house systems using file attachments via email or data transfer.

On receipt of the order, fulfilment staff will pick the correct items for processing. Each order is packed carefully, ensuring that the packing is appropriate for the type of product to minimise any damage during transit.

If the item is returned, a professional fulfilment company is able to manage the whole process including checking goods for damage, re-stocking, recycling, or returning to the retailer/agency/organisation for whom it undertakes fulfilment.





Discovering the benefits of outsourced fulfilment

Regardless of the size of business, using a reliable and flexible outsourced fulfilment partner can bring many benefits, from freeing up your time to concentrate on other areas of your business, to keeping your customers happy.

4.1 Streamlining your fulfilment operation

4.1.1 Dedicated fulfilment

It's surprising how much time order fulfilment can take, which means that other areas of business can suffer if there are not enough staff members to handle even the slightest increase in order volume.

A dedicated fulfilment service will manage the entire fulfilment operation, from stock control to shipping, and will have the necessary staff to handle any increase in orders – whether seasonal or because the business is growing – with ease.

4.1.2 Improving shipping

Fulfilment houses already know the best way to package items, and the most cost-effective or trusted form of shipping. They will have built relationships with the Royal Mail and various courier services so that they will be able to get orders sent out to meet any delivery schedules.

4.1.3 Managing your stock

Fulfilment houses will have large secure storage facilities where they will be able to store a vast array of stock all under one roof, ready for picking and packing. Being responsible for other companies' stock, they will have a robust stock control system in place as part of their 3PL order management software.



Customers will be able to access a 'client portal' and see live data as to the current stock and order status, as well as other important information. When the stock gets down to a certain level, the system will trigger a re-stock function if required.

This solution enables companies to look at their stock in depth. Businesses will see what stock is moving - and more importantly what's not - with a click of a button, enabling them to take action immediately. It gives businesses a chance to re-evaluate stock and put more resource into increasing purchasing volume of best-selling items or developing new products to meet demand.

4.2 Saving you time and money

Freeing up time, outsourcing such a large part of their eCommerce operation enables companies to spend time on other areas of their business. The time spent dealing with orders and any issue that arises therefrom, means that often other areas of the business can often be put on hold - or even overlooked.

4.2.1 Cutting down on employment costs

As businesses grow, or during seasonal peaks, it can be more cost-effective employing the services of an outsourced fulfilment company. Outsourcing saves companies the time of advertising, interviewing and hiring new employees, as well as not having to deal with further PAYE, NIC payments, pension payments, severance costs etc.

4.2.2 Taking the hassle out of training

When companies take on new employees, it takes time to undertake all the necessary induction processes and training. A fulfilment house will already have experienced personnel on board,

which means that when businesses instruct them to take over their fulfilment, they can 'hit the ground running' and will be able to meet increased orders with ease.

4.2.3 Allows businesses to invest in growing their business

As an eCommerce business grows, there may be the need to invest in larger storage facilities or upgrade software. This can be a costly process. Apart from the rental costs or purchase costs, there's the solicitors fees, estate agents fees, the cost of kitting the warehouse out etc. Fulfilment houses already have the warehouse space, as well as the right software, making one a much more cost-effective solution to handling increased sales and the extra products that this entails.

An outsourced fulfilment company can offer all this and more. It gives business owners the freedom to concentrate on other areas of their business such as sourcing new products, business development, and sales and marketing.

4.3 Improving customer satisfaction

Fulfilment houses provide an accurate, fast, secure pick, pack and despatch solution. They are experts in fulfilment, and so will not only ensure products are suitably packed and leave the warehouse in pristine condition, but also that they arrive at the customers' delivery address on time. With experienced fulfilment operatives packing orders, they will follow strict quality control procedures which will ensure that only the correct items are picked and packed. In addition, returns can be handled efficiently and promptly – all of which improves service and keeps customers happy.



Adstral's bespoke solution for outsourced fulfilment

If after reading the above, you think that outsourced fulfilment is for you, then Adstral can help.

We are experts in fulfilment for eCommerce sales, marketing campaigns, sales promotions, magazine subscriptions etc. We provide a professional, flexible and prompt fulfilment service with the added guarantee to meet order delivery deadlines.

We operate from a modern, secure, large and fully fitted warehouse and fulfilment centre. This capability enables us to handle a wide range of fulfilment projects - whether ongoing, for seasonal peaks, or for one-off projects.

Our specialist software enables us to keep a tight control over stock management. It also links with online sales channels and integrates with most popular website eCommerce platforms. Our system will automatically check our customers' websites and other online sales channels for orders, as well as being able to import orders from in-house systems using file attachments via email or data transfer.

Products are securely stored, ready for immediate picking, packing and shipping by a team of fulfilment professionals. Products are packed appropriately, minimising the risk of damage during transit. Should any orders be returned, we will manage the returns in line with our customers' requirements.

Our fulfilment solutions are tailored to meet the individual needs of each customer, which makes them a cost-effective option for eCommerce operations. We don't charge set-up costs or management fees – customers just pay us for the fulfilment service they require.

For more information about our reliable, cost-effective and bespoke order fulfilment service, please contact us by using our online enquiry form, or telephone +44 (0)1793 725043.

Sources:

[1] Office of National Statistics - Internet sales as a percentage of total retail sales (ratio) (%) <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

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