

HOME FOR CHRISTMAS

How will retailers cope with an increase of orders ahead of Christmas, on top of the peak they are already experiencing now? Khurshed Mirza, OPEX Director, Warehouse Automation (APAC), tells *Brittany Coles* how to manage the supply chain this holiday season.

E-commerce has been skyrocketing since late March, with no sign of plateauing. According to the Australia Post's August e-commerce update, online purchases peaked after Easter and rebounded even higher than the peaks in April. If the Easter holiday season is any indication about what retailers can expect to see during Black Friday, Christmas and Boxing Day then, ensuring quick and accurate delivery of orders will likely be more of a challenge than 2020 itself.

With COVID adding to the delays in shipping and inventory struggles, shoppers may get started early this year rather than wait for typical deals in November. How will retailers cope with orders increasing during this current climate when it's pretty much been Christmas every day for supply chains?

Consumers expect their packages to be home for Christmas. In July, Australia Post ran a consumer survey and found that 52 per cent of respondents think delivery from overseas is taking far too long and almost two thirds of people are buying local to support Australian businesses.

Our domestic supply chain has to cope with an ongoing mountain of orders for the foreseeable future. State restrictions have heavily affected delivery times, as seen in Victoria's Stage 4 lockdown. However, Khurshed Mirza, Director, Warehouse Automation (APAC) at OPEX Corporation, says retailers have the power to apply the right automation and technology to offset some of the challenges with preparing for peaks in demand.

CREATIVE STRATEGIES

2020 won't be a normal peak season, therefore traditional ways of handing orders in the past won't suffice. Khurshed says that it's essential that retailers leverage unique strategies

and order management techniques by implementing advanced technology.

According to OPEX 3PL client, Radial, shoppers do not plan to significantly change their holiday spend compared to 2019. However, the data did reveal a stronger preference for online shopping, with 66 per cent of shoppers anticipating they will increase their online purchases during the 2020 holiday season.

Khurshed encourages retailers to look to 3PL companies that have experience and technology in place to

retailers offering store pickup via curb side, inside, or drive-through delivery options will see a 90 per cent increase in digital sales over the previous holiday season," Khurshed says.

The rise of click and collect has advanced the rise of "dark stores" and Khurshed says this is the time to take advantage of reducing last mile costs. "This is where automation becomes so critical. If you're able to invest in automation that covers a small footprint, it becomes easy to pop-up in stores and delivering goods to consumers is a faster process."

**Khurshed Mirza, Director,
Warehouse Automation (APAC)
at OPEX Corporation.**



maximise fulfilment. He suggests that retailers could also consider working with 3PLs that have the technology and people in place to help drive fast, efficient delivery and are located closer to your customers. "Our 3PL customers who were early adopters of automation have seen their business grow by leaps and bounds," Khurshed says.

It's not just 3PL warehouses that are as busy as Santa's workshop. He says that stores will be critical this year as fulfilment centres. "We predict that

OFFSETTING ONLINE PEAKS

According to a recent survey by Salesforce, parcels shipped by traditional delivery providers will exceed capacity by 5 per cent across the globe between the week before Cyber Week and Boxing Day. That's potentially 700 million gifts that are at risk of not arriving in time for the holidays.

"Automation is the only way retailers can cope with this peak season and beyond. Equipment reliability is

critical to efficiently capitalise on high order demand within the shortest possible time frame,” Khurshed says.

One of the most noticeable differences once a company selects an automated system is the extra warehouse space – not just the floor footprint, but also the vertical height. Khurshed suggests using automation equipment that provides a greater storage volume per square meter of occupied footprint.

“By harnessing automation within the pick, sort and pack process, retailers can control costs and create efficiency, and that holiday readiness can make peak shopping times much more profitable,” he says.

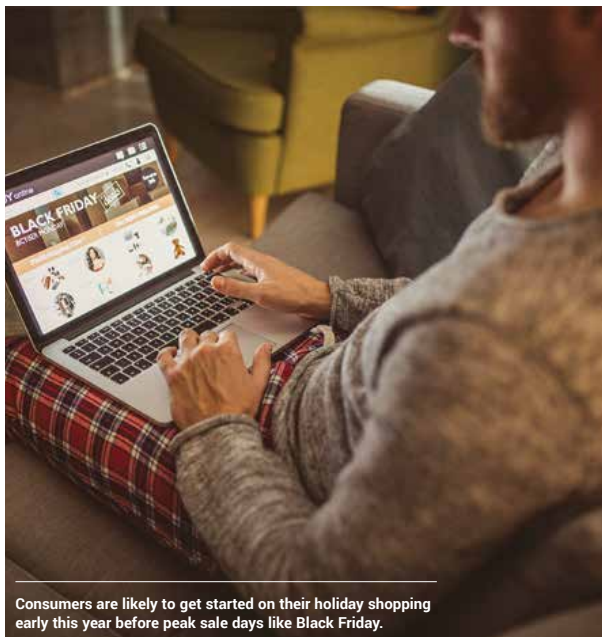
Automated solutions can often be operated by a significantly lesser number of people. OPEX’s Perfect Pick automated goods-to-person technology enables an operator to stand at one location rather than walking throughout the warehouse picking items around other operators. Items are automatically presented directly to the stationary operator. “One such Perfect Pick project had a single operator standing at one pick station with access to around 24k storage locations; therefore, giving that operator the capability to pick around 290k unique SKUs from a single point,” Khurshed says.

INVESTING SMART

“No business wants to hire more casuals and increase human-contact during this time. Avoiding an army of people in a warehouse ensures a COVID-safe environment. This is why traditional picking



OPEX Perfect Pick goods-to-person system allows urgent orders to jump the queue in the picking line.



Consumers are likely to get started on their holiday shopping early this year before peak sale days like Black Friday.

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methods need to be updated to rely on automation for agility and ultimate order fulfilment efficiency,” he says.

Additionally, consumers don’t want to be told there is a delay in their order – especially before Christmas. Khurshed says smart investment in automation that can grow with your business not only enables significantly less initial capital investment but also provides an efficient way in which “hot orders” are managed & fulfilled resulting in a very quick order turnaround time.

“An automated solution like OPEX Perfect Pick goods-to-person system allows urgent orders to jump the queue in the picking line and exceed consumer expectations,” Khurshed says.

Hidden costs will be critical to avoid during this unpredictable climate and business reliability has never been more under the spotlight than now. “The essence of automation is to enable higher efficiency and accuracy. So, this reduces errors in fulfilment – which will be a lifeline as traffic from returned items is reduced and managed,” he says.

“If you’re evaluating your picking process, you need to be proactive. Equipment that is designed to have scalable storage capacity and throughput will ensure a profitable business model for the future.” ■