



UNWRAPPING THE **HIDDEN** **VALUE** OF A PARCEL SYSTEM

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**– Steve Williamson,
Director of Solutions
Consulting at BluJay
Solutions**

Don’t settle for a parcel solution that just meets today’s needs. With the right approach and a few key pointers, you can have it all: a system that addresses your immediate issues and is poised for future growth.

In the quest to find the right combination of supply chain software to support their end-to-end business needs, shippers often get locked into a “tunnel vision” mentality.

In many cases, they focus on solving specific pain points or on the project that’s sitting right in front of them without factoring in the bigger, more holistic picture. Saddled with imminent testing or go-live mandates, shippers are forced to make quick decisions that aren’t always in their long-term best interests.

As the chaos of software implementation ensues, companies run the risk of selecting a vendor that solves their immediate problems today, but can’t expand with them in the future. Unable to efficiently and effectively “scale up” their technological infrastructures, shippers are forced back to the drawing board in a few years to find a system that truly meets their end-to-end supply chain management needs.

“It’s easy to get caught in the ‘weeds’ of a project,” explains Steve Williamson, Director of Solutions Consulting at BluJay Solutions. “When evaluating and making determinations about the best vendor or solution fit, for example, you might overlook factors that could provide much more value. If you don’t pause and take a step back to assess where your company—and that vendor and its solution—will be in three to five years, you could overlook a viable partner that would have delivered more value in the long run.”

In this white paper we’ll look more closely at the value of using forward-looking assessments during parcel solution selection phase; explain how the right parcel system supports returns, supplier coordination, order

entry/e-commerce rating and tracking; and show how upfront due diligence helps companies derive the most value from their supply chain software platforms.

OPERATING IN A DEMANDING BUSINESS ENVIRONMENT

The growth in e-commerce sales and omni-channel distribution has forced more shippers to re-evaluate the way they handle parcel shipments. And with end users expecting more same-day and next-day shipments than ever before, the need to speed up and streamline the parcel shipping process while maintaining or even reducing costs is both prevalent and growing.

The challenge is that most parcel projects are focused on one of two areas: improving pack-and-ship or distribution center pick processes, or automating the final steps in a manufacturing line to move the finished goods to the consumer. Typical questions include, “Can you support my carrier X? Can you produce my label in process Y? Can you integrate into system Z?” But topics like future market expansion, growth in volume, or diversification are rarely mentioned because both the company and the software vendor are looking to cure only the immediate problem.

The sheer complexity of the parcel mode can inject additional complications into the solution selection process. Most carriers, for example, have a predefined set of rules and regulations that they use when working with shippers. Those rules change from carrier to carrier—a reality that can trip up solution providers whose products don’t support such variety.

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“If you don’t dig deep and peel back that onion a bit, you may find out two to three years into the relationship that the software vendor can’t support your needs,” says Williamson. “Where a lot of vendors may claim to ‘support’ parcel, do they also support outbound, inbound, dropshipping and zone-skipping? Those are the questions you should be asking up front.”

THE HIDDEN BENEFITS OF A PARCEL SYSTEM

When selecting a parcel system, many shippers are simply looking to address the basics and are unaware of the key advantages associated with these solutions. Here are four hidden benefits that are often overlooked:

1) EFFICIENT RETURNS PROCESSING

In the retail environment, for example, it’s not uncommon for a certain percentage of shipments to be returned—for whatever reason. By investing in a robust parcel system that can manage both outbound and inbound shipments, companies can effectively streamline the returns process.

Having a system that can handle multiple returns carriers and services lets companies leverage the service that’s right for their individual businesses. As such, parcel systems should be able to integrate into a customer’s portal system or provide a graphical user interface where a customer service rep could log in and produce a returns label. This is a point that should be brought up early in the software selection process, and one that shouldn’t be overlooked.

2) SUPPLIER ACCOUNT CONTROL

When you pass your carrier account number over to a supplier, it’s all about control and who has it. Many shippers provide their carrier account numbers to suppliers to ship their orders on, but this gives the supplier an

“open checkbook” to ship parcels on that particular account.

“We often hear complaints from shippers about suppliers shipping overnight rather than ground,” Williamson explains. “Or even worse, suppliers accidentally leaving a shipper’s account number in the shipping system and sending out unsanctioned shipments on their account.”

Using an enterprise parcel system gives shippers the ability to directly support supplier shipping and get this control back. This can be as simple as just deciding on the right carrier and service to use, or it can go as far as providing a label that is sent to the supplier. “An enterprise parcel system gives you a variety of control options when working with suppliers who are essentially shipping on your dime,” says Williamson.

3) ORDER ENTRY RATING/E-COMMERCE RATING SUPPORT

Used by shippers that want to allow their customers to have a say in which shipping method is used (by providing carrier, service, and rate information), order entry and e-commerce ratings play an important role in today’s omni-channel shipping environment.

With e-commerce as a key sales driver for both business-to-consumer (B2C) and business-to-business (B2B) companies, there’s a strong drive to get more accurate shipping rates in real-time. A shipper that has to calculate a shipping cost on the spot for a customer who is placing an online order, for example, can’t afford to either inflate or lowball the displayed rates.

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“It’s a very competitive and commoditized market, particularly on the retail side,” says Williamson. “Shippers need to be as direct as they possibly can.”

Using an enterprise parcel system, companies can leverage their solution’s advanced tools and provide accurate, real-time cost and delivery windows. And even if your firm isn’t currently using order entry ratings/e-commerce ratings, it may want to in the future.

“You may decide to bring this element into your operations down the road at some point,” says Williamson, “which means you’ll want a solution today that will be able to handle that function when you’re ready for it.”

4) DETAILED TRACKING CAPABILITIES

While enterprise parcel systems aren’t a replacement for auditing tools, these solutions do provide detailed data to help shippers determine exactly what was delivered and when. This tracking capability lets you get out in front of a potential customer service issue before it occurs—or respond quickly if it does develop.

“There is nothing like being able to reach out to a customer and let them know that you’ve nipped a potential problem in the bud before they were even aware of it,” says Williamson, who uses the example of temperature-sensitive shipments to explain the value of parcel system-based tracking. Because the shipments have a specific shelf life, they must be in certain places at specified times.

Using a parcel system, you can effectively track those packages and take a more proactive customer service stance—when warranted—by calling ahead if a problem rears its head. And while you could turn to the built-in tracking capabilities of carriers like UPS and FedEx for

this information, having all of it at your fingertips makes the job much easier.

“Ultimately, you want to be able to leverage it into a single system,” says Williamson, “and do things a little better than your competitors—a strategy that can quickly turn into a competitive advantage in today’s marketplace.”

BOTTOM LINE: LOOK AT THE BIG PICTURE

Shippers in the market for a parcel solution shouldn’t have to choose between the right software for today and the best product for three to five years down the road. With a little planning and an open and honest dialogue with your vendor, it’s possible to have it all: the solution you need to solve your immediate needs and the one that can deliver additional benefits down the road.

To find the right solution, Williamson suggests talking to peers, industry consultants, networking contacts, and other shippers about the available choices. “Look at the top vendors in the marketplace, read blog posts, and check out industry articles,” says Williamson. “Then, based on those investigations, select the parcel solution that can not only meet your company’s needs right now, but that can also grow, expand, and offer even more capabilities and functionalities for your future enterprise.”



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