



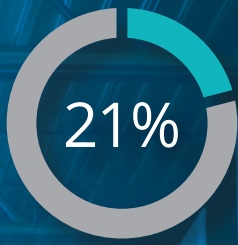
# RETAIL SUPPLY CHAINS TAKE ON PANDEMIC-ERA CHALLENGES

One retailer needs to set up curbside pickup in a day. Another is doing ship-from-store but needs real-time data on the number of units of specific items at each store. Others are deciding whether to keep merchandise at shuttered stores or send them back to distribution centers. Those are among the challenges retailers are facing during the unprecedented COVID-19 pandemic. They are not easy to face alone.

Increasingly, retailers have turned to specialists like Radial, a leading global provider of omnichannel technology and fulfillment services, for assistance. Among other resources, Radial operates 21 sprawling fulfillment centers that offer any retailer the scale, automation and efficiency of online giants. And Radial has deep expertise in issues such as multinode fulfillment and integrated data.

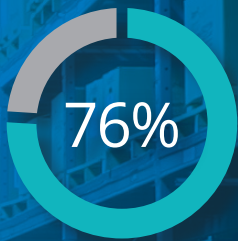
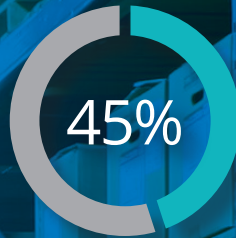
“What we’ve seen with our clients is that the flexibility of where you fulfill from is going to be vital,” Radial Senior Vice President of Technology Services Prashant Bhatia says. “It is utterly essential that retailers have complete control of their order management system so they can adjust to new shopper preferences and pivot quickly based on external factors such as stores reopening on different schedules and fulfillment centers opening and closing day-to-day.”

Before COVID-19 became a health and economic crisis in the US, it started as a supply chain challenge. As factories in China failed to reopen after the Lunar New Year holiday and imports plummeted, US retailers’ initial worry was whether spring and summer merchandise would arrive in time. [Gartner](#) warned that disruptions caused by the pandemic “demonstrate the fragility of globalized,



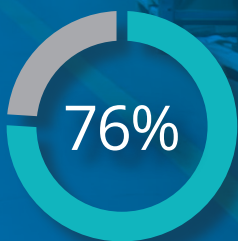
ONLINE SALES ROSE 21%  
YEAR-OVER-YEAR IN APRIL

BY THE SECOND QUARTER  
ONLINE SALES WERE UP  
45% OVER 2019



76% OF CONSUMERS  
HAD AT LEAST TRIED BOPIS

67% OF CONSUMERS  
WERE "MORE LIKELY"  
TO USE BOPIS DURING  
THE PANDEMIC



BY AUGUST, CURBSIDE  
PICKUP WAS AVAILABLE  
AT 76% OF THE TOP 50  
STORE-BASED US RETAILERS

interconnected supply chains," while [McKinsey](#) added pandemics to wars, floods, wildfires and other incidents companies should "stress test" supply chains against.

When all stores not deemed "essential" were ordered closed in most states, however, retailers' worries shifted from obtaining goods to how to sell merchandise already on hand.

The answer was eCommerce — the retail channel many brick-and-mortar merchants once saw as a threat. Retailers with robust eCommerce operations found customers were staying home but still shopping — online. Retailers who had previously dabbled in online quickly ramped up, and those who weren't online got there as fast as possible. Online sales rose 21% year-over-year in April, and by the second quarter they [were up 45%](#) over 2019, according to the Census Bureau.

In many areas, stores were ordered to close, but employees could still come in to fulfill buy-online, pick-up-in-store orders. A survey by software-as-a-service provider Qudini found [76% of consumers had at least tried BOPIS](#) and 67% were "more likely" to use it during the pandemic. By August, curbside pickup was available at 76% of the top 50 store-based US retailers, according to [Coresight Research](#).

With the shift to online shopping, supply chains faced different challenges — having goods in the right place at the right time and getting them to customers. Billions of dollars of merchandise sat in closed stores. Should retailers send truckloads back to fulfillment centers? Should they set up fulfill-from-store?

Bill Quinn, vice president of digital commerce at Hibbett Sports, was one of the retailers who turned to Radial for advice when he learned many of his 1,000 stores had been ordered closed early on in the pandemic.

"We said if stores are not allowed to be open to the public, but they're allowed to do curbside, then we'd better do curbside," Quinn [recalled during a video chat with Digital Commerce 360](#). "We grabbed everyone, we got in a room, and by the end of the day we had created a curbside program.

"You need to be able to turn on a dime," Quinn continued. "You need an agile partner such as Radial to be able to do that. If you're trying to build it all on your own and reinvent the wheel, you're going to be in trouble."

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Most pandemic problems can't be solved overnight, but setting up a new program in a day is just one innovation Radial has helped retailers navigate.

Another client, Dover Saddlery CEO Brad Wolansky, told Digital Commerce 360 during an [online event](#) that Radial's precision insight into inventory has been essential.

"We have a very, very high number of SKUs (stock-keeping units), but we don't have a lot of stock in each one," Wolansky said during the event. "Knowing how many we actually have in a store to ship from store or be picked up at the store is critical."

As retailers enter 2021, they need to be ready for both in-store and online shopping, but uncertainties abound and adaptability is key. The ability to quickly adopt supply chain innovations is paramount to success, if not survival.

To adapt, retailers need reliable tools. Radial says a powerful order management system is essential for inventory visibility, logical order routing, returns management and analytics. A successful system must be able to easily turn on or off specific fulfillment centers, stores, regions or even entire store networks as availability changes. Being able to route orders to fulfillment nodes not affected by shutdowns, including temporary locations, is paramount.

Retailers must be flexible when it comes to fulfillment strategies to ensure they can meet the unique challenges of the pandemic. Radial says they should spread inventory and shipping across

multiple locations, both to shorten delivery and protect against localized shutdowns.

With UPS, FedEx and the Postal Service swamped — volume was up 300% at Christmas, [according to last-mile technology firm Convey](#) — retailers should try startups or even Uber. Drop-shipping takes advantage of a supplier's network and last-mile tracking can reassure customers worried when products will arrive. BOPIS/curbside can avoid last-mile issues by having the customer come to you. And since increased online orders mean more returns, simplification of reverse fulfillment is vital.

Bhatia says multinode fulfillment is an essential piece of the puzzle and integrated data looking at inventory and other metrics at an enterprise level is what makes it work. Retailers no longer can afford to limit agility by segmenting stock into eCommerce inventory and store inventory.

"The key here is enterprise inventory availability and being able to look at the various sources of inventory whether that be from your own distribution center, a third party's distribution center, a supplier or inventory levels in the store," Bhatia says. "The more fulfillment nodes you have, the more flexibility you have, but with flexibility comes complexity and that's where you need the right systems, the right processes in order to figure out what is the right situation on that given day."

At this point, most stores have reopened, sales are recovering and many retailers are encouraged by the

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— **BRAD WOLANSKY**,  
Chief Executive Officer, Dover Saddlery



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availability of a vaccine. Factories in China resumed production long ago and merchandise imports set record levels heading into the holiday season, according to the [Global Port Tracker](#) report.

That doesn't mean all problems have been solved. With goods arriving again, warehouse and transportation capacity hit record lows this fall, according to the [Logistics Managers Index](#). Companies serving the supply chain were strained, with the index hitting its highest level in over two years. Port Tracker's Ben Hackett said consumer expectations for next-day delivery mean online sellers need enough stock on hand "[not just to meet demand but to meet it instantly.](#)"

There is no question the coronavirus pandemic has forever changed how consumers shop and retailers

do business. The importance of the supply chain and inventory management has been magnified, and the ability to adapt to changes — some of them yet to come — is essential.

In a report on the "Nimble New Future," [Deloitte](#) predicted supply "chains" will trade efficiency for resiliency and give way to supply "networks" less susceptible to failure from a single broken link. Local and regional suppliers will attract more interest, digitization will be critical for peak operation, and automation will both control costs and improve efficiency.

Bhatia's advice? "Don't try to make it perfect, just make progress. No one knows what that new normal is going to be and it's going to be an ever-changing target," he says. ■

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— **PRASHANT BHATIA,**

*Senior Vice President of Technology Services, Radial*



## ABOUT RADIAL INC.

Radial Inc, a bpost group company, is the leader in omnichannel commerce technology and operations, integrating commerce so brands and retailers can profitably exceed customer expectations. Radial's technical, powerful omnichannel solutions connect supply and demand through intelligent order management, efficient fulfillment and transportation options, intelligent fraud detection, payments, and tax systems, and personalized customer care services.

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