

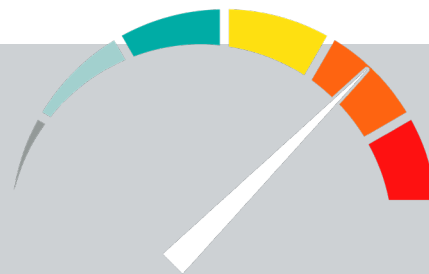
A black and white photograph of a conductor's hands. The right hand is raised, holding a baton, while the left hand is open and gesturing. The image is partially obscured by a large teal geometric shape that serves as a background for the title text.

ORCHESTRATING FULFILLMENT SUCCESS

How Retailers and Direct-to-Consumer Brand Companies
Can Execute Order Fulfillment More Precisely and Efficiently

UNPRECEDENTED FULFILLMENT CHALLENGES AND CHANGES FOR RETAILERS

- ➔ Despite all the changes faced by retailers and brand companies in recent years, the pace of that change continues to accelerate.
- ➔ Already rapidly growing ecommerce volumes surged during the pandemic, growing more than 30% for the last three quarters of 2020. Previously, it would have taken 5 years for us to see this rate of growth.
- ➔ This has led to unprecedented challenges in fulfillment at multiple levels of the supply chain for retailers, with the need to balance multiple requirements in terms of consumer expectations and experience, fulfillment costs, cycle times, and more. The result: unprecedented pressure on operations in meeting rapidly growing fulfillment options for customers, as well as rising labor costs and shortages.
- ➔ All that combines to make achieving high levels of ecommerce channel profitability a real challenge.



DISTRIBUTION OPERATIONS



**LABOR
AVAILABILITY**



**LABOR
COSTS**



**MARGIN
CHALLENGES**



**SHORTER
CYCLE
TIMES**

Manufacturers and brand companies face similar - though in some ways different - challenges. For a variety of reasons, including growth opportunities and declining sales in some brick-and-mortar retail channels, many of these companies must aggressively embrace direct-to-consumer (DTC) strategies to achieve their growth objectives. For most, this requires a whole new set of fulfillment processes and supporting technologies.

Both retailers and manufacturers/brands require highly effective, tailored, and flexible solutions that meet demand and service commitments in B2C and B2B/store replenishment environments at lowest cost.

To do that requires new tools to help navigate this challenging fulfillment landscape and proactively orchestrate fulfillment processes at multiple levels of the supply chain.

ORCHESTRATING FULFILLMENT SUCCESS

Softeton believes fulfillment orchestration is key to maximizing customer satisfaction, operational efficiency, and profitability in omnichannel commerce – but **what does “orchestration” really mean?**

Fulfillment orchestration involves the intelligent execution of a dynamic set of rules, so that each and every order is fulfilled with precision according to defined and flexible business and logistical strategies and policies.

This is a new type of capability, delivered in part by an intelligent, dynamic rules engine, and is unlike anything else in fulfillment planning and execution software in terms of its power to easily achieve optimal fulfillment for each and every order.

As omnichannel commerce has exploded, DOM has become essential for managing e-fulfillment and more.

from *The Little Book of Distributed Order Management*
by Softeton



The **Softeton Distributed Order Management System (DOM)** solution powers fulfillment orchestration at the network level, identifying the optimal sourcing point across your extended network based on granular, real-time visibility into inventories, customer commitments and SLAs, supply chain capacities and constraints, shipping costs and more.

Our powerful rules engine considers all of these variables to identify and execute the fulfillment paths that satisfy customers while achieving the greatest profitability - with the rules easily modified over time and without the need for coding as markets and strategies change.



Softeton provides similar fulfillment orchestration capabilities at the node or distribution center level. Our powerful **Warehouse Management + Execution System** orchestrates fulfillment at the DC by also dynamically executing rules for each order and individual pick, using optimization and “always-on” processing and event monitoring to meet demand and SLAs at the least possible operating cost.

That includes synchronizing picks coming from multiple areas and types of automation/technologies in a continuous flow of goods, and dynamically adjusting priorities throughout a day or shift, moving from a focus on optimization early-on to later ensuring service levels and carrier cut off times are met.

Softeton delivers the industry’s most powerful suite of solutions to drive competitive advantage in customer order fulfillment.

Standalone or together, Softeton’s **Distributed Order Management and Warehouse Management + Execution System** provide end-to-end fulfillment orchestration at the network and/or DC level, meaning you satisfy customer demand while maximizing the bottom line.

ACHIEVE SUPERIOR ORDER FULFILLMENT

Distributed Order Management (DOM) systems have become critical to supply chain execution, particularly in omnichannel fulfillment, but in many additional applications and industry sectors as well.

DOM can be used to automate, optimize and orchestrate order fulfillment processes, based on granular real-time visibility to orders, inventory, service requirements, costs and constraints across an extended network.

Softeon DOM allows retailers and brand companies to flexibly integrate points of interaction (POIs), points of fulfillment (POF's) and points of return (PORs), easily adding new nodes as needed, such as the use of "pop-up" distribution centers.



KEY DOM CAPABILITIES FOR OMNICHANNEL RETAILERS, DIRECT-TO-CONSUMER MANUFACTURERS AND BRAND COMPANIES:

- Enablement of omnichannel commerce without modifying existing systems to include out-of-the box capabilities for store fulfillment, buy on-line pick-up in store, curbside pick-up, vendor drop ship, returns, etc.
- Serving as a centralized "Order Hub" in both B2B and B2C ecosystems
- Integration of the extended fulfillment supply chain, including company and partner nodes
- Optimizing inbound and outbound order routing
- Providing real-time, granular inventory and order visibility across the extended network
- Definition and execution of detailed inventory allocation and reservation rules across channels
- Automating complex channel and customer order management requirements (back order management, subscriptions, new product introduction, etc.)
- Maximizing profitability while meeting customer service commitments
- Simulation of potential changes to fulfillment rules using actual order history to test the results before deployment

With Softeon DOM, you benefit from a fulfillment orchestration platform that provides powerful tools to manage orders and inventory and support the full array of omnichannel processes now and over time.

Achieve exceptional results for top and bottom lines, support an outstanding customer experience, all while delivering new levels of adaptability in these times when staying agile and dynamic are crucial..

Softeon Distributed Order Management System - DOM

TAKING IT TO THE NEXT LEVEL

To meet today's fulfillment challenges, companies need a new set of warehouse software tools more aligned with the dynamic nature of today's order environment and that provide next-generation capabilities to optimize and orchestrate fulfillment inside the distribution center. That includes robust support for warehouse automation systems and other technologies that provide the efficiency needed to stay ahead.

The Foundation: Softeon Warehouse Management System (WMS)

Softeon's Warehouse Management System (WMS) provides the powerful capabilities for retailers and direct-to-consumer manufacturers need.

IN ADDITION TO MANAGING ALL THE CORE PROCESSES FROM RECEIVING TO SHIPPING, SOFTEON WMS PROVIDES A NUMBER OF ADVANCED RETAIL AND EFUFILLMENT CAPABILITIES, INCLUDING:



- ASN Receiving
- Vendor Compliance Support
- Advanced Cross Docking
- Flow Through Management
- eCommerce and Store Fulfillment
- Robust Wave Planning
- Unique Configurable "Pick Routes"
- Batch, Cluster, Zone Picking, etc.
- Advanced Cartonization

The Softeon Warehouse Execution System provides visibility, orchestration and optimization of order picking and related processes, which includes maximizing materials handling system utilization, leveraging capabilities far above what is available today - even in advanced warehouse management systems.

In stand-alone mode, the WES can work with almost any existing WMS, from ERP to legacy to best-of-breed providers, with flexible integration and process models to turbo-charge dated warehouse systems.

Uniquely, the Softeon Warehouse Execution System delivers significant value not only for facilities with fully automated processes, but also in operations with medium levels of warehouse automation or even completely manual processes.

Softeon Warehouse Management + Warehouse Execution Systems

THE SOFTEON WAREHOUSE EXECUTION SOFTWARE PROVIDES:

- ➔ Real-Time Visibility to Throughput, Bottlenecks and Events
- ➔ Advanced, Configurable Optimization for Order Batching, Release, Picking and Replenishment
- ➔ Direct Management and Optimization of Picking Sub-Systems (Voice, Smart Carts, Pick-to-Light, Put Walls, Mobile Robots)
- ➔ Workload Balancing to Maximize Equipment Utilization and Flow
- ➔ Automated Order Release Based on Service Commitment, Shipping Schedules and Real-Time Condition Monitoring
- ➔ A Single System to Manage and Control Fulfillment Across the D.C.
- ➔ Use of Simulation to Plan, Re-plan and Allocate Resources

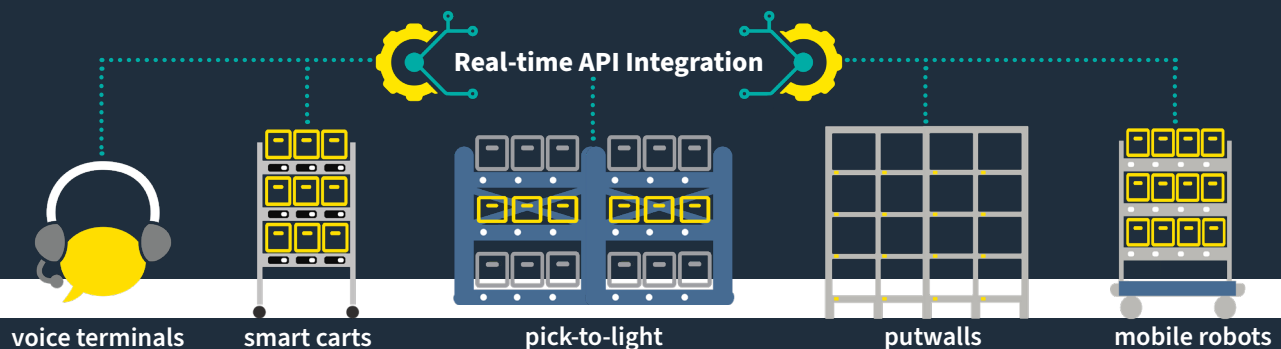
A UNIQUE APPROACH TO MATERIALS HANDLING SYSTEMS

With the labor, throughput and cycle time challenges retailers and direct-to-consumer brand companies are facing, many are turning to various forms of distribution center automation to improve performance. This includes traditional conveyor sortation systems and newer “goods-to-person” shuttle systems. But there is also strong interest in other types of smaller, more nimble technologies, including Voice, smart carts, pick-to-light, and the rising popularity of put wall systems and mobile robots.

This is where Softeon has really become distinctive. With other systems, it is almost always a requirement for the software to be separate from the WMS to enable them to work – and this leads to a number of operational challenges. For example, orders are typically “thrown over the wall” to the picking sub-system software, creating siloed operations that are unable to optimize the full picking, slotting, and replenishment process. There is also the need for Interfaces to be built and maintained between the WMS and the sub-system software, adding to the costs and decreasing the flexibility.

Softeon has a better way. Softeon’s WMS/WES directly manages any of these picking systems, without the need for additional control software. This has many operational and cost advantages, providing integration and optimization across these sub-systems.

Direct Management and Optimization of Picking Sub-Systems



BENEFITS OF SOFTEON WMS+WES

- ➔ Double-Digit Improvement in Labor Productivity
- ➔ Significant Reduction in Supervisory Overhead
- ➔ Reduced/Better Managed Overtime
- ➔ Improved Throughput
- ➔ Quickly Evaluate and Deploy New Sub-Systems/Technologies
- ➔ Consistently Meet Service Commitments
- ➔ Improve MHE Utilization

A PLATFORM FOR SUCCESS.

Softeon offers a broad solution portfolio for retailers and direct-to-consumer companies. In addition to Distributed Order Management, Warehouse Management and Warehouse Execution System solutions, the product suite portfolio includes Resource (Labor) Management, Slotting Optimization, Returns Management and more.

Just as important, Softeon offers a true platform for driving continuous improvement and reacting to market opportunities and challenges to deliver multiple levels of agility.

Let's consider leading Omnichannel retailer Duluth Trading Co.; a retailer that has implemented Softeon Distributed Order Management to rapidly enable fulfillment processes such as store fulfillment and buy on-line, pick-up in-store (BOPIS). The system optimally selects the best sourcing point across all internal DCs, third-party sites, and their 65+ retail stores. Duluth Trading Co. also uses DOM to quickly change fulfillment rules and processes, such as adding pop-up DCs in response to seasonal peaks.

In its own distribution centers, Duluth Trading Co. uses Softeon WMS and select WES capabilities to drive operational excellence and continuous improvement. This includes an evolution from manual pick carts to the deployment of a single put wall module, to adding 9 more modules, then nearly 20 more after that, followed by mechanized pick modules. More recently, they have deployed robotic picking. All this in just a few years time.

These changes were seamlessly powered by Softeon solutions, deployed in the true partnership approach with Duluth Trading Co. that defines the relationship Softeon builds with customers.

DELIVERING SUPPLY CHAIN SUCCESS - EVERY TIME.

Softeon alone has a 100% track record of deployment success and value creation in retail and beyond.

That track record of customer success did not happen by chance. In addition to a corporate culture relentlessly focused on customer satisfaction, a unique "Iterative Solution Realization" methodology provides the systematic framework for progressing to the end state for each implementation.

With Softeon, your project will be on-time, on-budget – and on-results, with rapid time to value.

Let's discuss today how Softeon can solve challenges and reveal opportunities for retailers and direct-to-consumer brand companies. By orchestrating fulfillment processes at multiple levels, we can collaborate to create harmony within your supply chain network.

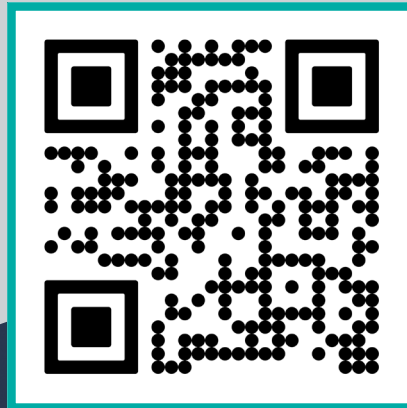
About Softeon

Softeon is a global provider of supply chain solutions from planning through execution, anchored by our Warehouse Management System (WMS), Warehouse Execution and Distributed Order Management (DOM) solutions. Our advanced SOA-platform is engineered to reduce complex problems into simple solutions for a faster time to market and lower cost of ownership. Users can implement solutions incrementally to solve a specific challenge or deploy an integrated system.

Configurable modules and rules-based solutions give market leaders the business agility they need to get ahead and stay ahead. Companies choose the flexibility and ease-of-use of the Softeon platform to drive higher business value and accelerate ROI.

Deployment options include Cloud or on-premise deployment – delivered with a 100% track record of system success.

Visit Softeon.com for more information.



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