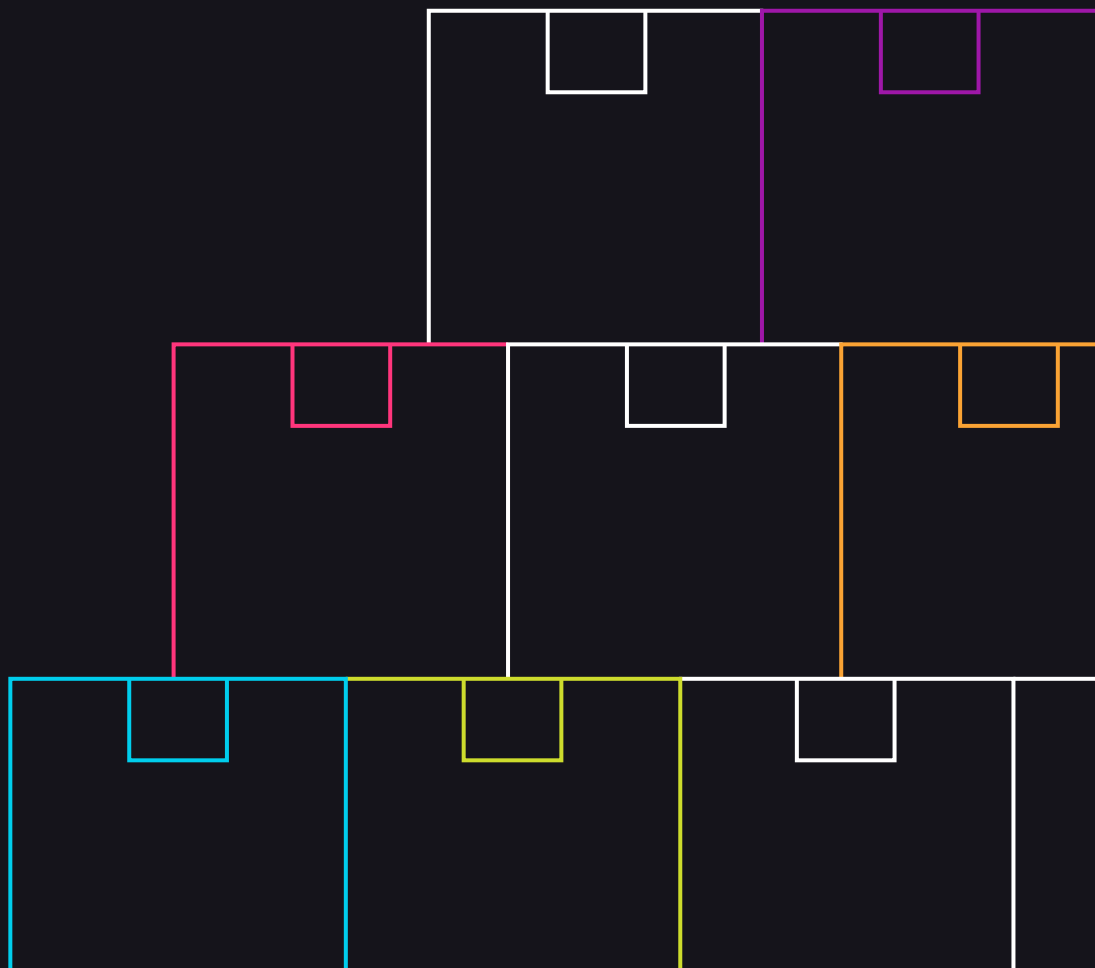




# The Global Supply Chain Playbook

Strategies to minimize disruption

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# Executive summary

**Supply chains across the globe are currently facing tension. From automotive to home goods, nearly every industry is feeling the pressure. COVID-19 shutdowns and labor shortages, coupled with manufacturing shortages are creating low supply, while demand remains high—especially with the holiday season approaching.**

On top of this, there's a global shortage of semiconductors, an essential component of electronic devices featured in household appliances, computers, smart devices, transportation, vehicles, and more.

As you prepare for peak selling this holiday season, your inventory, capital, and resources might run thin due to industry delays and surcharges. And the inventory you're actually able to secure might come at a higher price.

To build a more resilient supply chain, businesses are preparing their shipping strategies now to set themselves up for ongoing sales. This requires thinking through the evolving industry challenges, diversifying your fulfillment operations, and planning ahead so you can get products to customers quickly and affordably.

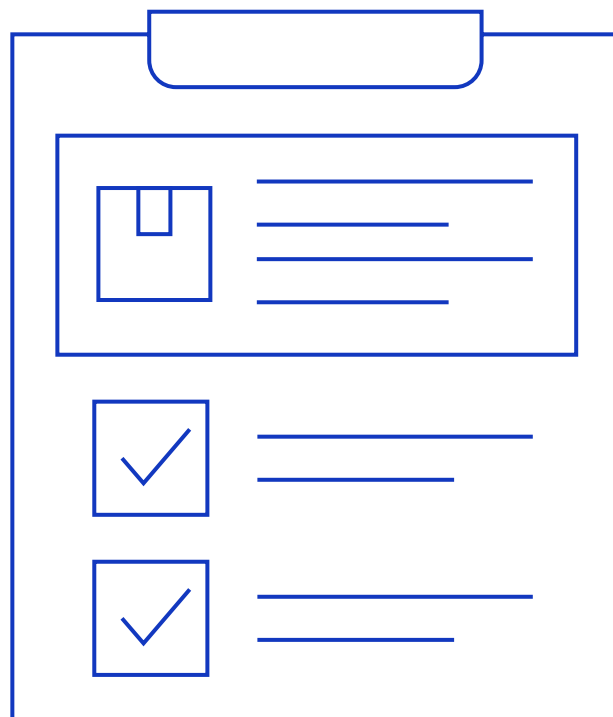
This playbook breaks down key ways enterprise businesses can mitigate supply chain disruptions, while ensuring a seamless customer experience. It also includes some handy checklists so you can work with your shipping partners and staff to assess your business, adjust where needed, and ultimately keep sales rolling.

# Connect with your manufacturers and suppliers

Keep in close contact with your manufacturers and suppliers so you know the status of your product creation and transportation timing. By triple-checking a few key transportation steps, you'll save time and money on unexpected tasks like adding bubble wrap at packout, which distracts from getting orders to customers in a fast and affordable manner.

If your manufacturers or suppliers are experiencing delays that prevent you from getting inventory in time for the holidays, start contingency planning and sourcing alternative products where possible. For products that are ready to ship, consider the following:

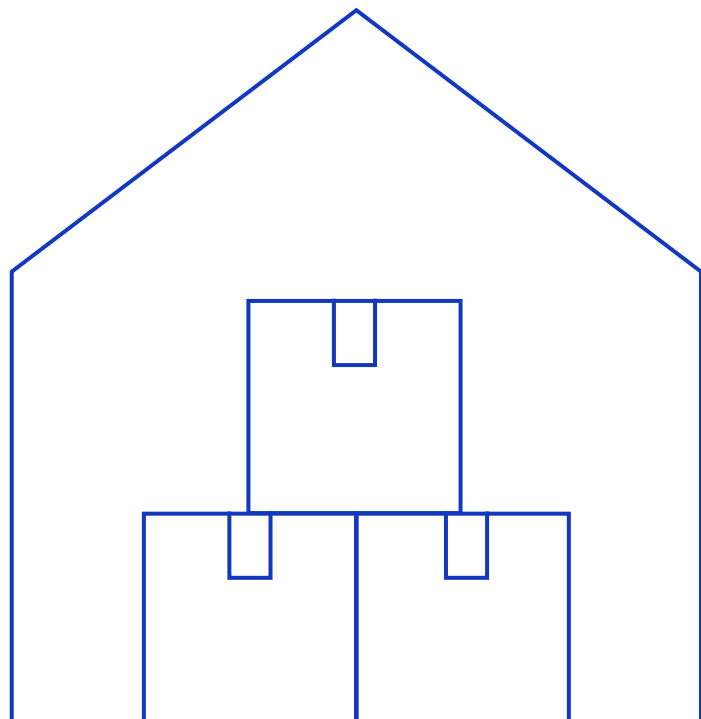
- ☐ **Inventory readiness:** Reach out to your suppliers to determine inventory readiness by variant and get estimates for shipping your product as soon as possible
- ☐ **Package quality:** Check package integrity and quality at the manufacturing and supplier level to limit damage on arrival
- ☐ **Fragile items:** Use protective packaging for fragile items to prevent damage en route



# Monitor inventory arrival

With international and domestic ports backed up, reports of week-long delays of products arriving from ocean freight into ports are becoming more common. When your product leaves your manufacturer, there are a few ways to monitor the transport and estimated delivery time:

- ❑ **Status check:** Regularly check the status of your shipments and share tracking with your team, whether internal staff or your fulfillment partners, so they're ready to receive the products
- ❑ **Coding:** If your products are arriving from overseas, make sure Harmonized System (HS) codes are up to date to avoid potential customs delays
- ❑ **Timing:** Account for time to receive inbound goods from your supplier. If you're using a third-party logistics provider (3PL), talk to your partner about the timelines they need to prepare your inventory for shipping
- ❑ **Due dates:** Aim to have products arrive with enough time so inventory is accounted for and ready to be picked, packed, and shipped before holiday carrier cut-off dates



# Diversify your carrier options

Reduce shipping delay risks by working with multiple carriers. If you ship your own orders, work with more than one domestic and international carrier so you have a variety of shipping speeds and services for customers to choose from.

Beyond shipping speeds, there are a few other considerations as you manage your shipping partners:

- ❑ **Status updates:** Keep an eye on carrier status pages about restricted or delayed areas, like [USPS Service Disruption reports](#)
- ❑ **Shipping claim process by carriers:** Not all carriers and shipping methods offer inherent insurance. Knowing what's covered by each carrier can save you incremental costs and customer relationships. Shopify Plus offers discount [Shipsurance](#) during label purchase
- ❑ **Shipping speeds:** Think through your shipping speeds and how your insurance could be impacted. Across domestic and international carriers, Economy services are most likely to be uninsured. But by setting your shipping rates to Standard and Express, you can increase insurance probability
- ❑ **Third-party apps:** For even higher insurance probability, explore using third-party apps such as [Cabrella](#) to insure your packages
- ❑ **Fulfillment partners:** Ask your fulfillment partners how they can support you in managing carrier claims, and provide more immediate solutions to help you retain your customer relationships

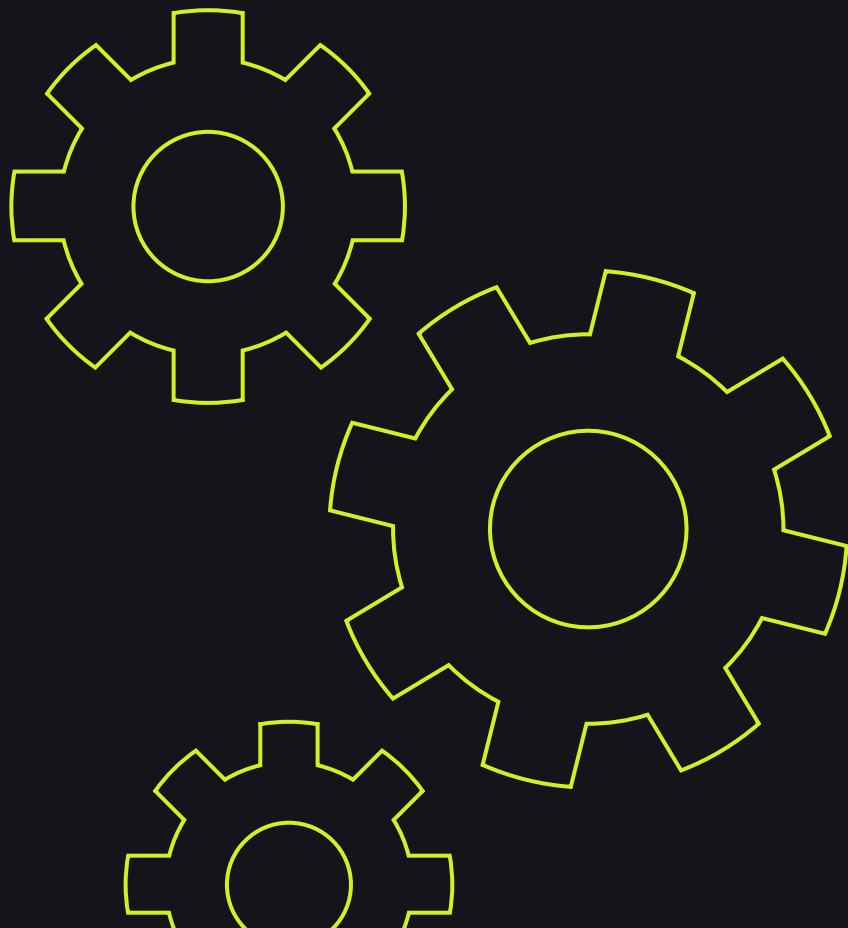


**It's important, especially around the holidays, to cater to the needs of both cost-sensitive and time-sensitive buyers. Providing two shipping options, one fast and one free, can help drive conversion, depending on buyer needs.**

**Saujanya Shrivastava**

Director of Product, Shipping and Delivery at Shopify

Diversify your carrier options



# Offer convenient delivery and pickup options

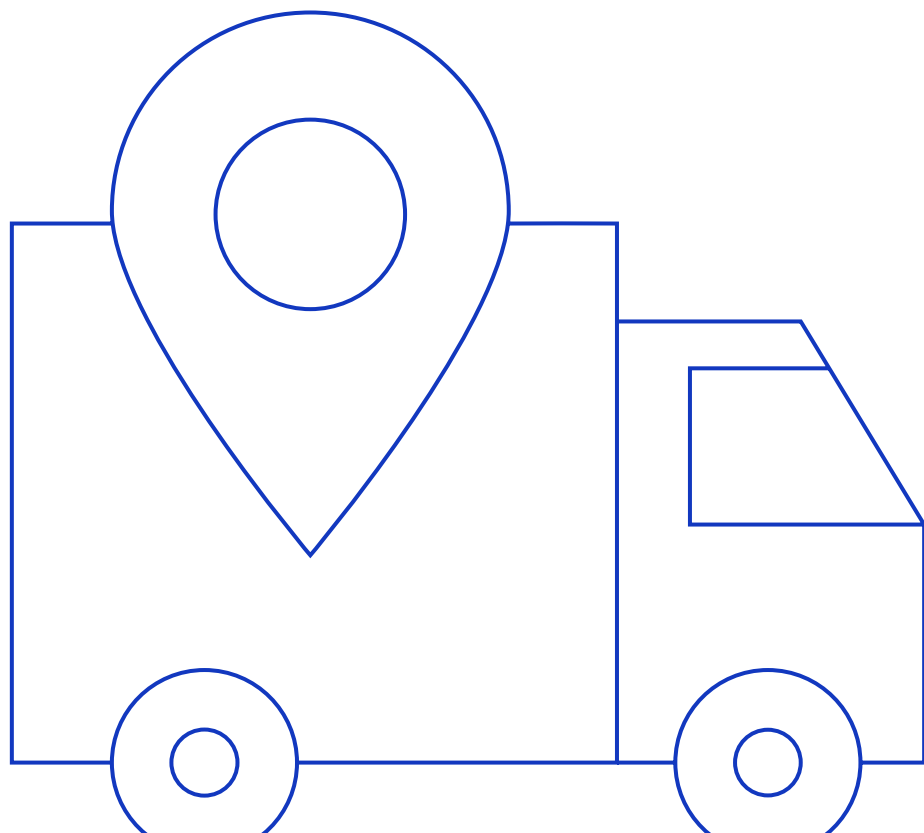
Both local delivery and "buy online, pick up in store" (BOPIS) can provide you with effective ways to get products in the hands of local customers. For brick-and-mortar businesses, convenient fulfillment options have become a default method to maximize sales, [with online shoppers spending 23% more and having a 25% higher cart size](#) when local pickup and delivery are offered.

Engage more local customers by using your store or warehouse as a pickup location or offer local delivery by staff. This removes some dependence on your shipping carrier and can help you avoid potential shipping delays.

In addition, these often prove to be the most cost-effective delivery methods for buyers, and they're a good way to extend the holiday shopping season, even after shipping carrier holiday deadlines.

Define [local delivery zones](#) and multiple pricing conditions for each zone, manage and prepare orders for delivery, and create optimized delivery routes for drivers.

Offer convenient delivery and pickup options







**Working out your local pickup and delivery fulfillment flow is a good way to get ahead of increased demand for expedited ordering around the holidays. Consider assigning staff or hiring seasonal workers to pick, pack, wrap, and deliver these orders. Not only will it eliminate a backlog, but it will help keep your local shoppers satisfied—and coming back.**

**Kevin MacGillivray**

Product Marketing Lead, Shopify Retail

Offer convenient delivery and pickup options



# Create a seamless shopping experience for customers

As much as supply chain tension is top of mind for you, it might not be for your customers. Being transparent with inventory levels can help manage customer expectations early in their shopping journey.

[Shopify Flow](#), available for Shopify Plus customers, enables you to create automated workflows by setting up a series of triggers, conditions, and actions. For example, you can automatically display low inventory levels or back-in-stock estimates on your product pages, so customers know to buy quickly, or simply when to expect products back in stock.

Here are some other workflows you can automate with Shopify Flow:

- Receive notifications when product inventory is low
- Merchandise low-stock products and hide when out of stock
- Receive a notification when demand increases for out-of-stock product
- Set up “notify me when back in stock” email collections for product pages through [Klaviyo](#)
- Send emails for other recommended products when someone is waiting on a shipping delay or backordered item
- Create shipping scripts with Shopify Scripts and the [Script Editor App](#), exclusive to Shopify Plus. Shipping scripts interact with shipping rates and can change a rate's title, visibility, display order, and price. These scripts run each time your customer accesses the shipping options page at checkout

# Prepare your inventory and order management processes

To keep orders coming and going efficiently, it's important to work out your order management workflows early. These best practices help you scale and ship out as many orders as possible when time is of the essence, and avoid bottlenecks, whether you use a 3PL or not.

- **Optimal packaging:** Identify the most effective way to ship each SKU and keep costs low, without compromising the customer experience. For example, a branded polymailer might be cheaper than a box. Order extra packing materials ahead of time as order volume increases
- **Inventory:** Keep stock in multiple locations to reduce cost and customer service risk, especially as regional capacities and weather events can affect shipping zones in the winter months
- **Inventory spread:** Consider hosting inventory close to your customers. You want to avoid having to transfer inventory during peak season
- **Order forecasting:** Understand when to expand hiring, prioritize your orders ("first come, first served," customer priority, delivery method, order value), and organize the warehouse
- **Ship-ready:** To minimize additional touch points at packout, make sure your products are as ship-ready as possible
- **Hiring:** Based on your business performance last holiday season, consider hiring additional seasonal staff. You can hire to support fulfillment areas like shipping, picking, transfers between stores, receiving, customer service, and online merchandising
- **Low stock:** Use [Shopify Flow](#) to show a "low stock" flag on a product for online shoppers. You can also use Flow to remove it altogether once stock runs out

Reduce risks by working with multiple carriers. If you ship your own orders, work with more than one domestic and international carrier so you have options of shipping speeds and services.

# You've got this. We've got you.

The holiday season is the busiest time of year, online and in person. And having a disrupted supply chain is the last thing you need. Understanding the factors that are affecting the global supply chain is the first step to minimizing disruptions; taking action and having a contingency plan is the next step to making this your most successful selling season yet.

**We're here to help you now and for the future.**  
**Talk to one of our global commerce experts today.**

Let's talk

You've got this. We've got you.