12. SUPPLY CHAIN AND OMNI-CHANNEL FULFILLMENT

Global online retailer

Overview: Global leader in supply chain innovation with a logistics strategy that prioritizes the fastest order turnaround time for major cities and the enablement of a broad suite of omni-channel capabilities (e.g., 1-2 day delivery, lockers, physical stores)

Example of: Digitally-enabled warehousing, transportation, and logistics innovation

Impact delivered: 3-4% lower cost of online sales compared to the average multichannel retailer and superior working capital management

Key elements of their digital transformation

NEXT-GEN WAREHOUSES

Kiva robots rely on barcode scanning and fleet management software to bring shelves of product directly to warehouse pickers. Barcode-based chaotic storage also leveraged, whereby automated picklists are generated for employees to help them map out the most efficient pick routes

LOGISTICS INNOVATIONS

Experiments with new fulfillment methods include: predictive shipping based on previous orders and browsing activity, 3D printing in transport, drone delivery, dash button for re-ordering, and app-based delivery to car trunks

CROWDSOURCED COURIERS

Retailer's "Flex" program crowdsources drivers, who use the app to sign up for shifts to pick up packages at small warehouses near metropolitan areas. This lowers the cost of last mile delivery