



WHITEPAPER

# WHERE THE HECK DID MY INVENTORY GO?



# Executive Summary

In a world shaped by a seemingly unlimited purchasing power and options wrought by the internet age, there is no greater challenge than taking on this market as the producer of a consumer product. On the one hand, you must fight through the noise of what sometimes feels like never-ending opposition and competition. On the other hand, smart marketing and logistics management—along with precise social listening—can create absolute brand alchemy.

The real challenge is much more terrestrial: what the heck do I do with all this product? And once it's sold, where the heck did it go? Where do I ship it in the future to meet demand?

It is, in short, a matter of making, shipping, and storing **stuff**.

Meanwhile, your customers might find your product on Pinterest while searching for an only-tangentially related term. Or they might happen to follow one of your promotional partners on Snapchat and catch a few seconds of video and set off in search. Or maybe they see your product on an old-fashioned billboard on the side of the road. No matter how the customer gets into the funnel, you want them all to get to the same place: the credit card entry page.

Such is the unpredictability of ecommerce—or it would be, if you didn't employ the knowledge of a market-savvy enterprise resource planning (ERP) system to help you anticipate and plan for new markets and brand development. In the world of consumer packaged goods, being able to see exactly where your fast-moving products are going and adjusting in real time can save you thousands over the lifetime of your brand.

If you're doing things right, your needs will change as your business and logistics needs scale up. If you're doing things extremely right, you will need an experienced ERP focused company that can be with you as your needs scale, giving you transparent and honest expenses on a fixed-price, fixed scope contract.

As the ecommerce universe expands and reaches into social media, legacy media, and adds a new wrinkle to the challenges of paid and organic search strategies, you should be able to see a complete view of your supply chain, inventory, and sales. Processes should be seamlessly repeatable and should work with your existing SAP-compatible system. It should also reflect the efficiency and operational excellence of a 10-year Gold Partner for SAP, such as Navigator Business Solutions has been for a decade.

The market changes instantly, and Navigator Business Solutions can create an ERP solution that scales to fit your business's needs. Product excellence and completing work on-time, on-budget, and to the exact scope your business needs is what makes Navigator the unquestioned leader in cloud-based ecommerce solutions across a diverse roster of consumer packaged goods.

# Introduction

The manufacturing and selling of consumer products can be a fickle market, and not just from a marketing and demand stimulation perspective. If you're in the market of producing physical products and getting them into your customer's hands, your list of outside challenges goes from stimulating and maintaining demand, to worrying about competitors copying your product or marketing message—for example, having a generic overseas company undercut you with a cheaper but similar-looking product. Add onto that shipping complications like weather and natural disasters, and it becomes a multi-headed Severus in need of constant management.

But how can you manage your inventory and logistics if you are trying to respond with solutions to old reports? If one of your distribution locations is damaged by a hurricane or flood and you need to shift your inventory to cover the losses and meet the demand, would you be able to do it accurately to prevent unnecessary product shifting? Would you be able to meet a sudden explosion of demand in a local market following your product being featured on a local television station? Would you have the data accuracy and agility to grow into markets where there's a burgeoning need for your product? If you needed to speed up your shipping, would you know exactly where to place your extra warehouse help to maximize your budget and logistics speed?

Without the most accurate data available about your supply chain, inventory, and logistics, you're basing your most important business decisions on old data, and you're not responding to the immediate needs of the market. If you're a small to mid-sized business with a few million dollars in stored inventory, being accurate within 10 percent translates to savings in the hundreds of thousands of dollars.

In the age of digitally-driven sales, the idea of "going national" or expanding into one region at a time is not an ideal model for the small and mid-size consumer product manufacturer. The old model requires massive ramp-ups in production, requiring companies to gamble on their marketing departments to stimulate desire in new markets, and requiring massive spending for logistics and warehouse storage. But the digital market doesn't require this same kind of risk, as the availability of instant, real-time inventory management combined with built in tools should be central to your Enterprise Resource Planning solution.

In this paper, you will discover the myriad ways cloud-based ERP solutions can help you run a more efficient business, adapt to growth needs, and control back-end costs while allowing you to spend more time on your business and less time running reports. Now, you can use real time data to respond to the market in real time—allowing you to capture every customer on every channel through which they might find your brand and product.

# Becoming Omni-channel Ready

If a customer went in search of your consumer product category, what are the chances they would find yours within just a few minutes or even seconds? And if they found your product in the category, what would convince them to buy it over a competitor? And if your marketing was effective enough to entice a purchase, would your customers be able to purchase it easily and receive it quickly?

We're moving into an age where the consumer's decision to pick one product over another is no longer a matter of simply what the customer wants at the right price with an aesthetically pleasing look. Consumers are savvier now, and they want a lot more out of their consumer goods manufacturers. For the modern screen-switcher, that means your ecommerce platform (or partnerships) should allow them to have a seamless, easy transaction no matter if they're on their desktop or mobile devices. They should be able to see your commercial on tv and find your website easily, no matter what device is in reach.

Cloud-based ERP helps you build these presences and track the sales and supply of every channel with absolute accuracy, and successful consumer product companies are able to take advantage and adapt to those channels in real time.

This is especially effective and useful if you're using multiple platforms to push your ecommerce arm and have to distribute to multiple warehouses. When you're trying to sort out a complex supply chain, knowing exactly where your product is going and how quickly it is getting there can help you move a limited amount of inventory around to match your needs without overspending on shipping and logistics.

You can also use these instant analytics to tailor the distribution of products based on what is selling through certain channels, thus saving even more costs on back end marketing such as ad and search buys. When you're a small company still navigating where these channels will lead, being able to tailor your spending, warehousing, and logistics across a complex supply chain as an immediate response to your market and customer, can result in enormous long-term savings.

# Tracking and Plugging the Leaks in Your Profits

Even a few tiny cracks can drain an Olympic-size pool, if the holes aren't seen and patched quickly enough. Your supply chain is exactly the same, and wherever your supply chain has a handoff of physical products to a shipper or retailer, there's an opportunity for a leak.

Shipping damage and returns can slowly cripple any consumer products company, especially if your product is physically large or heavy. Something as commonplace in a warehouse as a forklift bump or puncture can cost you thousands of dollars in product, and thousands more due to costs associated with the return of useless products back to you for repair or scrap.

Real-time supply chain monitoring can help you figure out not just where your product is going, but when it might be time to switch over to a more careful warehouse or warehousing team. If you notice that one warehouse in particular is having a high percentage of product loss, you know exactly where to investigate for negligence or theft. This allows you to fix the problem quickly, and get back to running your business.

Significant losses are also incurred if your returns process is inefficient. SAP's ERP solution can help by standardizing a process of returns, inspections, and return-to-stock procedures and replicate them over several product lines. Automating your returns inspections is critical to achieving maximum efficiency, and a strong ERP will have these processes built in from the start.

In the case of a product recall, having an established protocol for returning product from customers is also essential for making sure you give your customers the easiest-possible experience and, with good customer service, can turn it around into an ongoing, positive relationship. The same goes for returns from dissatisfied customers—returning products they simply don't want: If the process is fast, easy and streamlined, they could go from an angry customer with a bad experience to a brand advocate shouting from the rooftops about how great your company is to work with.

And just like with negligence and theft, you can track individual checkpoints to see where you're incurring excess returned product losses. Even little things like being able to track where your shipments are during inclement weather and giving your retailers an estimated delivery date for merchandise can make it that much easier to grow your business. It also makes it easier to find out what is not working when it comes to your product and certain markets or sets of customers.

Damage, loss, and returns are not things anyone wants to think about before hitting the market, but it is inevitable—there will be errors, theft, and shipping loss along the way. The faster you can identify the processes that lead to these problems, the faster you can plug the holes in your cash pipeline.

As the adage goes, the devil is in the details. When you can track every detail in real time, you can refine those expensive troubleshooting periods into quick, surgical fixes.

## Accessible from Anywhere

If you're responsible for monitoring and responding to changes in a complex web of manufacturing logistics, being able to go where the problems are and investigate first hand can save you a lot of wasted time. Having data available on multiple platforms at any given time allows you carry real time data in your pocket—in turn letting you know where you need to investigate first.

Instead of having to hire an analyst and chain them to their desk, you can access the reports you need on a variety of devices, anywhere in the world. And as the startup and small business world moves farther away from traditional offices and centrally-located workspaces, the ability to seamlessly access this information remotely will be essential to a dispersed global workforce.

# Adjusting to Rapid Growth with Fewer Surprises

Ask those trying to build an up-and-coming consumer product goods brand, and the most successful amongst them will have put together a well-planned and well-executed growth plan. While not every moment or sale is going to be predictable, having a robust plan of expansion in place before you go live on your website is key to staying ahead of demand.

Keep in mind, as your brand grows, not only will your supply chain become more complex, but you will have to expand your product line, your warehousing logistics, and your marketing as you convert new customers into lifelong fans.

As you grow, you will have to have a set system in place for the process of expansion itself, which is an added benefit of the real-time feedback. When products launch and the first campaign goes live, you will have an instant snapshot your customers' responses.

You will also instantly be able to identify breakdowns in your supply chain with every new rollout, helping you strategically target weaknesses before they destroy the whole launch, because nothing is worse than diluting the excitement of a launch with logistics hang-ups. The 30,000-foot view provided can be refined down to a useful set of tools for your HR manager to hire the right people and focus their training where they're needed.

After all, throwing more warm bodies in a warehouse isn't helpful, but knowing you need to hire someone with order picking experience helps you get your shipments much faster with less time spent training. This will give you the ability to instantly respond to customers' rabid love of your new shade of orange, or alert your customer service team of an influx of calls and emails before they happen. The ability to plug in, get the pulse of your logistics network, and respond in real time gives you the agility you need to grow intelligently and sustainably.

Every time you expand or launch a product, you are introducing yourself and your brand to new customers. Those opportunities are both precious and often pressure-filled, so the ability to have direct contact with every point of your supply chain as you grow will become increasingly valuable over the lifetime of your brand. Brand loyalty is an increasingly difficult quality to inspire in a customer, and no opportunity to do so should be wasted

# Maximizing Your Marketing Budget

Consumer products are a mercurial target audience to market to, even if you're targeting a niche market. In the ecommerce age, it's likely people will search for your product category using fairly generic search terms, and it's up to your paid and organic search folks to coax as many people into the funnel as possible.

However, a cloud-based ERP solution will plug you into every channel, keeping you riding the crest

of where the customers are engaging your sales platform. You can also key into your messaging on specific channels, and respond to changing trends instantly.

For example, knowing your customers are clicking through to your commerce page from a visually-driven, single-link platform like Instagram to a specific item tells you you've found a resonating style with an engaged audience. And instead of waiting for a report to come back after a campaign ends, you can give a few rescue breaths to a lifeless campaign before you exhaust your budget on messaging that isn't driving engagement.

Once again, your ERP system should allow you to see what messages are working, what your customers are searching for, and how you can get the most eyes on your product. Cut through the fog with an all-inclusive solution where analytics and tailored reporting are built into the system and you can stop wasting time waiting for reports and start acting on good information.

## Fixed-Price, Fixed-Scope Solution

If you're choosing an ERP system, it's probably because you're looking to save as much of your profits as you can. Along with reducing waste in your supply chain, you can set the parameters of this element of your logistics management before you sign the contract.

Navigator's fixed-price, fixed-scope contracts include scalability options as you grow, meaning you won't sign a contract for a certain amount of work only to be billed for unplanned overtime later. An essential step will be planning for the needs of the scope and tools you will need throughout the lifetime of your brand.

We focus on creating and streamlining processes from the beginning, so those can scale and be cloned for other products in your line. Just as your products and rollouts will develop as the market and customer demands change, your ERP system should be agile, scalable and well-executed. As you grow, the foundational principle of operational excellence carries through, and you can trust Navigator's systems to form the base of sustainable, predictable growth -- as well as predictable expenses on the back end.

Instead of a surprise bill, you will know what services you can expect and exactly what you will pay for. No surprises, just accurate information guiding effective planning.

## Meeting a Manic Market Head-On

The lines continue to blur between simple online spectatorship and commerce sites. Sites that used to be exclusively social and largely passive, places like Pinterest, Instagram, and magazine websites, are now opening their own channels to ecommerce. Navigator works to help our clients funnel more customers toward their products, and also to help them manage every step of the process from

manufacturing to delivery.

As mammoth legacy industries crumble in the age of ecommerce, the sale of products has snuck into the vacuum created by these platforms needing revenue. Magazine websites are not alone in their [merger with ecommerce platforms](#) to offer exclusive sales and deals to their readers. As the editorial/commerce lines blur across news channels, social media, and blogs, your ERP system managers should be able to anticipate changes.

By choosing Navigator, you're leveraging years of experience navigating the daily evolution of the ecommerce market from the very beginning. A long view of the market and a proven history, affords Navigator the ability to build reliable systems and processes not just efficiently deliver products to customers, but to predict where your sales will go in the future.

## Conclusion

When trends and consumer desires are subject to the whims of social media in a lightning-fast market of change in the world of consumer packaged goods, the ability to respond in real time to these changing market needs is essential to staying ahead of the competition. Especially in the world of fast-moving consumer goods (FMCG), using smart, real-time data to maximize the spread of your merchandise can save a lot of money by allowing you send product exactly where it's needed, when it's needed. The less money wasted waiting for product to crawl off of shelves in lukewarm markets means you can redirect product those most excited about your brand, and that's the difference between a company that "does OK" and one that truly disrupts the market.

Multichannel sales across a variety of platforms means your supply chain is only going to become more complex as your brand develops and establishes its audience. You will need to establish warehousing and logistics plans and implement them with precision. And as you grow, you need to be able to see real-time stats on where your product is going, and where your supply chain needs help adapting to inventory changes.

Employing the flexibility and agility real-time inventory analytics provides means you can be a small brand and still have the opportunities afforded to much larger brands with more robust supply chains. You can keep your logistics costs low by knowing exactly where to target inefficiencies, and keep your personnel costs low by only putting people where they are needed.

You have a business to run, and you don't need to be bogged down with the process of guessing where your inventory is. Up-to-the-moment analytics free you from the constraints of running reports by giving you a full suite of analytic tools. You can have more time to run your business, and you can see exactly where your inventory is going in real time.

Brand development, logistics and inventory can become your greatest asset or your greatest hindrance. Instead of guessing or working from stale reports, you have an opportunity to let Navigator put the solutions in the palm of your hands, anytime you need them.

# About Navigator Business Solutions

Navigator is the recognized expert in providing complete packaged SAP Cloud solutions to small and mid-sized companies. Our proven approach provides our customers the experienced leadership to leverage cloud solutions to support growth and change, while reliably controlling back-office costs and improving operating margins. Navigator has a proven track record of on-time, on-budget, and fixed-price implementations – all of which have enabled Navigator Business Solutions to serve as a SAP Gold Partner for the last 10 years.

By helping more than 500 clients better manage and grow their businesses, we understand how to work with you to apply our proven expertise to deliver solutions for your business needs. We offer an entire suite of SAP-certified, integrated extensions to help better leverage your SAP system. These integrated extensions include credit card & shipping integration, EDI, eCommerce (Magento, eBay, Amazon, WooCommerce), point-of-sale, WMS, DCAA reporting, and configurator.

Headquartered in Salt Lake City, Utah, [Navigator](#) has more than 20 sales & service locations across the United States and Canada, ensuring that help is where and when you need it.

