

Dealing with logistic challenges in E-commerce

How to retain your company's competitive advantage in demanding times

In 1966 TIME magazine stated: *“Remote shipping, while entirely feasible, will flop – because women like to get out of the house, like to handle merchandise, like to be able to change their minds.”*
 They couldn't have been more wrong.

The purpose of this paper is to introduce you to the challenges faced on a daily basis by those for who E-commerce is their core activity. We will then give you our point of view on how to cope with these challenges. It will encourage you to ask yourself: how flexible and competitive is my intralogistic solution?

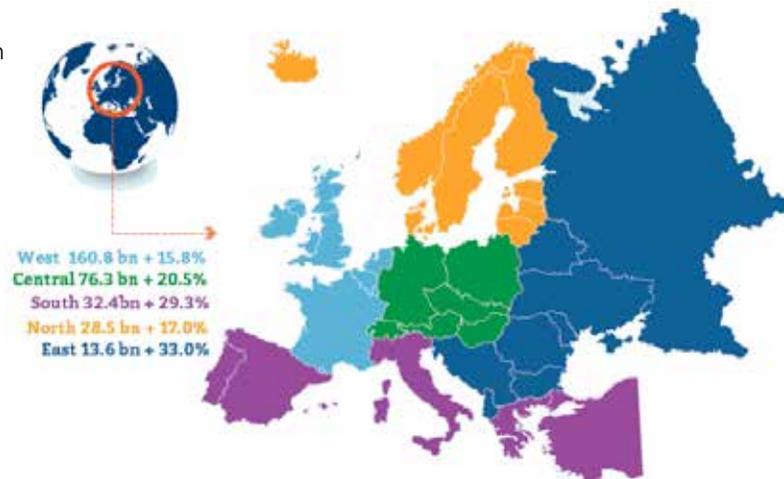
“E-commerce is booming, and will continue to do so for the coming years”. This is one of the conclusions reached as a result of recent research conducted by the task group “Shopping 2020”, in which VanRiet participated as an expert in logistic solutions. This research showed that the number of parcels sent is increasing annually with a stunning 18% on average.

Many companies have seen this reflected in their revenues. E-commerce has enabled companies, such as Zalando and Docdata to become market influencers in just a few years. These companies have overcome logistic challenges, and have managed to organize an efficient and cost-effective parcel flow process within their organization.

An interesting fact here is that the (average) value of each parcel has decreased with an average of 5% annually. This means that the logistic costs per product are becoming an



increasingly significant part of the total sales costs. Add to this the fact that the products being shipped, show a greater variation than ever before. Together with the market growth, this creates logistic challenges unseen until now.



The key to success lies in flexibility. Flexibility from our point of view includes several aspects:

- Your logistic system needs to be able to handle a wide range of product types, from DVD cases to heavy parcels (50kg) and car tires. The more varied types of items your system can handle, the fewer non-conveyables there will be. This increases efficiency, shortens ROI and decreases costly manual labor.
- Your logistic system must be scalable. The amount of investment required to upgrade or downgrade your system, affects your competitiveness. Investing in a scalable sorting solution prevents you from overinvesting in a more expensive system, if you don't have the direct need for the capacity.
- Your logistic system must be flexible if you want it to operate to its full extend. Downtime and unnecessary overcapacity reduce profitability, and even the layout of your system can have an adverse effect.

“At VanRiet Material Handling Systems we recognize the need for flexibility and we tailor our products accordingly.” The new ‘IQ-Grid’ solution has shown to be a perfect example of a scalable, modular, and bi-directional solution. In order to cope with large product varieties, this new solution has a modular design, allowing it to be adjusted to custom product size and weight. It enables you to create a low-cost system with a high capacity. Should your company outgrow its current capacity, then the IQ-Grid’s modularity will enable a low cost system expansion. And last but not least, one of the best IQ-Grids’ features is its bi-directional capability. In response to the present-day issue of increasing numbers of returned goods, bi-directional capability enables the complete sorting process to reverse itself. This guarantees maximum system use while minimizing manual labor.

For over 65 years, VanRiet has provided its customers with intralogistic solutions for the development and construction of automated storage and internal transport systems. Over 2,000 projects have been realized, from Mexico to Shanghai, from Prague to Istanbul and from Los Angeles to Amsterdam. We have built up an exceptional amount of knowledge of what goes on within a large variety of corporate branches. Although issues such as uptime, performance and output are important in every branch, specific knowledge often makes the difference between a good transport system and an excellent one.

Are you interested in receiving more information about VanRiet?

Please contact us:

**VanRiet Material Handling Systems BV
+31 30 60 68 111 or send an e-mail to:
sales@vanrietgroup.com**