

WITH SUPPLY CHAIN IN CRISIS, RETAILERS USE TECH-ENABLED PROCESSES TO MONITOR DEMAND

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With the holiday shopping season already well underway, this week's announcement that the Federal Trade Commission is demanding that Amazon and Walmart provide detailed information about their operations as part of a probe into supply chain issues is unlikely to immediately lessen any bottlenecks. However, the news does shine a spotlight on how supply chain challenges are impacting independent retailers differently than their mass market competitors.

While mega-retailers like Walmart and Amazon have the ability to charter ships and dispatch additional trucks to get customers their packages on time, smaller retailers don't have the advantage of scale. Consolidation in the supply chain has hurt mom-and-pop retailers more than nearly any other group in the lead-up to this year's holiday shopping season. Many stores have shelves that are bare, and even those stores that are fully stocked—having ordered

in bulk well in advance—are facing an unpredictable buying season that could have them holding the bag if their inventory doesn't sell out.

"Billions of dollars' worth of goods are sitting in containers such as at the Port of Long Beach and many others around the world, creating a shortage crisis, and the problem doesn't appear to be easing anytime soon," says Kevin Beasley, CIO at VAI, a company that offers enterprise software solutions. "Some retailers are rushing to fulfill their orders this holiday season, working overtime on the backend to stock inventory even as worker shortages present a challenge in providing excellent customer service support to keep consumers happy."

How tech can help retailers with the supply chain crisis

Demand for e-commerce shopping and fast shipping continues to be high, which puts additional pressure on retailers to fulfill

consumers' needs. As smaller, independent retailers look at how they can handle the upcoming surge, Beasley says now is the time to utilize cloud-based communication tools like Twilio to keep customers satisfied.

"Smaller stores may be struggling to fulfill orders and keep shelves stocked with gifts, food supplies, and other holiday staples. It's important that retailers and distributors constantly monitor demand," Beasley says. "Having the necessary precautions and tech-enabled processes to monitor supply and demand and communicate with customers is crucial."

With supply chain challenges expected to last well into 2022, Beasley says more manufacturers should be utilizing ERP software for its predictive analytics capabilities. Those capabilities, combined with manufacturing automation and IoT technology, could help distributors to mitigate,

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predict, and identify demand surges and patterns in a way that could ultimately help to ensure shelves stay full and inventory levels stay consistent.

Beasley says the blockchain is another important tool for the entire supply chain that's increasingly entering the mainstream among independent retailers. Blockchain enables retailers to transfer and store data more quickly while mobile applications simultaneously connect suppliers to customers to view the real-time status of

products.

Whether they invest in blockchain or retail management software, Beasley says what's most important is that retailers work now to establish the supply chain relationships and technical systems they'll need to get them through 2022 and beyond. The more accurately retailers can connect their productivity lines with distributors on one end to the consumer at the other end, the more efficient—and profitable—their businesses will become.

“Emphasizing better visibility and insights into all points along the supply chain will enable retailers to coordinate their delivery status and inventory levels while simultaneously maintaining their relationships with distributors and consumers,” he says. “By pivoting their current strategies and implementing technology focused on seamlessly streamlining products through the supply chain, retailers can come out of this challenging time with new knowledge for the future.”

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