

The background of the slide is a dark blue illustration of a warehouse interior. It shows tall stacks of shipping containers in various shades of blue and grey. A forklift is visible in the center, lifting a container. Several colorful, wavy lines in blue, green, red, and pink cross the upper portion of the image.

OMNICHANNEL SUPPLY CHAIN STRATEGY: ITS 3 DEFINING FEATURES

OMNICHANNEL SIGNIFICANCE

There's an incessant interplay between technology, customers, and supply chains. With each passing year, that interplay grows in speed. Technological growth results in new, more precise ways in which to cater to customers. Those customers in turn, then place greater demands on companies. Finally, those companies build upon their supply chains to meet and exceed those demands. This cycle is constantly going through rotations.

The advent of omnichannel is just another adaptation by companies to refine their supply chains to meet their customers desires. This is because customers now have an expectation of being able to buy online and in-person.



OMNICHANNEL SIGNIFICANCE

Not only that, but they expect those two shopping mediums (online and in-person) to be able to interact, like in the case of buying online and returning in store. Companies are making their supply chains omnichannel to satisfy those expectations. Thus, omnichannel—both mediums working on a single platform.

With that said, here are the 3 key components of omnichannel supply chains as well as the critical advantages that come along with them.



A SINGLE SUPPLY CHAIN

As mentioned earlier, an omnichannel approach, as opposed to a multichannel one, means a company using a single supply chain to handle and address their product's path from their suppliers to their customers in both their virtual and physical stores. Moreover, that also means using a single, unified software platform.

An article from River Logic explains:



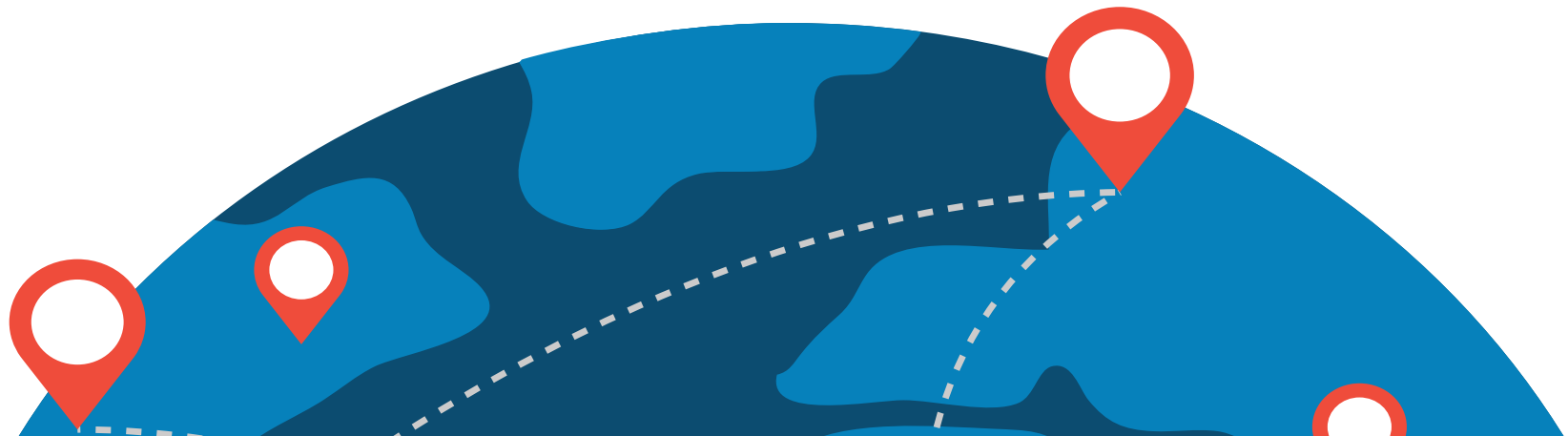
OMNI CHANNEL SUPPLY CHAINS ARE COMPLETELY DIFFERENT IN THAT THERE'S ONLY ONE SUPPLY CHAIN. INFORMATION IS FREELY SHARED AND VISIBLE. THE ONLINE CATALOG IS THE SAME AS THAT USED IN PHYSICAL STORES AND SHOWS ONLINE STOCK LEVELS AS WELL AS STOCKS IN NEARBY STORES.



A SINGLE SUPPLY CHAIN

NOTABLE ADVANTAGES

- Gives customers more shopping options
- Improves customer experience
- Makes the management of operations operations more well-ordered



INTEGRATION AND MERGING OF OPERATIONS

Building from the fact that an omnichannel strategy requires a single supply chain is that, in turn, it equally requires integrating and potentially combining various processes. The integration has to be multiple levels, across all its operations. Technologically, it needs integration due to it being run on one software and its varying supply chain activities necessitating visibility and data collection in order to function optimally.

Integration certainly isn't limited to technology, however, as it also applies to the processes in an online supply chain versus a brick-and-mortar supply chain. These overlapping processes include the management of inventory, sales, customer experience, warehouses, and much more. Hence, this where the potential merging of operations is also crucial.

INTEGRATION AND MERGING OF OPERATIONS

A post by Agility highlights the importance of integration and merging:



TO ADAPT OMNI-CHANNEL SUPPLY CHAINS, THEY HAVE TO REMOVE OPERATING SILOS THAT EXIST BETWEEN DIFFERENT SALES CHANNELS. THAT MEANS LOOKING AT WAYS TO GAIN EFFICIENCIES BY COMBINING DIFFERENT LOGISTICS PROCESSES ACROSS SALES PLATFORMS, SUCH AS MERGING WAREHOUSE SPACE OR FULFILLMENT OPERATIONS SO THAT THEY SERVE BOTH IN-STORE AND E-COMMERCE BUSINESS UNITS.



INTEGRATION AND MERGING OF OPERATIONS

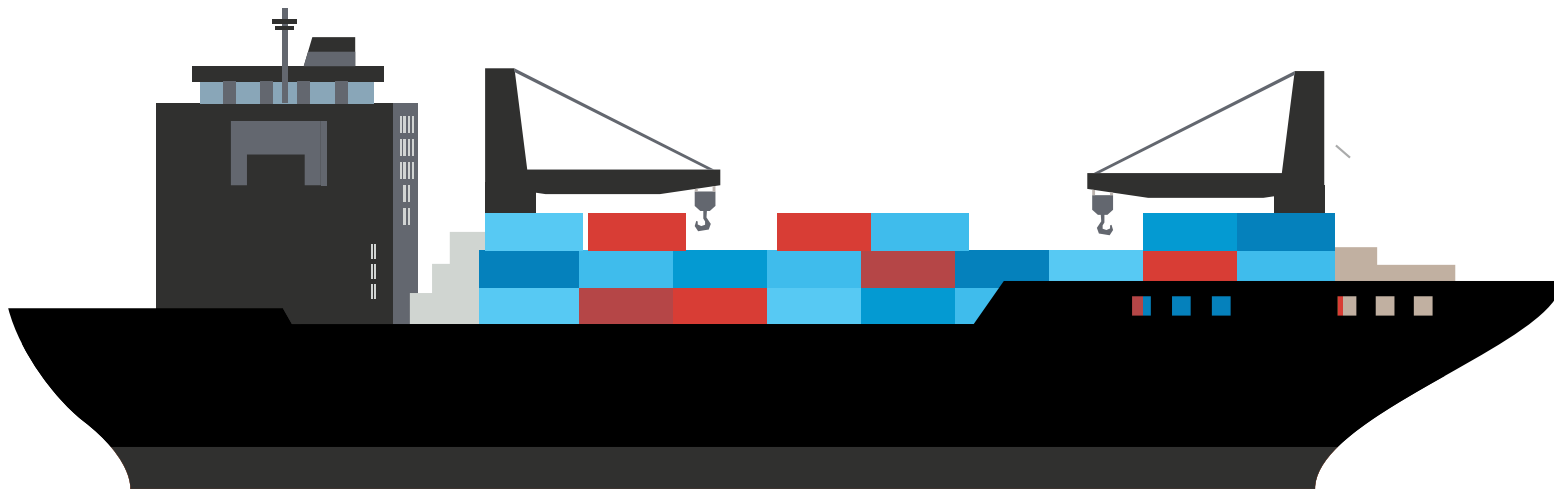


NOTABLE ADVANTAGES

- No data silos
- Improved oversight
- Greater visibility throughout the supply chain

EFFICIENCY

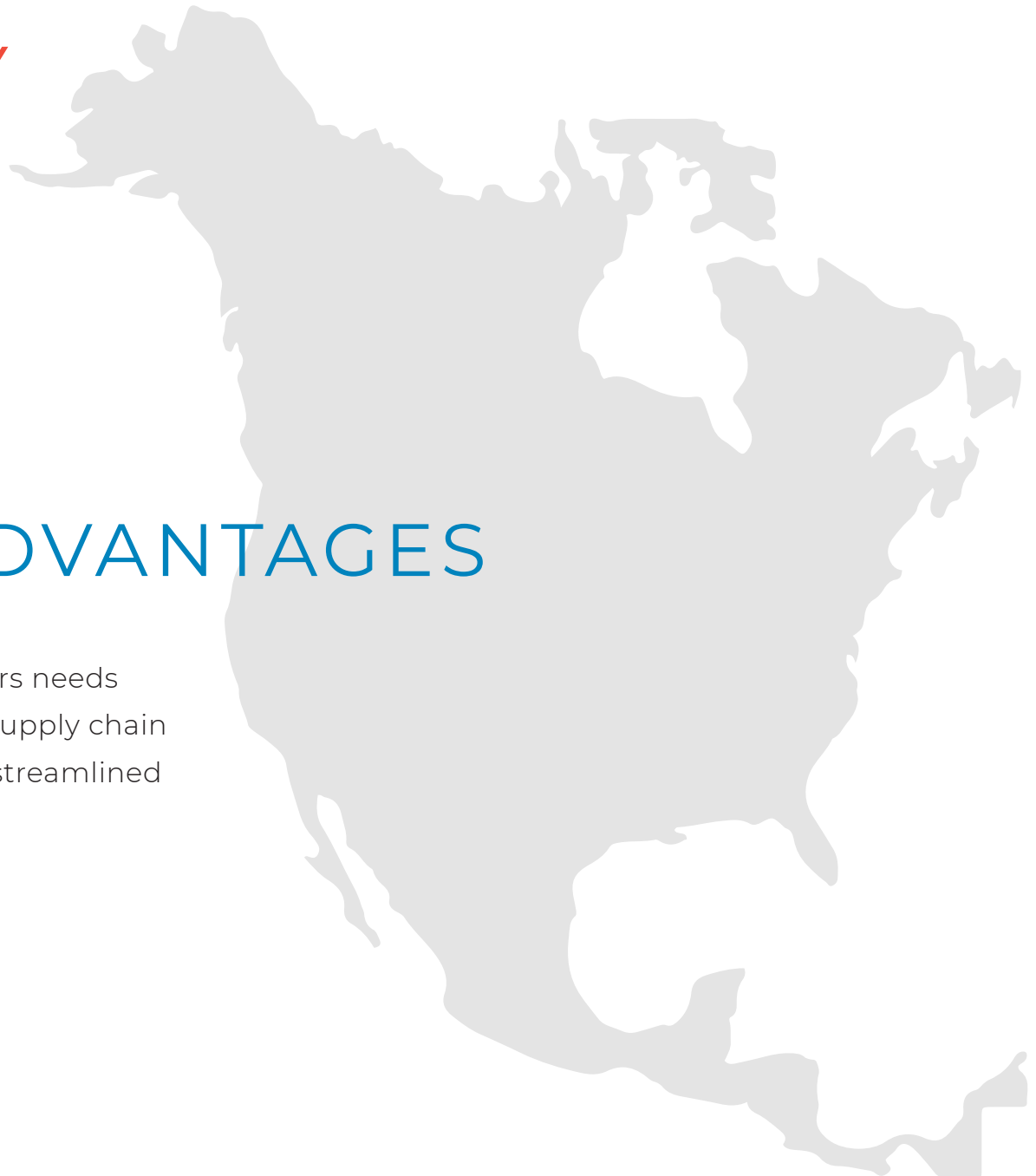
With an omnichannel supply chain having to potentially combine many of its operations as well as integrate them into a single platform, as covered in the previous section, an integral feature of an omnichannel approach is efficiency. Efficiency to ensure those operations are prepared for and responsive to the demands placed upon them by both channels—virtual and physical. Of course, central to this efficiency is technology such as analytics for calculating demands and machine learning for modelling for accurate forecasts.



EFFICIENCY

NOTABLE ADVANTAGES

- More responsive to customers needs
- Less waste throughout the supply chain
- Operations are made more streamlined



SOURCES

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