

MetaPack versus Bespoke

A comparison between using MetaPack versus bespoke in-house systems development to introduce and operate intelligent multi-carrier management services

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1. Introduction

The benefits of running an 'intelligent despatch' operation are clear – it utilises a multi-carrier despatch operation to offer variety of delivery services, contingency against emergencies and full transparency of movement from pack bench to customer door. In short, it ensures that “the right service is used for the right product, sent to the right place at the right time, all communicated in the right way”.

Shoppers are maturing in their habits online and are becoming more demanding. Delivery has been identified as the hottest topic affecting customers and online operations need to now address this issue. The latest sobering statistics show that 67.9%* of shoppers click out at the 'delivery' stage when purchasing online, with 45.2%** of customers not even bothering to browse a website before first considering the delivery options on offer. So, apart from operational savings, there are also real sales opportunities to be had through 'intelligent delivery'.

However, as with most solutions designed to simplify operations for users or customers, the process behind-the-scenes can be complex, expensive, time consuming and difficult to introduce, especially if existing internal processes and structures are rigid.

Using in-house development teams, multi-carrier integration is a lot more complex than simply passing a name and address file to a carrier, which is often the perception that management have prior to addressing delivery issues.

An alternative is to outsource this functionality. Outsourcing brings access to specialist skills, contains costs and speeds up implementation time, unhindered by internal projects or resource restrictions.

MetaPack is the leading player in the field of outsourced carrier management, managing some 10% of all online retail despatches in the UK. It has the heritage, proven specialist skill, management, resource and customer base to enhance an operation by delivering an 'intelligent despatch' solution.

Implementation is simple, there are little or no up-front costs and it is also the most efficient way of introducing new and competitive delivery options to customers, incorporating contingency safeguards should carriers fail (eg carrier strikes and delays) or setting up direct-from-store dispatch as part of a multichannel strategy.



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This document provides a detailed and quantifiable comparison between using MetaPack or, alternatively, executing several development projects internally for implementing an 'intelligent despatch' solution.

* Snow Valley – Delivery Report 2010

**IMRG - Valuing Home Delivery Report 2010



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2. Summary of key differences between using MetaPack versus Bespoke Developments to implement a multi-carrier management operation

Process	In-house	MetaPack
Delivery Options	<ul style="list-style-type: none"> Requires manual update and frequent amendment to static delivery options page with many exceptions 	<ul style="list-style-type: none"> Automatic dynamic delivery options that <u>only</u> offer what can be delivered. Automatic updates
Carrier Integration	<ul style="list-style-type: none"> Bespoke integration into each new carrier 	<ul style="list-style-type: none"> One integration that provides access to all carriers
Carrier Allocation	<ul style="list-style-type: none"> Manual rules that can be inaccurate and create warehouse inefficiencies 	<ul style="list-style-type: none"> Automated system that can fit into any part of the warehouse process
Visibility of parcels waiting despatch	<ul style="list-style-type: none"> Consult each carrier system 	<ul style="list-style-type: none"> Consult one system
Re-assignment of carrier	<ul style="list-style-type: none"> Manually re-enter data into alternative carrier, re-allocate and print 	<ul style="list-style-type: none"> Right first time, can re-allocate according to cut-off times and capacity. Alternatively, re-allocate singularly or by batch through one screen.
Switch carriers or turn services on/off	<ul style="list-style-type: none"> Potential new integration Change to warehouse processes 	<ul style="list-style-type: none"> Configurable by screen No pack bench process change
Despatch email	<ul style="list-style-type: none"> Integrate to each carrier system to receive consignment number Feed through the order management system Incorporate in email Send out on estimated time 	<ul style="list-style-type: none"> MetaPack receives collection notification from carrier Email sent out with tracking click-through
Inbound Enquiry	<ul style="list-style-type: none"> Identify which carrier is used Locate carrier consignment number from order number Search in different carrier systems Historic data may not be available 	<ul style="list-style-type: none"> Enter any information to find current and historic data
Receipt by Customer	<ul style="list-style-type: none"> Confirmation requires individual enquiries into carrier systems 	<ul style="list-style-type: none"> All confirmations available on screen with analytics
Delivery Issues	<ul style="list-style-type: none"> No indication unless customer calls Identify correct carrier Locate consignment number Interrogate system 	<ul style="list-style-type: none"> Pro-active notification by email to customer care team and/or customer
Returns	<ul style="list-style-type: none"> Call carrier and liaise for pick up 	<ul style="list-style-type: none"> Shows a range of available carriers or automatically selects and communicates to carrier and customer



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3. Adopting ‘Intelligent Despatch’ – a detailed implementation comparison

Task	Function	Traditional Process	MetaPack
Most Appropriate Delivery Options Presented at Time of Order	<i>The ability to select the right service for the right product sent to the right place at the right time.</i>	<p>Function possible, but requires a complicated rule table to be manually setup and updated on a daily basis.</p> <p>Major IT development and continual maintenance required.</p> <p>Complexity of process is why most retailers are left with no choice but to run a fixed page one-for-all listing of all possible delivery options.</p> <p>Suitability of service is left to be identified by the customer who has to proactively read delivery caveats published on the e-tail site to be sure that the delivery promise holds true in their area at time of order.</p>	<p>Automated lookup of possible carrier services available to a specific order.</p> <p>System generates a delivery options page in real time at time of order, by considering type of product ordered, location of customer and value of order to select the delivery services that are specifically applicable to fulfil that order.</p> <p>No manual intervention for customer. No data update by supplier.</p> <p>Orders are always received with the correct delivery service assigned downstream to the warehouse.</p> <p>New delivery options easily, effectively and economically introduced to customers</p>
Integration with carrier to transfer consignment information electronically.	<i>To avoid manual rekeying of order data into the carriers' system in order to produce label and obtain tracking</i>	<p>IT development required which is often expensive, laborious and time consuming.</p> <p>Each process is different for each carrier, so knowledge learnt from one integration project may not be transferable to another.</p> <p>Tracking information needs to be integrated into customer services' screens which means internal</p>	<p>Single integration into MetaPack will enable retailer to use all their preferred carriers' services.</p> <p>Integration is facilitated by MetaPack's standard Soap/Java API's.</p> <p>Only 3 points of integration required for full functionality –</p> <p>a) Transfer of consignment data into MetaPack</p>



Task	Function	Traditional Process	MetaPack
<p>Integration with carrier to transfer consignment information electronically cont...</p>		<p>system will require complicated real-time interaction with the carrier's system. Again, each carrier different, so process has to be re-programmed for each.</p> <p>Continual changes by carriers to their systems means carrier integration can be likened to an 'iron bridge', with the need for IT to continually monitor and update this process.</p>	<p>(minimum requirement for automated integration)</p> <p>b) Invocation of label at time of pack (can be either a process activated by retailer's backoffice system or just through MetaPack, which means no IT involvement)</p> <p>c) Availability of tracking information (MetaPack offers a simple URL hyperlink which will always generate the appropriate tracking listing, so low involvement of IT)</p> <p>Development very rarely needs to be revisited as MetaPack deal constantly with carriers, identifying and implementing changes.</p> <p>IT Depts are able to complete this project well within a quarter which will an impact on the business for years.</p>
<p>Intelligent Despatch During Pick & Pack Process</p>	<p><i>Ability to identify the most suitable carrier or economic carrier service required as and when consignments are processed.</i></p>	<p>Not easily achieved unless automated.</p> <p>Appropriate carrier service decision usually made manually through skilled packing staff.</p> <p>Requires all pack staff to be briefed on an individual basis to know how to select a carrier.</p> <p>Also requires pick lanes to be setup for each carrier being used as each printer is setup to only one type of</p>	<p>Consignment details imported into MetaPack are allocated to the most appropriate carrier.</p> <p>System uses physical (eg volumetric), geographical (eg postcode), time sensitive (eg is it within the daily cut-off threshold), and circumstantial factors (eg carriers on strike) to select the most effective service that will ensure first time delivery and lowest cost to serve.</p> <p>As printers can produce labels from several carriers ad hoc</p>



Task	Function	Traditional Process	MetaPack
Intelligent Despatch During Pick & Pack Process cont...		carrier. Simply not scalable as demand increases.	in real time, pack bench staff do not need to be briefed as each pick lane can handle multiple carriers.
Pick & Pack Exceptions	<i>During packing process, consignments are found to need a different carrier than that originally assigned (eg when parcels are either too heavy, too large or have been slit into multiple boxes.)</i>	Allocation of correct carrier is a manual, laborious and unchecked process and relies on expertise at the pack bench and rekeying entire consignment details into alternative carrier's system. Process not scalable, so 'cost to serve' increased significantly.	Users simply enter a new weight, size etc into the consignment's record in MetaPack and the most suitable service is identified, label printed and manifest assigned. System also retains full audit.
Management and Visibility of Parcels Awaiting Despatch	<i>Managing the process in the logistics chain after pick and pack, but before collection by carrier</i>	Once packed, packages are placed in a cage allocated to each carrier. Visibility of contents for each cage not readily available within any existing systems. Consultation with carrier system only recourse to identifying contents awaiting despatch. Manifest sheet used to obtain driver signoff often hand written as process to create an electronic version too complicated.	Once a label has been printed using MetaPack, the consignment record is transferred to 'Manifest' status. At any time, users can click within a single manifest screen (which summarises all the carriers used together with today's dispatch volume) to reveal all parcels due to be collected by each carrier that day.

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Reassignment of carrier	<i>As a contingency, parcels already allocated to a carrier may need to be reassigned to another carrier to meet customer delivery promise should delays occur.</i>	<p>Each parcel will have to be unloaded from storage cage waiting for collection. Information will need to be manually entered into the alternative carrier's system which generates new tracking code and replacement label is reprinted for each consignment.</p> <p>No audit of re-allocation – so parcels can be mislaid or stolen.</p>	<p>Ability to reassign cage contents to a different carrier can be done on-screen at any point with internet access.</p> <p>Parcels will still need to be offloaded from cage, but each new label can be generated at a click.</p> <p>Full audit of reassignment, so parcel movement fully trackable, including internal movements.</p>
Managing customer expectation	<i>Tracking of parcel after despatch</i>	<p>Retailer website systems usually send customers a confirmation of their order.</p> <p>However, because of lack of system support between pack and despatch stages in the logistics stream, customers are often sent emails confirming 'despatch' of their parcels whereas, in reality, they have been placed in the cage 'awaiting collection', sometimes hours later.</p> <p>Once despatched, parcels are tracked and customers are sent a tracking link within the confirmation email. However, customers often require help interpreting carrier reports, so still needs to be managed as they revert to contacting customer services.</p> <p>Carrier systems sometimes can send emails to</p>	<p>Proper 'awaiting despatch' and 'despatched' statuses are noted and customers informed accordingly, ensuring customers' expectations are managed correctly.</p> <p>All tracking codes from each carrier are cross-referenced with standard MetaPack tracking statuses, thus enabling both customer and customer services to interpret reports quickly and correctly.</p> <p>Each status can invoke an email or SMS to the customer, thus keeping the customer informed and reducing significantly their need to call customer services.</p> <p>Full tracking details stored by MetaPack for 3 months, then archived for later consultation should the need</p>

Task	Function	Traditional Process	MetaPack
Managing customer expectation cont...	<i>Tracking of parcel after despatch cont...</i>	<p>customers, but retailer has little visibility of what is being communicated to their customer. Some carrier systems will generate emails at points in the delivery process, but this is not filtered, so customers can conceivably receive several emails pertaining to the same consignment, even if all is delivered within the time promise – which can antagonise the customer, rather than help!</p> <p>To get over this, internal systems need to be able to generating the e-mail itself. This is a cumbersome process whereby tracking details need to be extracted out of the carrier’s system and merged into the customer’s record – usually done as a batch process – and stored in the customer services’ system. There is, therefore, a delay in the customer receiving the confirmation email and tracking code as well as a internal memory storage issue as tracking details become excess to requirements once the consignment has reached its destination.</p>	arise.

Task	Function	Traditional Process	MetaPack
Managing customer expectation cont...	<i>Customer services</i>	<p>Has to identify which carrier has been used and then to access each carrier's system individually.</p> <p>Each carrier report is presented in a different format, thus confusing customer service representative.</p> <p>Customer calls, therefore, take longer to process and manage.</p>	Customer services is presented with a single tracking screen which shows interpreted tracking information for any carrier.
Receipt by Customer	<i>Noting when parcels have arrived at destination</i>	'Delivered' status received and updated into the order record via a batched process run at a pre-ordained timeslot by backoffice system.	MetaPack returns real-time delivery information, including delivered statuses.
Executing Contingency or for Trialling New Services.	<i>Ability to switch between carriers and/or add new carriers seamlessly into existing operations</i>	<p>Labour intensive and prone to error.</p> <p>Requires changes to systems (new carrier details, services offered, cut off times, label specifications, tracking specifications) , procedures (storage, manifest, collection) and staff operations (new labels, different pack lanes) to enable new or alternative carrier to be used.</p>	<p>Metapck offers the ability to trial new carriers, change services or restrict carrier usage (eg if on strike, depot build up etc) can be activated at any time and from any location as system is web-based.</p> <p>Options are simply 'clicked' on and new carriers are setup using pull-down menus. Staff continue as normal, unaffected by decisions invoked outside of their daily tasks.</p>
Returns	<i>Managing returns process</i>	Difficult to do electronically, thus manually organised.	MetaPack offers a full returns management function which automatically switches the



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		<p>Requires customer services to call carrier and liaise via phone or email to arrange carrier to collect.</p> <p>Too complicated, thus most retailers shy away from offering this service, opting instead (assuming they offer a returns service) to rely on the customer to return goods which can be lost if damaged in transit.</p>	<p>original consignment's pickup and despatch addresses and then presents customer services with the most suitable carrier service to collect the parcel to be returned.</p> <p>As items are being tracked and insured, replacement goods can be sent to customers without the need for original items to be received first.</p> <p>Process so efficient, that the encounter with the customer can be turned into an upsell opportunity.</p>