

# COVID-19 Action Guide

## Amazon Seller Strategies for Diversifying Fulfillment



We've been receiving questions from customers asking how to mitigate the impact of COVID-19 on their Fulfilled by Amazon (FBA) business. The good news for sellers who want to continue to sell through Amazon is that there are ecommerce fulfillment solutions that address today's evolving Amazon FBA situation, provide flexibility to sellers and help to mitigate risk for the future.

FBA has been a valuable service for many Amazon sellers as it is a "one stop shop" fulfillment operation. Sellers only have to manage replenishment at Amazon distribution centers. However, the reprioritization of non-essential products has stopped their replenishment and only what is already in stock in the Amazon network can be sold via FBA. Once their products are out of stock, sellers using Amazon FBA are effectively cut out of one of the world's most powerful ecommerce marketplaces. These sellers want to get back to selling on Amazon and need solutions that are compliant with Amazon programs. Amazon has said that it is beginning to relax FBA restrictions as capacity allows; however, within the Amazon FBA seller community, there is a growing appetite to diversify fulfillment capabilities to mitigate future risk.



*Sellers are looking for ecommerce fulfillment solutions that address today's evolving Amazon FBA situation, provide flexibility, and help hedge against future risk.*

There are a number of ways to diversify fulfillment capabilities depending upon ecommerce business size and sophistication.

## Small sellers needing basic shipping and channel integration

- **Enable self-fulfillment** – Retailers and online sellers who haven't operated their order fulfillment to date need to quickly prepare their operations through cloud-based shipping solutions that are tightly integrated with shopping platforms and marketplaces like Amazon as well as parcel carriers.
- **Stabilize revenue** – If online retailers are already part of Amazon's Seller Fulfilled Prime (SFP) program, Amazon-compliant cloud-based fulfillment solutions can help to stabilize sales via this channel.
- **Provide a great customer experience** – Small sellers can quickly enhance their customer service with cloud-based shipping solutions. These often include out-of-the box capabilities to drive enhanced service, for example, by offering real-time order-tracking, sending automated order status emails, or providing branded tracking pages for status updates throughout the order life cycle.

## Growing companies looking for an integrated fulfillment strategy to keep the promise to their customers

- **Outsource fulfillment to Amazon-compliant provider** – Companies that use Amazon as their major sales channel but don't have their own warehouse and fulfillment operations can leverage 3PLs that already have Amazon SFP-certified fulfillment technologies in place. These 3PLs typically allow for fast onboarding, which is important to minimize any revenue decline due to possible fulfillment disruptions.
- **Insourcing and support for social distancing** – Companies with an established warehouse environment can quickly enhance their fulfillment by insourcing their assortment to continue to sell on Amazon and by leveraging the Prime badge using Amazon SFP-certified software solutions.

Due to increased shipment volume and warehouse traffic, social distancing practices like going to completely paperless pick, pack and ship processes are key to enable a safe work environment. Modern ecommerce warehouse management solutions can help because they can be run on any personal mobile device. This eliminates contact with multiple personal and supports work over multiple shifts and distributed pack stations to maintain acceptable distance in the warehouse.



## Larger, more complex operations

- **Optimize warehouse space** – Because of the pandemic, some ecommerce vendors are experiencing increased demand for formerly less popular products or are running sales campaigns for various product assortments in stock. At the same time, increasing staff to meet the increased demand can be challenging. Sellers can increase operational efficiency by reordering SKUs using integrated ABC classification of items as calculated by their warehouse management solution. Promoted or high-demand items (A-items) should be moved closer to the packing area. This practice minimizes walking time, keeps labor costs down, and enables faster fulfillment.
- **Support social distancing**
  - **Re-organize warehouse processes** – For bigger enterprises, the sudden increase in warehouse traffic due to higher order volume combined with the need to support social distancing can impact productivity tremendously. Spreading the workforce over two or even three shifts helps to minimize congestion and supports social distancing. In addition, optimizing workflows and leveraging system-directed picking processes for peak demand can boost productivity even further.
  - **Going paperless and using personal mobile devices** – Manual paperwork slows down operations and is less safe because multiple people come in contact with the documents. Integrated digital workflows eliminate paper hand-offs. If processes are streamlined, human interaction to clarify cases can be reduced. Another method to reduce contact is to have employees use the warehouse app on their own personal mobile devices.



- **Leverage Amazon SFP-certified solutions** – Larger enterprises want to keep the Prime badge from Amazon, which typically is a strong sales channel for them. There are Amazon-compliant fulfillment solutions that can help meet those requirements.
- **Delight customers** – During the pandemic, not only ecommerce sellers, but also their business partners and consumers may go through difficult times. Showing real-time availability of goods in the ecommerce platforms that the seller is active in helps to set expectations correctly. Delayed deliveries may happen more often than before, so it becomes more important to keep customers informed about every step and status change of their order.

Having the capabilities to prioritize shipping for Amazon Prime customers, for example, helps to meet Amazon shipping standards. Providing more shipping options during check out enhances the customer experience and helps control costs. One such illustration is “no rush delivery options” where sellers incentivize their customers through a discount if they accept a slower delivery.

## We're Here to Help

Descartes ecommerce solutions go beyond the online transaction to provide an end-to-end-ecommerce platform for fulfillment. From sales channel connectivity to order and warehouse management to shipping, we can help your ecommerce operations meet the challenges of COVID-19 today and for the future. If you are looking to have a conversation about how Descartes can help your ecommerce business succeed in these unprecedented times, [our experts are standing by.](#)

## About Descartes Systems Group

Descartes is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses. Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community. Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

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