



## **Fulfillment : Distribution of Inventory and Tech Enablement**

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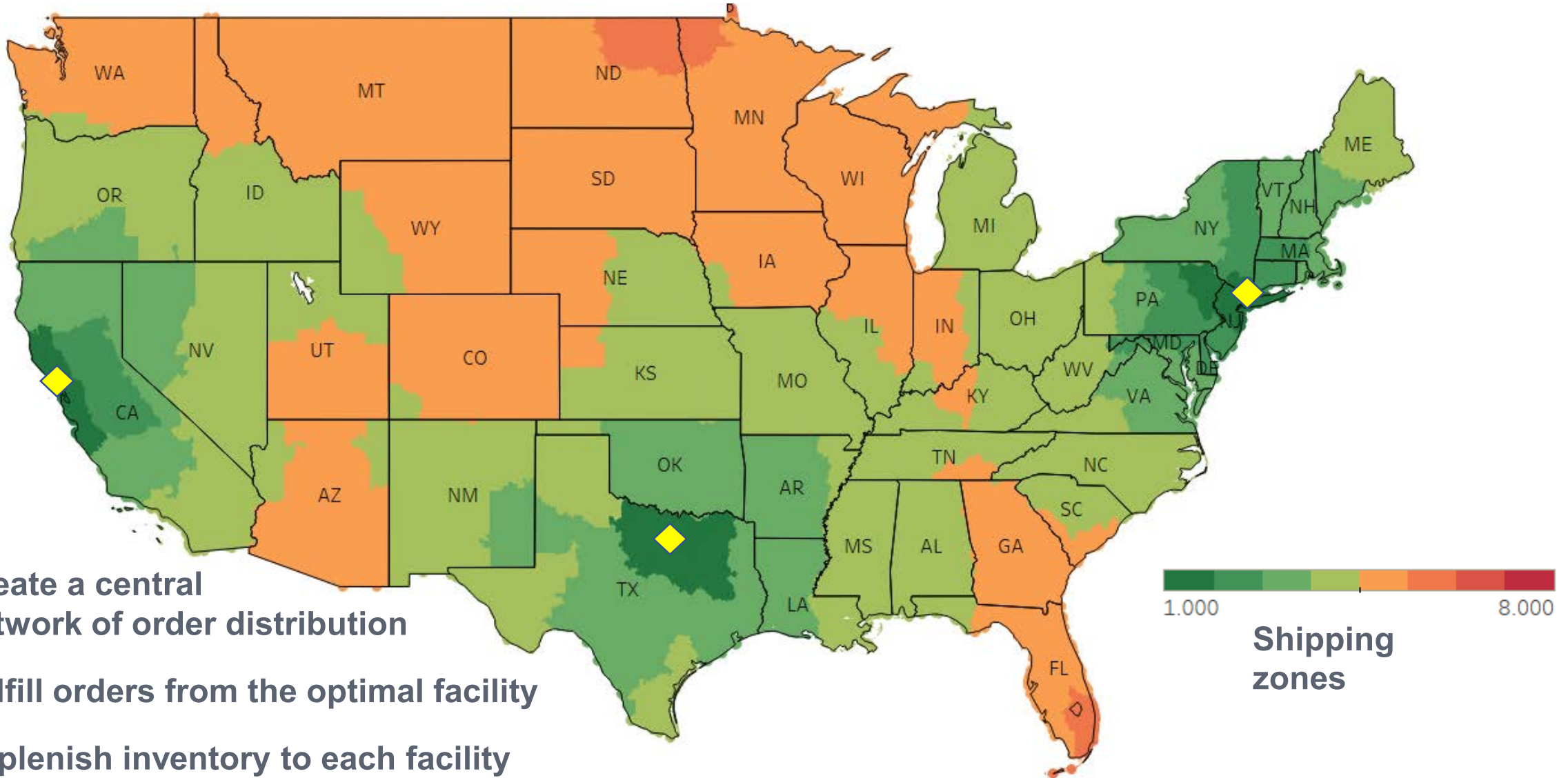


- **Strategically allocating inventory in multiple geographic locations**
- **Goal of forecasting demand and having the inventory near the end consumer before they order it**
- **Fulfilling each order from the best location to the end destination**

What Does Distributed Inventory Look Like?

# How Does Distributed Inventory Work?

Example: Assume you have 3 major customer bases in the US: East Coast, Central, and West Coast.

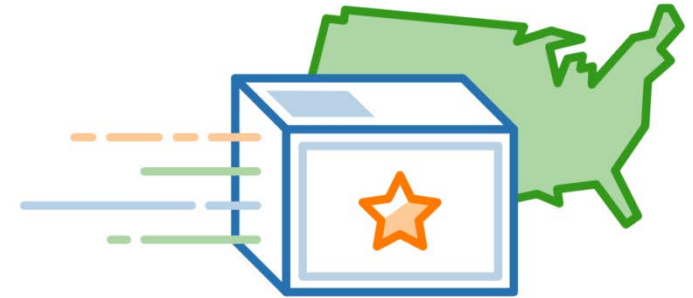


1. Create a central network of order distribution
2. Fulfill orders from the optimal facility
3. Replenish inventory to each facility

# Benefits of Distributed Inventory

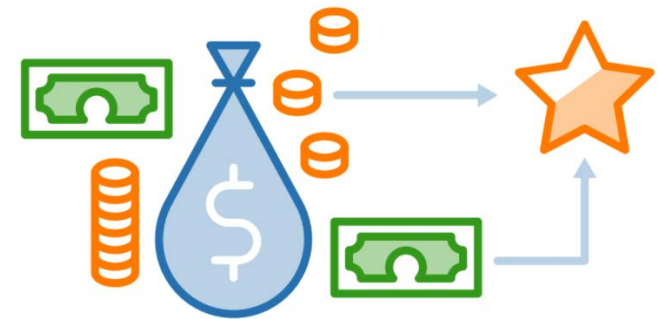
## Reduce time in transit

- Orders are delivered to customers quicker via a ground network
- Meeting consumer expectation can translate into higher conversions



## Save money

- Lower cost per order for heavier shipments
- Less shipping zones, lower express rate, less fuel surcharges



# Tech Considerations to Decrease Complexity

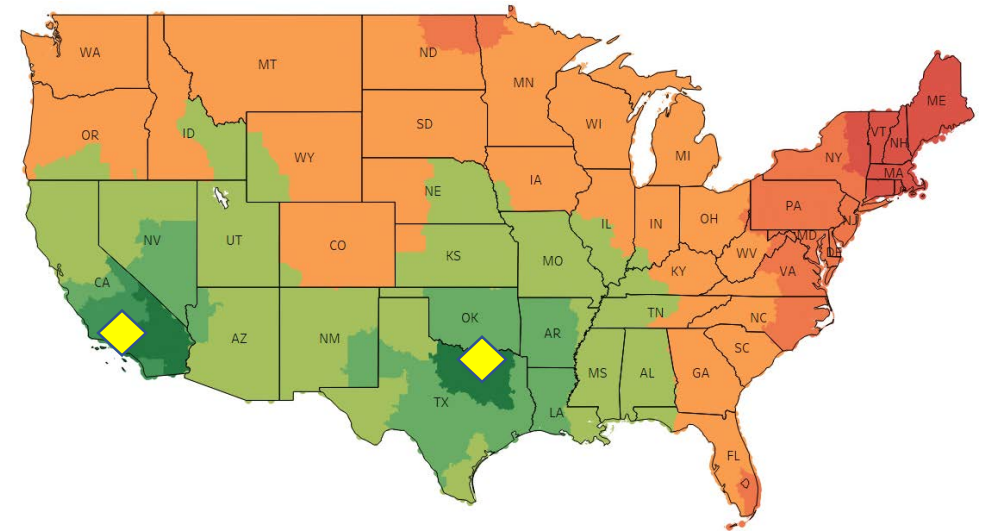
Tech to automatically route orders to the most efficient fulfillment center

- Overlapping zones
- Time zones

When an order has more than one SKU and the most efficient fulfillment center does not have all the SKUs in the order, what logic should be used?

- Put on hold until inventory arrives
- Auto-route to a fulfillment center that has all SKUs
- Split the order up and ship different SKUs from different fulfillment centers

2 FCs: Los Angeles and Dallas



Shipping zones

