

The Practitioner's Guide to  
Ship-From Store  
Implementation

ebay  
enterprise™

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# The Case for Ship-From Store

Any new fulfillment model requires operational and cultural change. With store fulfillment, you're asking associates to take on additional roles and responsibilities; you're also integrating siloed channels and profit centers.

We've crafted this guide to help smooth your transition.

# Omnichannel fulfillment is now mainstream. But for consumers, the phrase “omnichannel fulfillment” doesn’t exist in their vocabulary.

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It’s just shopping—and along with it the expectation that all channels are seamlessly blended, whether online or in-store, via desktop, tablet or mobile device. They want to choose when, where and how they shop.

The reality for retailers is that meeting and keeping up with consumer expectations is challenging. It requires new technology, operational practices, and a change in culture. At the very heart of it all is inventory visibility and integration. You simply can’t offer consumers options without an accurate inventory view. If you do offer options but fall short on delivery, you risk losing customers for good.

Why not start with a fulfillment option, Ship-from Store, that protects you from disappointing your customer? Ship-from Store is logistically the simplest omnichannel fulfillment option to implement, while being the most forgiving and profitable. If a digital order is routed to a store and the item isn’t available (in the case of inaccurate or damaged inventory, for example) the order is simply re-routed to the next best available location transparently to the consumer. Given the same inventory discrepancy in an In-Store Pickup scenario, the end result is an unhappy customer.

# Accurate Inventory

It's not surprising that inventory visibility and accuracy is at the top of the list for any store fulfillment program. Yet, retailers rank this as one of their biggest challenges because it requires overcoming the counter productiveness of distinct inventory channels.

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## **Implications of Siloed Inventory:**

- Creates out-of-stock situations and lost sales when inventory depletes
- Reduces margins on slow-moving items
- Makes forecasting more difficult and complex
- Potential to disappoint customers when items are backordered or unavailable
- Results in end-of season discounting or liquidation due to overstocks
- Conflicts directly with the way today's consumers shop

Ship-from Store provides retailers with an inventory accuracy cushion. Orders can be re-routed to a different location if inventory is unavailable in a particular store. This results in a virtual 'endless aisle' of products for your customers.

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Ship-from Store systems should integrate with a retailer's inventory management system to receive and send inventory data. Retailers decide when and how often these updates happen throughout the day. It's also important to consider safety stock levels and provide a mechanism to dynamically make items and/or stores eligible or ineligible for a Ship-from Store program.



# Master Data

Ship-from Store needs master data on your products. The Item Master is the basis for establishing eligible items for your Ship-from Store program.

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It contains key information such as SKU numbers and item descriptions (web and store) that will be used for pick lists, packing slips and shipping.

For best results, update the item master with delta changes every day. To ensure that your data reconciles, consider loading a full item master on a regular basis.

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## Questions to Ask:

- 1 What item data needs to print on the pick lists?
- 2 What item data needs to print on the packing slip to match other customer communications?
- 3 Do you stock items that must ship alone—or that ship in their own containers? If so, how are they identified?
- 4 What will be the unique identifier for each item?
- 5 If you're using UPC barcodes, how will you handle items with more than one code?
- 6 Do you stock items that require employees or customers to capture serial numbers?

# Available-To-Sell Inventories (ATS)

ATS inventory is the amount of inventory you have on hand, ready to sell and ship. Inventory that is in transit, damaged, on hold, on display, or otherwise 'non-pickable' should be excluded.

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Update ATS early in the morning, prior to sending new orders to stores, for an accurate inventory view. Build an alert into your system so you'll know if an update has been missed. It's a good idea to archive your ATS files in case you need to go back and check inventory quantities for a specific day.

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## Questions to Ask:

- 1 What is the earliest time of day that you can produce a full ATS inventory file?
- 2 How many daily delta ATS updates do you want to make? What about full reconciliations?
- 3 How will you account for 'non-pickable' items?
- 4 What processes will allow store associates to make inventory adjustments?



# Available-To-Promise Inventory (ATP)

ATP inventory tells your order management system (OMS) and web store how much available inventory can be sold via ship-from store. This is critical when tracking inventory levels and determining delivery dates.

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## Questions to Ask:

- 1 How often do you update web store inventory from your OMS?
- 2 Does your web store or OMS track items that have been ordered but not yet shipped?
- 3 Can you separate inventory levels in your web store—i.e., by country or by fulfillment source?
- 4 Do you have multiple web stores that share identical inventory?

# Safety Stock

Safety Stock is used to calculate Available to Promise inventory. Its purpose is to prevent store inventory from being oversold on the webstore. You should be able to set Safety Stock levels automatically or manually. Decide which method works best for your environment and consider how often you think you will need to change these levels.



# Store Operations

Ship-from Store has a significant impact on your physical stores' resources, so it's critical to have Store Operations on your team from the beginning of your program.

# The Critical Role of Store Administrators

The Store Fulfillment Administrator plays a key role in your Ship-from Store program. They interact with stores on a daily basis for support, follow-up on delinquencies, and own overall program oversight.

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Ship-from Store requires at least one Store Fulfillment Administrator. Your Store Fulfillment Administrator should be involved as early as possible to be familiar with the program and provide store-level support during and after your program rollout. They are generally a member of Store Operations, and should be able to work easily across departments. They should also have an understanding of your technology, customer service policies, ecommerce strategy, inventory control, finance and marketing.

The number of Store Fulfillment Administrators you will need depends on peak versus non-peak order volumes, the number of stores participating in the program and their overall independence. You should have at least one person to back up your Store Fulfillment Administrator for time out of the office. The Store Fulfillment Administrator could receive up to 20 calls (supporting a network of 800 active stores) daily. Since most retailers have stores fulfilling orders on holidays and weekends, you should implement an off-hours support process as well as an escalation process for orders requiring manual intervention.

# In-Store Operations

It's up to your store associates to ensure that orders are picked correctly and on time, properly packed, and handed off to your carrier with a valid shipping label—all within the delivery SLAs for your customer. They are as critical to the Ship-from Store program as they are to in-store sales. It is important to give them simple and intuitive tools to help them succeed.

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## Your Store Associates:



Access Pick Tickets and pick the items for each order from store inventory



Pack orders with the same precision and quality as your warehouse



Ship orders within your promised SLAs



## Questions to Ask:

- 1 How many times a day will orders be sent to stores?
- 2 Where will orders be packed?
- 3 How will you train your store associates?
- 4 Will you offer gift-wrapping for Ship-from Store orders?
- 5 Which store associates will be responsible for processing Ship-from Store orders?
- 6 How will store associates order packing supplies?
- 7 How will store associates escalate fulfillment issues?
- 8 Will you compensate store associates for these added responsibilities?

# The Pick-Confirm Process

Most retail stores were not designed to serve as mini distribution centers. Likewise, store associates weren't hired to perform warehouse tasks. Make it easy for store associates to pick the products being shipped to customers.

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Aim to strike a balance between efficiency and simplicity. Kick off your Ship-from Store program with a basic ticket that lists all items. As the program develops, you might want to develop a more efficient method, such as separating tickets by department, shipping method, single or multi-item orders or other qualifying criteria.

To ensure the correct item is selected, provide as much information as possible on your tickets. The most common info includes the location of inventory in the store, store retail price, category, department, a product image, etc. You should also provide a method for logging exceptions (pick declines) with an order, such as products went unpicked because they were damaged, lost, sold, or on reserve.

Once the pick confirmation is complete, your Ship-from Store system should align the picked items with orders and ready the packing slips and shipping labels for print. It's important for associates to complete the Ship-from Store Pick Confirm process before the next batch of Ship-from Store orders are sent to stores so that pick declined items still have an opportunity to be filled the same day by another store.

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### **Questions to Ask:**

- 1 How many orders can each of your stores process in a single day? Base your answer on normal foot traffic, staffing, and space to stage orders waiting to be shipped.
- 2 How will you organize orders waiting for carriers? Remember that carriers have size and weight restrictions, and some do not pick up on weekends.
- 3 Will you have to stage some orders in more than one area? (For example, a treadmill and a pair of running shoes on a single order.)



# Packing Orders

The packing process is one of the most important steps in your Ship-from Store program. You need to ensure that the correct items have been selected, items are boxed or bagged properly, breakables are sufficiently padded and items are gift wrapped neatly. In other words, warehouse quality packing to maximize customer satisfaction.

## Your Packing Area Should Include the Following:

- A table large enough to fold clothing and pack items into the appropriate boxes
  - A laser printer for printing packing slips, shipping labels, and return instructions
  - A PC with access to the Ship-from Store system
  - Room to store packing slips, shipping labels (stock), packaging materials, printer supplies (toner, paper) and gift-wrap supplies if applicable
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### Questions to Ask:

- 1 Where will products be packed?
  - 2 Does the web store offer a gift-wrap option?
  - 3 Are gift-wrap supplies already available in the stores? If not, how will they be stored?
  - 4 What equipment and packing materials are needed?
  - 5 What type of gift-wrap supplies do I need? Paper? Boxes? Ribbons?
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If your web store offers a gift-wrap option, how will your stores serve these customers? If offering a gift-wrap option, it's advisable to offer it in all of your stores. Limiting this service also limits your inventory for these orders—which usually leads to splitting orders amongst multiple stores (and, in many cases, canceling orders). If you must limit the option, then be sure you have a range of stores in different regions providing the service.

# Intelligent Order Routing

If your online and store channels are segregated, you will need a way to intelligently route online orders to stores for fulfillment. You can choose to implement a distributed order management system, or you can take a modular approach by implementing a store fulfillment solution that supports intelligent order routing to complement your existing infrastructure.

Regardless of the method you choose, the goal is to deliver orders quickly and cost-effectively, while minimizing canceled orders and split shipments.

Typically, you would want your stores to receive their orders as early in the day as possible—right after fresh inventory has been loaded. Your allocation engine should route orders to the best possible store. The “best” store selection criteria should take into consideration inventory levels, proximity of the customer to a store, which stores can fulfill an order in its entirety, etc. You should also have the flexibility to set store-specific throttles such as maximum orders per day.

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### Questions to Ask:

- 1 How early do your store personnel arrive before store opening?
- 2 Will your store associates fulfill orders on weekends?
- 3 How many stores do you plan to include in the program?
- 4 Do you promise same day shipping on your web store?
- 5 Do you want to allow multi-item or multi-quantity orders to split?
- 6 What is the maximum number of orders you want stores to process per day?

# Streamlined Shipping

Whenever possible, streamline your shipping practices. It saves time, cuts costs, and makes Ship-from Store even more effective.

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Partner with key carriers to generate shipping labels and track packages via electronic scanning. You can also offer customers generic options with other carriers for special orders.

When choosing your carriers, consider their limitations. For example, if your web store supports delivery to PO/ APO/FPO addresses, be sure your carrier does as well.

If you already have a contract with a carrier, extend that contract to cover Ship-from Store orders.

## Carrier Considerations:



The carrier should pick up from each store daily without prior notification.



Late day pickups are best, especially during season.



Make sure there is no minimum number of packages required for pickup.



## Questions to Ask:

- 1 What type of packing slip and/or shipping label will be used?
- 2 Does your web store allow for shipping to APO/FPO/AE/DPO addresses?
- 3 Does your web store allow for shipping to U.S. territories?
- 4 Does your web store allow for shipping to P.O. boxes?
- 5 Do your stores ship internationally?
- 6 What carrier service levels will you be using?



# Rollout and Maintenance

Like any fulfillment program, Ship-from Store comes with unique challenges—all of which can be met through planning and forethought. Here are some tips for rolling out the program—and maintaining it throughout its life.

# Store Associate Training

You will need to develop a training program for your Store Administrators and Store Associates. This includes developing a training manual as well as conducting Ship-from-Store training webinars. It's probably not practical to visit each store individually.

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Refresher training should be incorporated throughout the year to reinforce best practices and store compliance guidelines. You should also have a provision for training new hires. Store Associate training documentation should be developed in accordance with your standard operating procedures and methodologies. You should also provide a facility to give Store Associates quick access to information such as Frequently Asked Questions or standard operating procedures.



# Help Desk Support

Store users will need a way to log issues. Best practice is to use your existing processes. Updates may be needed to separate Ship-from Store issues from other IT assignments. Printer issues and connectivity issues should be supported by your IT staff just as they are today.

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# Pilot Program

Like any new program, it's best to start slowly and build out your program as you fine tune best practices.

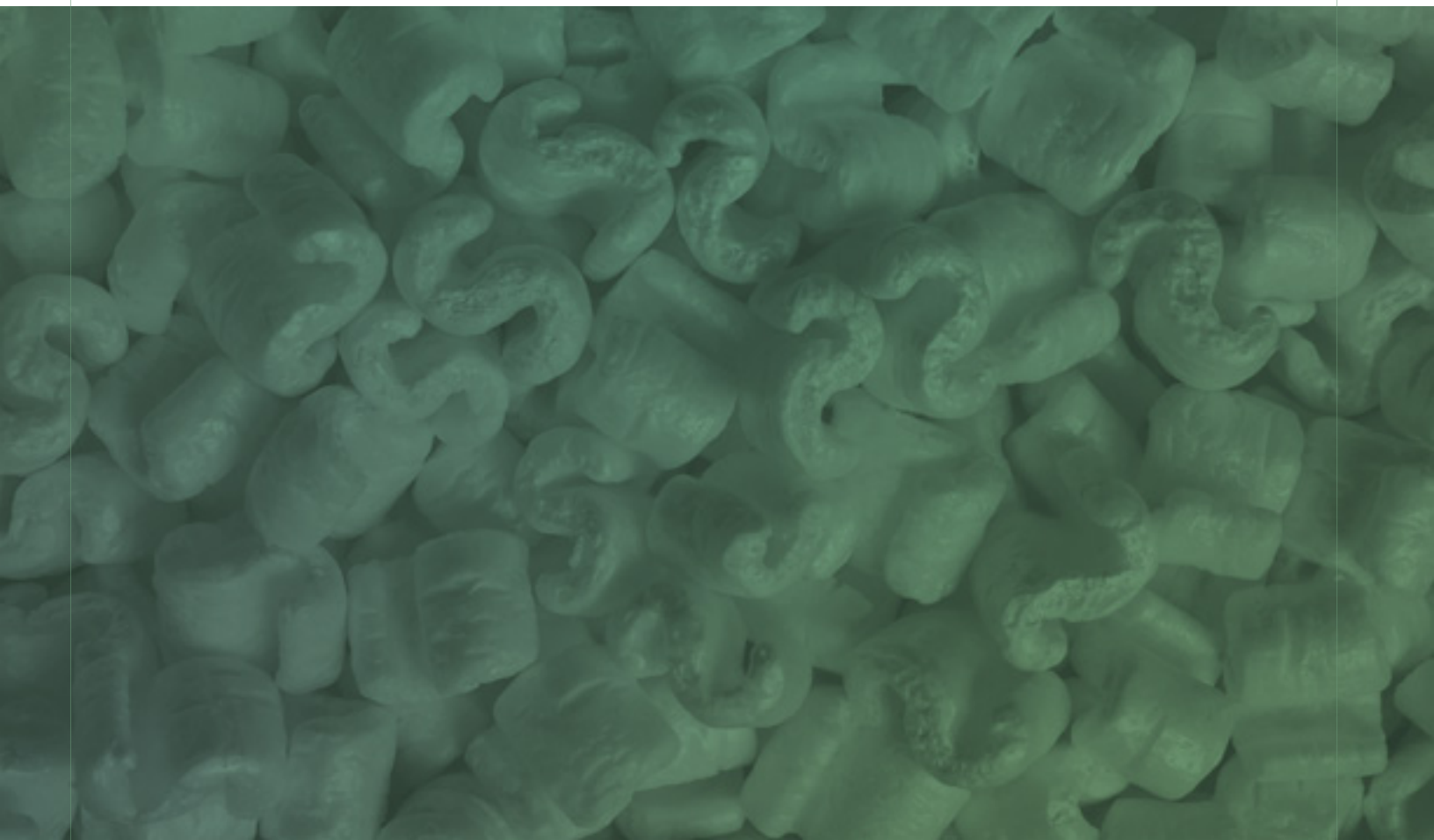
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Your Store Operations team generally defines the store roll out plan based on store performance, size, inventory accuracy and inventory levels, location and the number of newly enabled stores the Store Fulfillment Administrator(s) can support. It's wise to start out with a small pilot program with one or more stores in each of your shipping zones.

You should closely monitor store performance and adjust processes that may not be clear or effective. Stores may perform differently based on personnel, foot traffic, location etc. You may need to provide additional training, adjust the number of orders allocated to particular stores, change pick up processes with your carriers, etc. Once your pilot program is running smoothly you can begin the systematic rollout of your complete Ship-from Store program.

# Maintaining Supplies

It's important that each store monitors its own supplies, including boxes, bubble wrap, peanuts, gift wrap, and any other items in its packing area. The re-ordering process should be performed on a scheduled basis and be easily managed by store associates.



# Customer Service

Your Ship-from Store program should not greatly affect your customer service department. Representatives should continue using the same call center view into your Order Management System as it will have up-to-date information on all ecommerce orders.

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Your representatives may need additional training on handling calls for Ship-from Store orders. Standard operating procedures will need to be developed for these calls such as how to contact stores or your Store Administrator to cancel or update orders.

# Monitoring and Reporting

As with any initiative, performance monitoring and reporting play a critical role in ongoing success and continuous improvement. Without a proper feedback loop in place, it can be easy to miss areas where small tweaks can drive large performance boosts.

As you implement your Ship-from Store program, it will be important to identify your own KPIs that drive performance for your individual business.



About  
eBay Enterprise



eBay Enterprise is a leading global provider of retail-optimized commerce solutions, including the Magento platform, order management, fulfillment, customer care, and marketing solutions.

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We enable brands and retailers of all sizes to deliver consistent omnichannel experiences across all retail touch points to attract and engage new customers, convert browsers into loyal buyers, and deliver products with speed and quality. With unrivaled flexibility and control, our clients are armed to accelerate sales growth and win with today's digitally connected consumer.

### **eBay Enterprise Ship-from Store Solution**

Turn your stores into a strategic asset by creating mini distribution centers across your network of stores with our modular, cloud-based Ship-from Store solution. In a recent independent evaluation of competing solutions, Forrester Research Inc. commented that, "(eBay Enterprise's)...store fulfillment solutions stand out as a best-of-breed suite." Coupled with our expertise in fulfillment, store operations and best practices, clients realize 20-40% average increases in ecommerce revenue. Ship-from Store captures lost sales by exposing store inventory to all channels, optimizing usage.

Learn more at [ebayenterprise.com](http://ebayenterprise.com).

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