

WHITE PAPER

Why Mobile Technology is the Key to Direct Store Delivery Success

- Key retail initiatives such as direct store delivery depend on accurate, reliable, and timely data.

Physical retailing—in all its diversity—is under pressure as never before, confronted by fast-changing consumer preferences, aggressive new online rivals, and demand for personalized customer service. Business leaders for these segments should evaluate rugged mobile technologies to improve direct store delivery (DSD) efficiencies, cut costs, and transform the customer experience.

Direct store delivery is one of the most important aspects confronting business leaders responsible for this segment. DSD is particularly suited for quick-turn items and is often used by food retailers such as grocery and convenience stores. DSD lets them work directly with suppliers and distributors to:

- Reduce out-of-stocks
- Ensure freshness and food safety compliance
- Slash inventory costs and shrinkage (via scan-based trading)
- Reduce billing cycles and improve cashflow
- Establish a new level and form of collaboration with supply chain partners

Yet these business leaders struggle with a critical limitation: they lack the necessary visibility into their supply chain.

Ruggedized mobile devices on highly reliable wireless networks are essential enablers for successfully realizing the business benefits of innovations such as DSD and scan-based trading.

They create the essential “smart edge” that collects and tracks—in near real time—the inventory data that gives these business decision makers, as well as delivery and retail employees, vastly improved visibility into what products, in what quantities, are in which locations.



The Business Impact of Evolving Retail Trading Models

Direct store delivery is a long-established model. Yet it's undergoing change because of the impact of digital business transformation and mobility.

In DSD, retailers of all kinds can work directly with suppliers, minimizing the need for centralized or regional distribution centers. Typically, DSD goes hand-in-hand with scan-based trading, a payment model that means retailers do not pay suppliers or manufacturers until those products are scanned at the point of sale and sold to a consumer.

One outcome is that some, if not all, inventory carrying costs and shrinkage liability transfer from retailers to suppliers and distributors. Another is that suppliers potentially have better visibility into the results of their own product placement and promotional decisions. This visibility in turn creates a foundation for suppliers and retailers to collaborate in boosting sales and improving service to consumers.

Suppliers have up-to-date information about individual store inventories, and as a result can adjust and optimize delivery routes and schedules. These adjustments realize logistics savings while minimizing out-of-stocks for retailers.

Achieving these business goals and benefits requires technology decisions that enable much greater visibility into today's dynamic and complex retail supply chain. Complete visibility, in near real time, entails an array of integrated systems, including ERP platforms, business applications, and still-emerging technologies such as sensor networks and the Internet of Things (IoT).

But a reliable mobile solution is the cost-effective, extensible foundation that enables retail business leaders to realize the full benefits of DSD and scan-based trading.

Business Needs Drive Mobile Technology Requirements

Mobility enables the organization to accurately capture essential data at critical times. This data is vital to increasing operational visibility, improving decision-making, streamlining order processing, and quantifying customer service levels for both retailers and their suppliers.

These solutions must also extend to the consumers who walk through the door. Handheld store scanners or even consumers' personal cell phones display accurate inventory, location, and pricing data.

They speed-up checkout and payment including targeted loyalty and promotional offers based on the customer's previous purchases or preferences. Mobile solutions let store associates work directly with customers to check item availability, to schedule delivery to store or home and to finalize the sale. Associates armed with mobile devices can shorten or eliminate checkout lines by creating mobile points-of-sale wherever and whenever needed.

To achieve these business ends, data must be accurate, reliable, and timely. These are the realities that should govern the organization's assessment of mobile solutions. These solutions must demonstrate the following critical capabilities:

- Intuitive handheld devices designed to facilitate retail associates' productivity
- Barcode scanning that is fast and accurate
- Power and battery efficiency to maintain tasks throughout a full work shift
- Hands-free interactions through modern voice interfaces
- Rugged materials and designs to ensure devices "survive" demanding environments
- Wireless connectivity engineered for reliability
- Security features that mesh with mobile device management and data security practices
- Smooth integration with an array of supply chain business applications and technologies, from ERP to IoT



Mobile Solutions Drive a New Collaboration Model for Retailers and Suppliers



Scan-based trading demands a much closer partnership between retailers and their suppliers.

Mobile capabilities establish what can be thought of as the “intelligent edge”—the locations where a range of supplier and retailer employees not only collect data, but also act on it. They leverage these capabilities in an array of critical business activities:

- Reprice and restock faster
- Automate payments to suppliers
- Quickly identify shrinkage issues
- Fulfill orders more quickly due to accurate inventory locations
- Track shelf life of items to preserve food quality and safety
- Minimize errors in inventory management
- Create or revise orders almost on-demand

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Organization's Tech Maturity and Mobile Solutions

Retailers (and suppliers) each have their distinct level of technology maturity or readiness. Maturity depends on technology sophistication and expertise, and risk tolerance.

Some retail organizations are on the leading edge, experimenting with virtual or augmented reality inventory systems and artificial intelligence. Others are still largely paper-based. Most are somewhere in the middle.

Because rugged mobile solutions for retail are proven technologies, they can fit with an organization's maturity level. Mobile solution vendors typically offer—or partner with other companies for—consulting, design, deployment and even operations services for retail customers.

As a result, retail business leaders can adopt a solution that fits current requirements and extend and expand this solution in the future as needs and opportunities change.

How to Hit ROI Goals

Return on investment remains a key business metric for most retail business leaders. There are numerous components in a complete rugged mobile solution. But these components are discrete, well-understood and measurable. As a result, business leaders can accurately scope these solutions and set measurable, verifiable ROI objectives.

Even more importantly, the solution's reliability is a key enabler to ensuring that larger, business critical retail initiatives can achieve their own ROI targets. These initiatives include streamlining in-store transactions, optimizing the customer experience, on-demand ordering, shared inventory and shrinkage costs and much more.

All these efforts depend on timely, accurate data capture and access to applications. Reliable mobile solutions enable both, through visual interfaces, accurate scanning, reliable connectivity and long battery life.

Panasonic Mobile Solutions for Retail and DSD Businesses

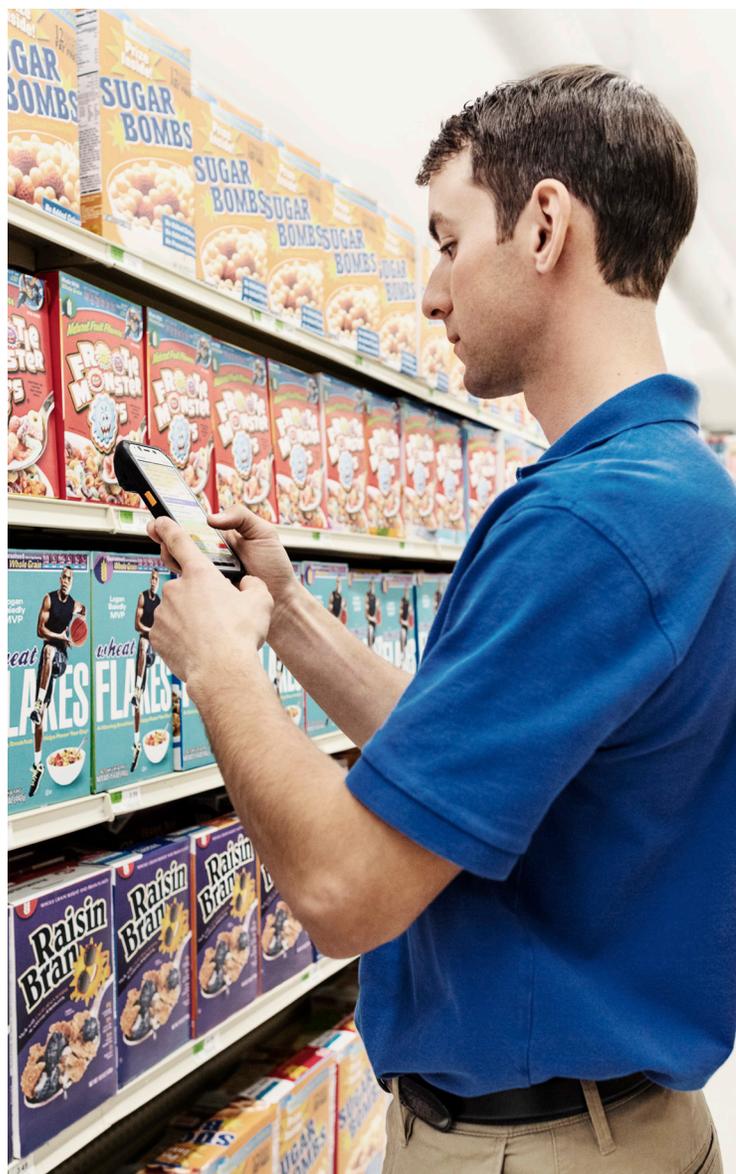
Panasonic focuses on retail business outcomes.

The company's mobile solution consists of:

- TOUGHBOOK® laptops, tablets and handhelds, designed for long-lasting durability to minimize failures and downtime
- Connectivity and deployment services
- Integration with existing retail business systems
- Support for Microsoft Windows® or Android™
- Partnerships with a broad ecosystem of software and platform providers for vertical markets
- Security and mobile device management software

The company works closely with customers to establish their business objectives, metrics and ROI expectations.

It has decades of experience working with IT and operations staff to deploy mobile solutions effectively and to integrate them with existing and emerging enterprise systems and technologies.



Panasonic combines rugged hardware with software and services to create mobile solutions that help retail distribution centers and stores manage the complexity of thousands of SKUs and maintain a balanced inventory. The company's devices are specifically designed for a wide range of front- and back-of-store retail operations, including cross-docking, inventory tracking, scanning barcodes, restocking, and mobile point of sale (mPOS). These devices are built for exceptional durability, with long product and battery life. Swappable batteries last across multiple shifts. There is a broad ecosystem of device accessories, such as angled barcode scanners, pistol grips and payment sleeves.

For more information on how Panasonic can help retailers solve their toughest problems, explore our [TOUGHBOOK for Retail page](#) or visit the [Knowledge Center](#).