

# FURNITURE SUPPLY CHAIN OBSTACLES in SHIPMENT EXECUTION & VISIBILITY

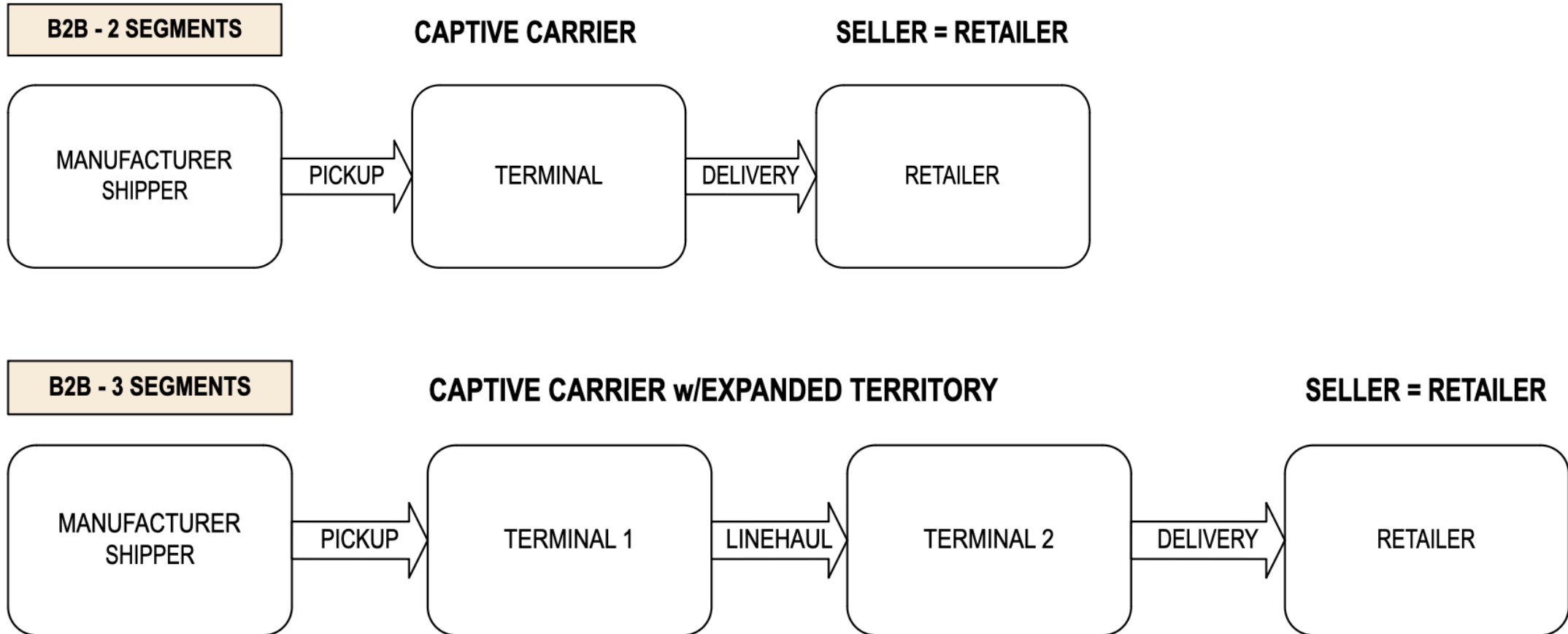
PRESENTED BY:



MIKE FILIP

VICE-PRESIDENT of PRODUCT DEVELOPMENT

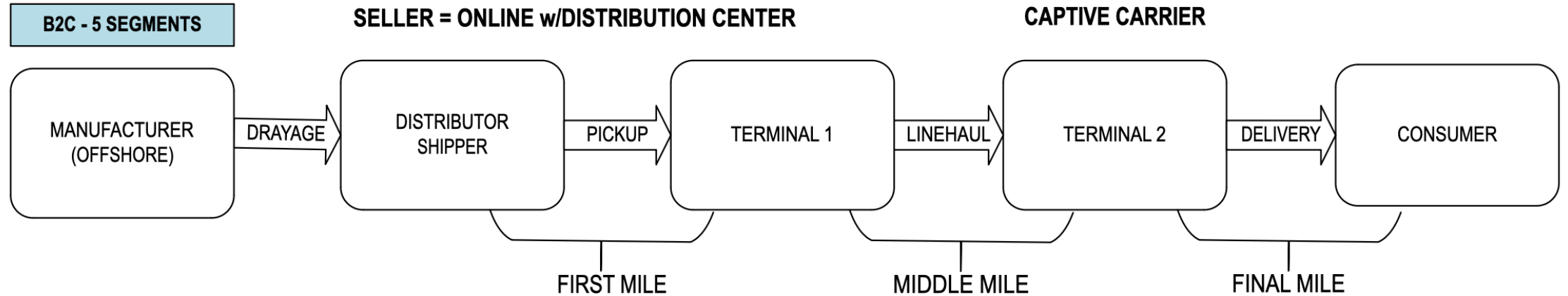
# SUPPLY CHAIN EVOLUTION: DOMESTIC SOURCING w/RETAILER FINAL MILE



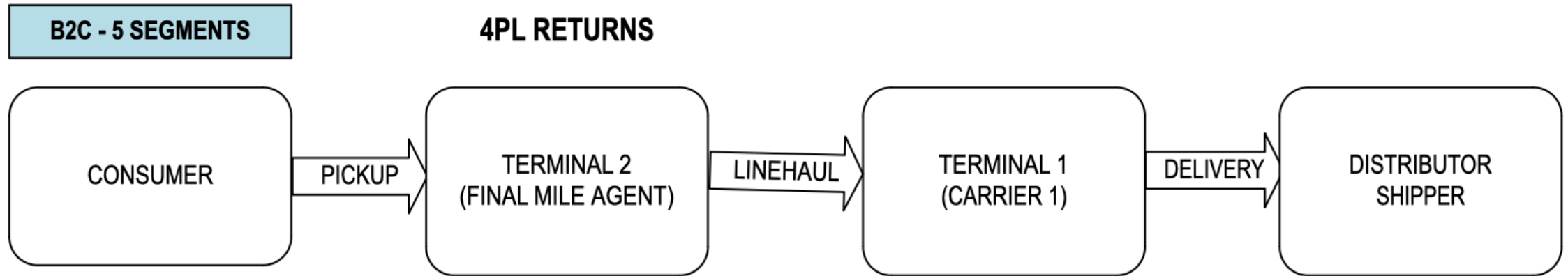
# SUPPLY CHAIN EVOLUTION: ADD OFF-SHORE SOURCING



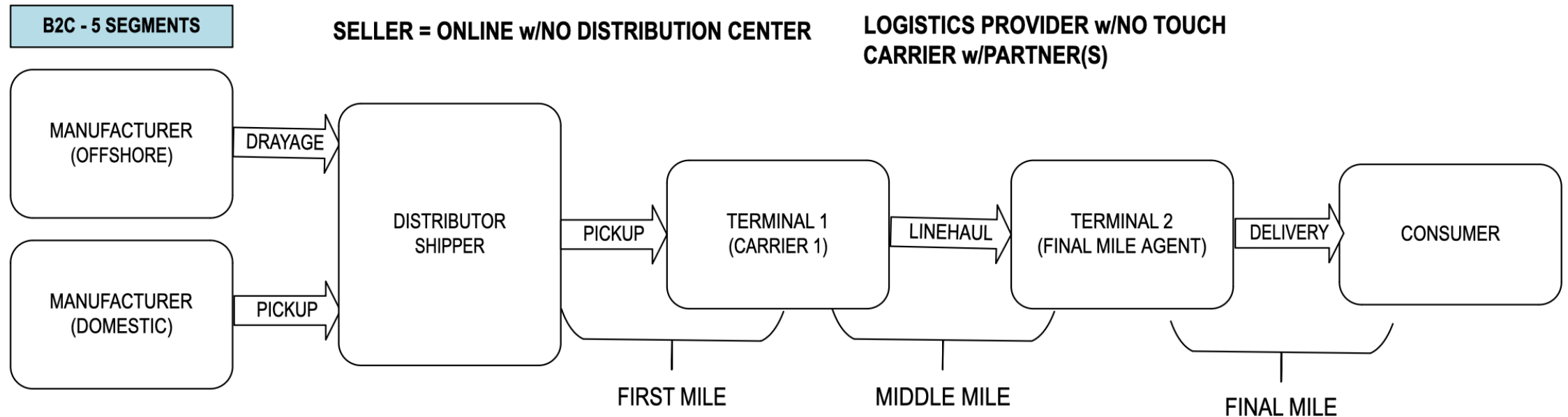
# SUPPLY CHAIN EVOLUTION: DIRECT FINAL MILE DELIVERIES



# SUPPLY CHAIN EVOLUTION: ADD 4PL RETURNS



# SUPPLY CHAIN EVOLUTION: MORE SEGMENTS & TRACKING POINTS



# SUPPLY CHAIN EVOLUTION: MORE TRADING PARTNERS

## MULTIPLE SUPPLY SOURCES

SUPPLY:  
DOMESTIC  
MANUFACTURER

SUPPLY:  
OFFSHORE  
MANUFACTURER

## MULTIPLE SALES CHANNELS

SELLER:  
TRADITIONAL RETAIL

SELLER:  
ECOMMERCE

## DISTRIBUTION

DISTRIBUTION:  
CAPTIVE WAREHOUSE

DISTRIBUTION:  
3PL PARTNER  
WAREHOUSE

## DELIVERY: FIRST, MIDDLE, FINAL MILE

3PL PARTNER: LOGISTICS ONLY

CARRIER 1: FIRST MILE

CARRIER 2: MIDDLE MILE

CARRIER 3: FINAL MILE AGENT

CARRIER 4: RETAILER DIRECT

# HOW DO WE ADAPT?

## ROBUST SYSTEMS INTEGRATION:

MULTI-POINT – 1 TRANSACTION TRIGGERS UPDATES TO MULTIPLE PARTNERS

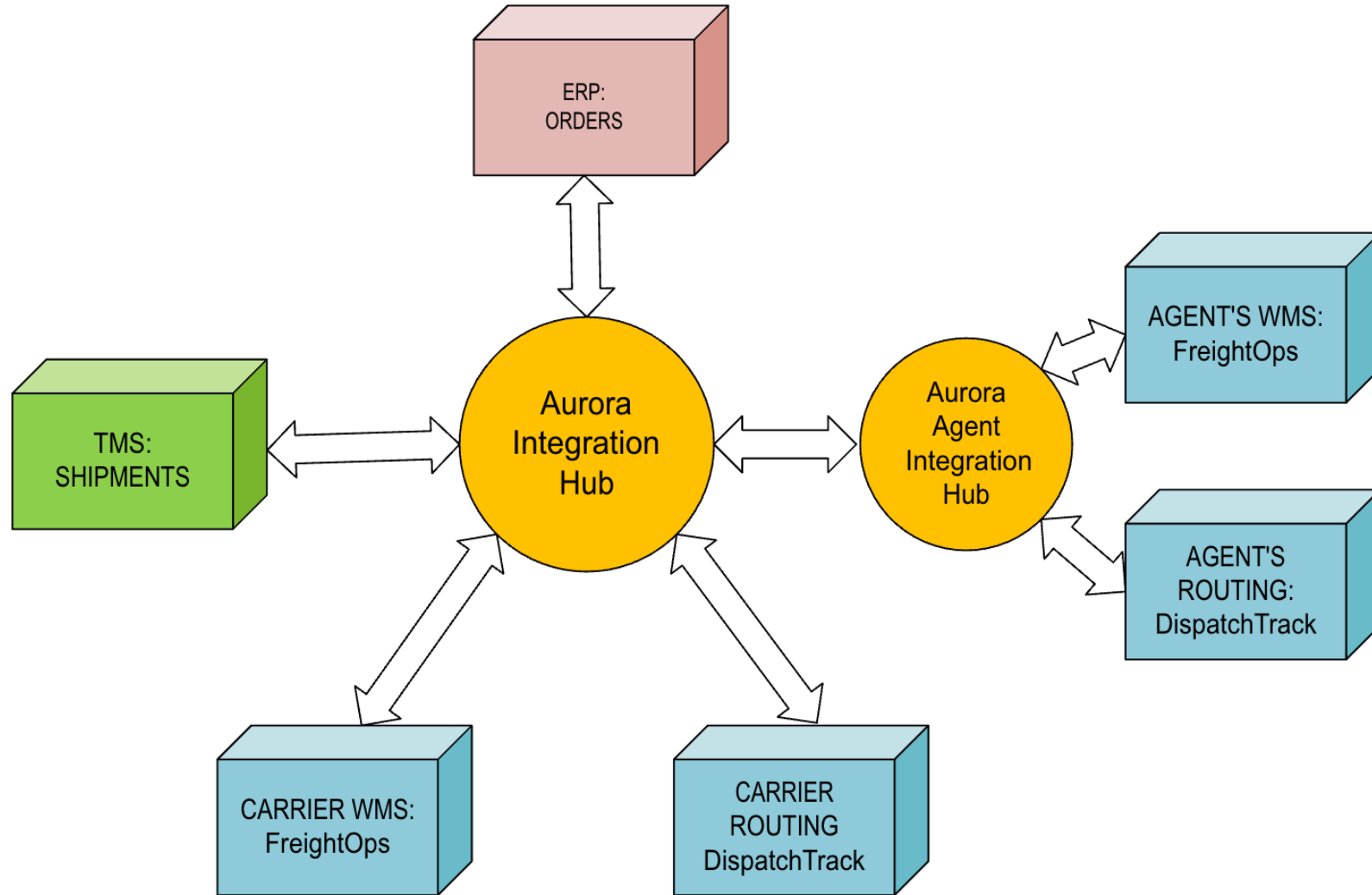
REAL TIME & BI-DIRECTIONAL

NON-PROPRIETARY - NO MORE “USE OUR SYSTEM”

- AGENTS SPEND HOURS UPDATING SHIPPER’S WEBSITES
  - AGENTS CAN’T EFFECTIVELY USE MULTIPLE SHIPPER’S MOBILE APPS
- TRAINING & COMPLIANCE ISSUES
- DOESN’T HELP AN AGENT MANAGE THEIR WAREHOUSE/DOCK



# SOLUTION: AN INTEGRATION PLATFORM



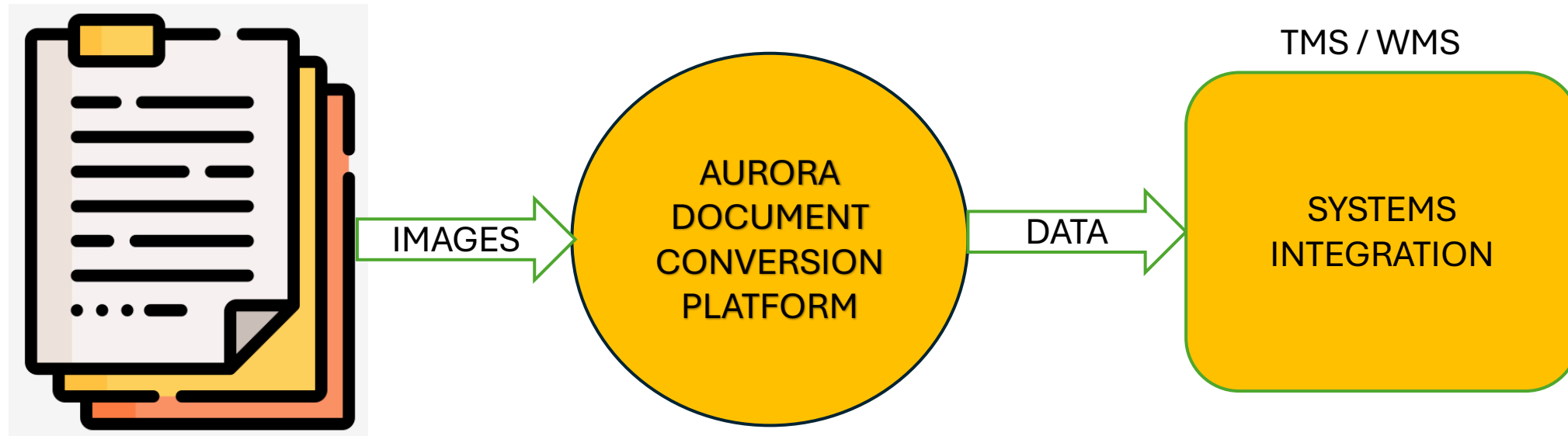
# HOW DO WE ADAPT?

## AI DOCUMENT CONVERSION TOOLS

Furniture carriers that use data integration estimate 40 to 50% of their freight bills are still created manually!

AUTOMATE: CONVERT DOCUMENT IMAGES TO USABLE DATA

DOCUMENT IMAGES



# HOW DO WE ADAPT?

## SUPPORT FOR MULTIPLE TRADING PARTNER ENTITIES

SHIPPER

SHIPPER CONSIGNEE

CARRIER (BY SEGMENT)

- FIRST MILE
- MIDDLE MILE
- FINAL MILE

3PL LOGISTICS PARTNER:

- DISTRIBUTION PARTNER
- TRANSPORTATION PARTNER
- PORT PARTNER
- DRAYAGE PARTNER

# HOW DO WE ADAPT? IMPROVE DATA INTEGRITY!

**DATA PROBLEMS CAUSE ISSUES AT ALL POINTS IN THE SUPPLY CHAIN**

**LET'S GO THROUGH SOME EXAMPLES**

# “BILL of LADING IS A PACKING LIST SYNDROME”

## EXAMPLE 1: VERSAILLES KING SIZE BED



### THE BILL of LADING SAYS:

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	100-C-K	VERSAILLES CANOPY BED – KING, LEATHER (BRN)	72	372
1	6451M-K	MEMORY FOAM MATTRESS – 12” PROFILE	87	42
1	6451B-K	SPLIT BOXSPRING – KING – 8” PROFILE	45	28
3	SHIPPING UNITS		TOTAL VOLUME:	204 442

## WHAT THE BILL of LADING *SHOULD* SAY:

»»» PROBLEM 1: INVENTORY UNITS  $\neq$  SHIPPING UNITS

»»» PROBLEM 2: CUBES CALCULATED ON ASSEMBLED PRODUCT

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	100-C-K	VERSAILLES CANOPY ASSEMBLY - KING	9.5	.85
1	100-HB-K	VERSAILLES UPHOLSTERED HEADBOARD - KING, LEATHER (BRN)	32	8.25
1	100-FB-K	VERSAILLES UPHOLSTERED FOOTBOARD - KING, LEATHER (BRN)	19	5.0
1	960-RK	RAILS w/BASE & CENTER POST - KING	19	2.25
1	960-BSK	SLATS for 960-RK BASE - KING	20	5.0
1	6451M-K	MEMORY FOAM MATTRESS – 12” PROFILE	87	42
1	6451B-K	SPLIT BOXSPRING – KING – 8” PROFILE	45	28
<b>7</b>	<b>SHIPPING UNITS</b>	<b>TOTAL VOLUME:</b>	<b>231.50</b>	<b>91.35</b>
		<b>DIFFERENCE:</b>	<b>+27.5</b>	<b>-350.65</b>

# EXAMPLE #2 – FARMER’S SIDEBOARD & HUTCH



## THE BILL of LADING SAYS:

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	98716	FARMER’S SIDEBOARD & HUTCH – WHITE	249	50
1	98716T	FARMER’S TRESTLE TABLE 95 X 36 X 30 – WHITE/WALNUT	190	59.38
6	96716CB	FARMER’S DINING CHAIR – WHITE/WALNUT	14.5	8.7
8	SHIPPING UNITS	TOTAL VOLUME:	453.50	118.08

## WHAT THE BILL of LADING *SHOULD* SAY:

»»» PROBLEM: INVENTORY UNITS  $\neq$  SHIPPING UNITS

»»» PROBLEM 2: CUBES CALCULATED ON ASSEMBLED PRODUCT

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	98716T-S	FARMER'S SIDEBOARD – WHITE	160	25
1	98716T-H	FARMER'S HUTCH - WHITE	89	18.75
1	98716-T	FARMER'S TABLETOP - WHITE	138	8.7
1	98716-P	FARMER'S TABLE PEDESTAL - WHITE	62	18
1	98716-L	FARMER'S TABLE – EXTRA LEAF - WALNUT	19	1.6
3	96716CB	FARMER'S DINING CHAIR – WHITE/WALNUT	26	8.7
8	SHIPPING UNITS	TOTAL VOLUME:	468	72.05
			+14.5	-46.03

- SIDEBOARD & HUTCH = 2 SHIPPING UNITS
- TABLE = 2 SHIPPING UNITS.
- CHAIRS = 3 SHIPPING UNITS



EXAMPLE #4 – SOFA W/3 ADDITIONAL PILLOWS



THE BILL of LADING SAYS:

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:	
1	5321ST	SEINFELD SOFA - TAN	108	55	
1	100PB	PILLOW - BLUE	1.5	.84	
1	100PS	PILLOW - SUNBURST	1	.375	
1	100PP	PILLOW - PRISM	1	.375	
4	SHIPPING UNITS	TOTAL VOLUME:		111.5	56.59

**WHAT THE BILL of LADING *SHOULD* SAY:**

**»»» PROBLEM: INVENTORY UNITS  $\neq$  SHIPPING UNIT**

QTY:	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	5321ST	SEINFELD SOFA - TAN	111.5	55
	NOTE	3 PILLOWS ENCLOSED		
<b>1</b>	<b>SHIPPING UNITS</b>	<b>TOTAL VOLUME:</b>	<b>111.5</b>	<b>55</b>
<b>-3</b>		<b>DIFFERENCE</b>	<b>0</b>	<b>-1.59</b>

## **ISSUE: TRADING PARTNERS WANT SKU LEVEL DETAIL FOR ALL ITEMS ON A FREIGHT BILL**

- ISSUE: SKU # & DESCRIPTION IS MORE VALUABLE THAN JUST A GENERIC DESCRIPTION (like “freight” or “furniture”).
- WHAT IS SKU LEVEL DATA?
  - SKU # (item #) & Description
    - Increasingly, the manufacturer values are different from the retailer’s values.
  - Accurate shipping unit data – shipping unit quantity, *packaged* weight & cubes, packaging type (carton, shrink wrap, etc.), and selling price (if it affects rating).
  - Weight & Cubes should be per unit and then totaled at the line item level and the line items totaled at the freight bill level.
  - This creates a LOT more data entry for manually created freight bills.
  - General commodity carriers, if supported, make it the shipper’s responsibility to input this data.

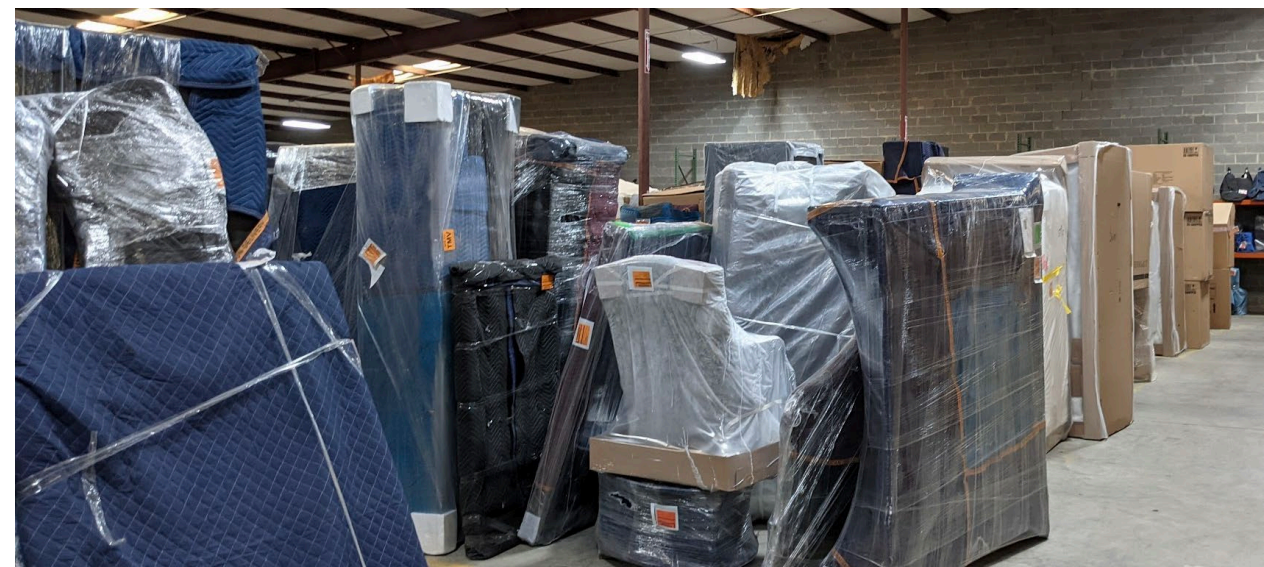
**PROPOSED SOLUTION - An industry standard database where data is validated by the trading partner members.**

- Validate the data once, use it many times.
- API’s to connect inventory systems and bill of lading systems

## **ISSUE: TRACKING/MANAGING UNITS:**

- Each shipping unit should be assigned a unique tracking # at the point of origin.
- Data interchange should make tracking unit #'s available throughout the supply chain (the 'FedEx model').

ISSUE: PACKAGING TYPE SHOULD BE NOTED:



BLANKET WRAPPED, SHRINK WRAPPED, CARTON, PALLET...

QTY:	PACK TYPE	SKU:	DESCRIPTION:	UNIT WT:	UNIT CUBES:
1	CTN	100-C-K	VERSAILLES CANOPY BED – KING, LEATHER (BRN)	72	25
1	SHRINK	6451M-K	MEMORY FOAM MATTRESS – 12” PROFILE	87	18.75
1	SHRINK	6451B-K	SPLIT BOXSPRING – KING – 8” PROFILE	45	8.7
1	PLT	10001A	SAID TO CONTAIN 72 UNITS KD FURNITURE		
1	BLKT	98716T-S	FARMER’S SIDEBOARD – WHITE	160	25
1	BLKT	98716T-H	FARMER’S HUTCH - WHITE	89	18.75
6		SHIPPING UNITS	TOTAL VOLUME:		

# SHIPPING LABEL ISSUES

## **LABEL ISSUE 1: SHIPPING LABEL DATA DOESN'T MATCH BILL OF LADING DATA**

- This is a Shipper's problem.
- Often the 2 documents are produced by 2 different systems.

### **PROPOSED SOLUTION – Improve data integrity by:**

- All systems must be properly integrated/synchronized.
- Use electronic address verification and data normalization tools.

## **LABEL ISSUE 2: CARRIER HAS TO RE-LABEL CARTONS FOR TRACKING PURPOSES (SCANNING):**

### **PROPOSED SOLUTION:**

- The shipper should assign a unique tracking for each shipping unit.
- Use a unique prefix to identify the shipper – Suggestion: Use the UCC identifier registered to your company. If you have a UPC code, it is the 1<sup>st</sup> set of digits). The Uniform Code Council code can assign you one.
- NOTE: The tracking numbers MUST be transmitted to your trading partners with your BOL data.
- Use a 3<sup>rd</sup> Party Service to print your labels on-line.

### **SHIPPER'S: MODIFY YOUR SHIPPING LABEL – ADD THE TRACKING # AS A BAR CODE.**



### **OPTION: ADD A 2 DIMENSIONAL BARCODE FOR DATA INTERCHANGE:**

ENCODE ALL THE DATA ON THE BOL WITH .XML TAGS.





# LABEL ISSUE 3: PROBLEMS AT THE DOCK

THE DOCK HAS TO CONTEND WITH ALL DIFFERENT TYPES OF LABELS!





# LABEL ISSUE 3: MORE PROBLEMS AT THE DOCK

MANY LABELS ON 1 UNIT?



TOO MANY BARCODES ON ONE LABEL.



CREATES SCANNING INTEGRITY ISSUES.

**LABEL ISSUE 4: SHIPPING LABELS NEED THE SHIP TO ADDRESS!**

WHERE IS THE ADDRESS?

<b>ACK:</b>	1981532	<b>PO:</b>	6370481
<b>SHIPPER</b>	ELEMENTS INTERNATIONAL		
*****			
<b>ITEM</b>	WN100QR RLS		
*****			
			
T211087		Bay A11	
04/28	LABEL: 2 OF 6		T1803



# PRODUCT HANDLING ISSUES

**ISSUE: NON-UNIFORM PALLETS ARE A PROBLEM AT THE DOCK.**



# ***Thank You!***

**FOR ADDITIONAL INFORMATION OR A COPY OF THIS SLIDE DECK, PLEASE CONTACT:**



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