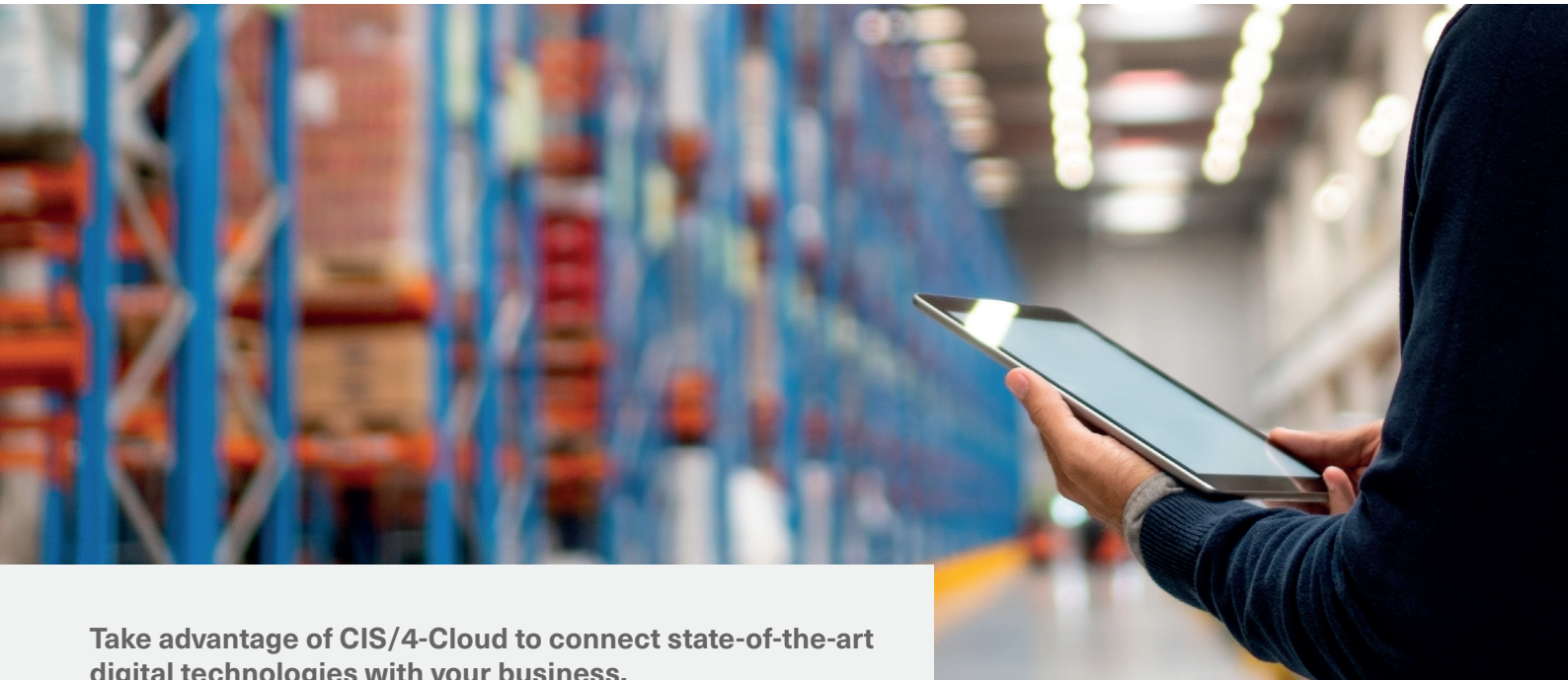




Take advantage of CIS/4-Cloud to connect state-of-the-art digital technologies with your business.

A CLEAR TREND IS EMERGING IN THE DO-IT-YOURSELF (DIY) INDUSTRY

DIY-stores are increasingly relying on dropshipping and outsourcing e-commerce fulfilment to their suppliers as far as possible. These suppliers now have to find ways to efficiently meet their customers' additional B2C process requirements. The best way to do this is to automate their dropshipping processes or at least support them technologically for the most part. However, this is easier said than done given the inflexibility of ERP-systems. With the help of cloud-based solutions, however, it can still be achieved.

» In dropshipping, the retailer does not stock the goods themselves, but merely acts as an intermediary between the end customer and the supplier.

This means that the retailer has no physical contact with the products, but only takes care of order acceptance and billing. Order processing, storage, shipping to the end customer and returns management are handled by the suppliers.

A RAPIDLY GROWING MARKET WITH GREAT POTENTIAL

Sales growth in e-commerce has been at a high level for several years now. During the pandemic, many consumers came to appreciate the advantages of online shopping and now consider digital sales channels to be a matter of course, even after restrictions have been lifted. Gross sales of goods in e-commerce rose to £99.1 billion in 2021 as a whole, up from £83.3 billion in 2020. This represents year-on-year growth of 19 per cent.

In this **rapidly growing market**, many well-known DIY stores are increasingly looking for ways to further expand their product range in their online shops. Drop shipping has proven to be an attractive business model, especially for DIY retailers.

*<https://www.bevh.org/presse/pressemitteilungen/details/e-commerce-ist-das-neue-normal-branchenumsatz-waechst-2021-auf-mehr-als-100-mrd-euro.html>



WHEN SUPPLIERS FAIL DUE TO TECHNICAL OBSTACLES

Drop shipping offers many advantages for DIY stores: not only do they save on the costs of warehousing and shipping heavy and bulky DIY products, they can also reduce their sales risk. However, the situation is not quite so rosy for suppliers: **as traditional B2B forward business is now being supplemented by a B2C component**, suppliers are suddenly finding themselves confronted with increasingly complex and difficult-to-manage processes.

Most suppliers have an ERP system that can already control many processes. However, the processes used by retailers are so diverse that standard software is far from sufficient. In addition to automated processes via EDI and the integration of APIs, small-scale e-commerce businesses must also be able to handle unstructured processes such as orders and cancellation requests via email. **The problem is that the standard ERP solutions from SAP, Microsoft and others used by suppliers are usually not very flexible due to their predefined functionalities.** Expanding ERP systems is usually associated with high costs and can only be achieved with compromises.

One thing is clear, however: **manually processing** recurring dropshipping processes **is extremely inefficient and cannot be a long-term solution.** Monotonous tasks such as manual order entry or creating inventory lists not only have a negative impact on employee motivation, but also carry a certain risk of error. In addition, they are very time-consuming and tie up human resources that are then lacking elsewhere. **Without the appropriate technical support, the supplier in the drop shipping business is doomed to failure.**

THE CLOUD-BASED SOLUTION: THE CIS/4 CLOUD – DROPSHIPPING

In order to master all these challenges in e-commerce fulfilment economically, **DIY suppliers must reposition themselves digitally.** Forward-looking, open solutions are needed in drop shipping that optimally support e-commerce processing and the implementation of suitable digitisation strategies.

CONCETO Dropshipping is precisely such a solution: **in addition to ERP**, it enables suppliers to provide technical support for individual or multiple components in the dropshipping process or to fulfil them completely automatically. These include, among other things:

- Order acceptance
- Order processing
- Returns management
- Cancellation management
- Reconciliation of inventory lists

As **part of the CONCETO Integration Suite for Cloud (CIS/4-Cloud)**, dropshipping is developed based on the highly integrative and customisable cloud software SAP Business Technology Platform (SAP BTP) and Microsoft Azure. It includes both the intelligent integration and orchestration of processes and a user-friendly interface for users.

Unlike applications that are connected via an interface, CIS/4 Cloud – Dropshipping **combines integration intelligence and application on the basis of a digital platform.** However, it is not a classic shop solution like Magento or Salesforce Commerce Cloud. As a central working platform for e-commerce processing, it is used to control sales processes in cooperation with retailers.

WHAT EXACTLY DOES THIS LOOK LIKE IN PRACTICE?

First and foremost, this always depends on the individual requirements of the supplier and their customers. To highlight just two typical scenarios from the multitude of possibilities: If, for example, orders are received in PDF format, CIS/4-Cloud – Dropshipping makes it possible to have the order entry form filled out by a scanning tool. The clerk would then only have to check the data, make minor changes if necessary, and process it in the ERP system. Similarly, CIS/4-Cloud – Dropshipping can greatly simplify the process of creating inventory lists by **eliminating the need for employees to manually merge data from multiple Excel spreadsheets**. Instead, they can simply generate an Excel extract in the format requested by the customer at the touch of a button.



We would be delighted to invite you to a no-obligation appointment to learn more about our company and our solutions.

AUTOMATED DROPSHIPPING PROCESSES: A CLEAR COMPETITIVE ADVANTAGE

The integration of pre-designed ERP functions with new, cloud-based solutions **enables DIY suppliers to control their sales processes** by mapping customer-specific workflows and controlling them technologically as far as possible.

Since CONCETO Dropshipping supports suppliers in the planning, execution and control of their sales processes in a fully or partially automated manner, **it significantly reduces process complexity** and ensures competitiveness in a rapidly growing market.

To ensure that DIY suppliers are equipped for further growth in the future and can tap into new sales channels without any obstacles, the solution also **offers reusable process components**. For example, templates for in-house B2C order fulfilment or for collaboration with other retail companies can be adopted.

By automating dropshipping processes, CIS/4-Cloud also creates the basis for optimal customer service. Since relevant information is available to the supplier in a bundled form, they can meet the retailer's requirements with tailor-made services and offer particularly good customer service. **This in turn leads to a compelling customer experience and strong customer loyalty.**

Last but not least, every single employee of the supplier benefits from the standardisation and harmonisation of workflows. For clerks, warehouse staff and shipping personnel, **automation means an enormous reduction in workload**, as most manual process steps are eliminated. This finally gives them enough time to concentrate on the really important tasks.

SAP® Recognized Expertise
Application Integration

