

Retail IT Insights Bylined Article
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The Hidden Costs of Late or Inaccurate Shipments

It's almost impossible for today's retailers to keep up with demand's peaks and valleys due in large part to the ongoing pandemic and continuing supply chain disruptions (hurricanes, port closures, lack of truck drivers, material shortages, and more) that are out of their control. However, they can take control of their operations by having better visibility into their shipments into and out of their warehouses, helping them win the day by focusing on winning the hour and optimizing process, people, and product management on the fly.

Like most supply chain teams, retailers and their 3PL networks are constantly looking for ways to improve within their warehouse operations. The opportunities for improvement are endless, whether it's streamlining labor to find and reduce previously unseen downtime; maximizing throughput with advanced visibility strategies; or updating and managing inventory statuses across the network. But there is one thing many supply chains struggle to manage that has far-reaching impacts to productivity, profitability, and customer satisfaction—late and missed shipments.

Late Or Missed Shipments Are Indicative of Bigger Problems

Late and missed shipments are especially frustrating because, on the surface, they seem preventable. But the reality is that they're actually a symptom of underlying issues. As these delayed shipment counts rise, it's often an indicator that something else is wrong in warehouse operations. The key is to get ahead of these issues when they're happening, not after the shift, so that you can avoid increased shipping fees, customer reimbursements, and a decrease in customer satisfaction.

It's been said that continuous improvement strategies need continuous improvement. That's never been more true than in today's supply chain landscape. What's happening now wasn't happening two hours ago, and what happened in the first shift certainly isn't happening in the second or third. Agility is supposed to be the key to supply chain effectiveness, but with orders and shipments piling up and profitability diminishing, very few supply chains actually have the visibility to be agile within the shift. The hidden cost to late or missed shipments goes beyond what are already massive financial and customer satisfaction impacts when you drill down into what's happening in real time.

Real-Time Warehouse Visibility Provides Insight into Shipment Pain Points

When a shipment is missed, was it because labor was short or late? Was throughput low in the first half of the shift and high in the second half? Were there products placed on hold too late because communication took too long? Or was a new process put into place that caused just enough disruption to miss shipments, but not enough to notice in the shift? Even more frustrating, was the shipment goal higher than normal but processes or labor just weren't adjusted appropriately to account for the new goal?

The unspoken reality of late and missed shipments is that, while costly, it's a symptom of larger operational issues in the warehouse. Unfortunately, many people focus on the symptom without visibility into what's causing the actual pain.

The impact of real-time warehouse visibility can be calculated in a myriad of ways, including increased operational efficiencies, cost savings, risk reduction, and an enhanced customer experience. [Recent research](#) showed that 47 percent of supply chain executives who have implemented warehouse visibility solutions have seen a more than 10-percent increase in efficiency while 58 percent realized more than 10 percent in cost savings.

Does your retail operation have the visibility it needs to overcome the negative impacts of late or inaccurate shipments?

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