

Life is Short. Let's Automate.

How To Automate Your Ecommerce Orders

Order processing is at the heart of your business - automate it!

Ecommerce is thriving. According to our latest study, titled *'How We'll Shop'*, **78% of consumers will be buying online much more frequently over the next 12 months.** This statistic highlights the abundance of new opportunities that are being presented in the market.

However, these opportunities also bring about challenges in order processing that can only be met with flexible digital operations which allow you to automate your workflows. And with order processing being the key workflow that lies at the heart of your business, ensuring efficiency means you can make rapid adjustments to business scale.

What does order processing really mean?

Merchants tend to think of solely warehouse operations when they hear the term 'order processing'. The story actually starts much earlier; when the order is placed by the customer. It will only then finish once the order has been fully dealt with and financially recognized. Given the number of touchpoints involved in the whole process, automated order processing workflows are required to gain efficiencies and support growth.

So, what does automated order processing look like? What are the key tasks that should be automated in order to speed up the whole process?

In this guide, we've drawn up an overview of the typical order workflow. We highlight the steps that are easy to get wrong (and often have unseen costs) and show you how they can be automated. We also flag up the things that you shouldn't automate... at least not right away.

We'll cover the key steps in sales order processing, including:

1. Creating the order
2. Recording payment
3. Reserving inventory
4. Quality checking
5. Fulfilling the order
6. Updating the order status
7. Packing the shipment
8. Determining the shipping method and printing the label
9. Updating the customer
10. Updating financial accounts



1. Creating the order

Ecommerce platforms automatically create an order once your customer clears the checkout. The processes may vary depending on the platform you're selling on, whether it's Shopify, BigCommerce, Magento, Amazon, or eBay.

Automation Opportunities

When selling on multiple sales channels, having the order creation process automated and synchronized means you don't need to spend time logging into each individual ecommerce admin area to process or download orders. Instead, everything should be recorded in one central 'hub' for easy access and visibility.

A lack of automation in this initial step opens up risks in other areas. Such as the impossible task of maintaining accurate inventory levels across your channels if they are not connected to a digital operations solution that can keep track of this data in one location.

Automation Caveats

Aggregating sales channels through an integration has the inherent risk of orders being missed or wrongly placed. This can quickly diminish the efficiency of processing orders. Wrong orders can also result in negative online customer reviews, which is harmful to both reputation and finances.

According to our *'Rise of The Review Culture'* report, US retailers spend on average \$10,000 each year dealing with negative reviews. So it's imperative to use an automated solution, like Brightpearl, that has reliable and native ecommerce integrations, and a clear alert system to flag any orders that could not be downloaded and provide an explanation why

2. Recording payment

Typically, you'll only want to ship what your customers have paid for. Which is why it's important to track the payment status of orders, especially in the case of pre-orders or deposits. Allowing customers to pre-order items, buy on terms, or place deposits can be cumbersome if you don't have a system in place that can track the status in real time.

Automation Opportunities

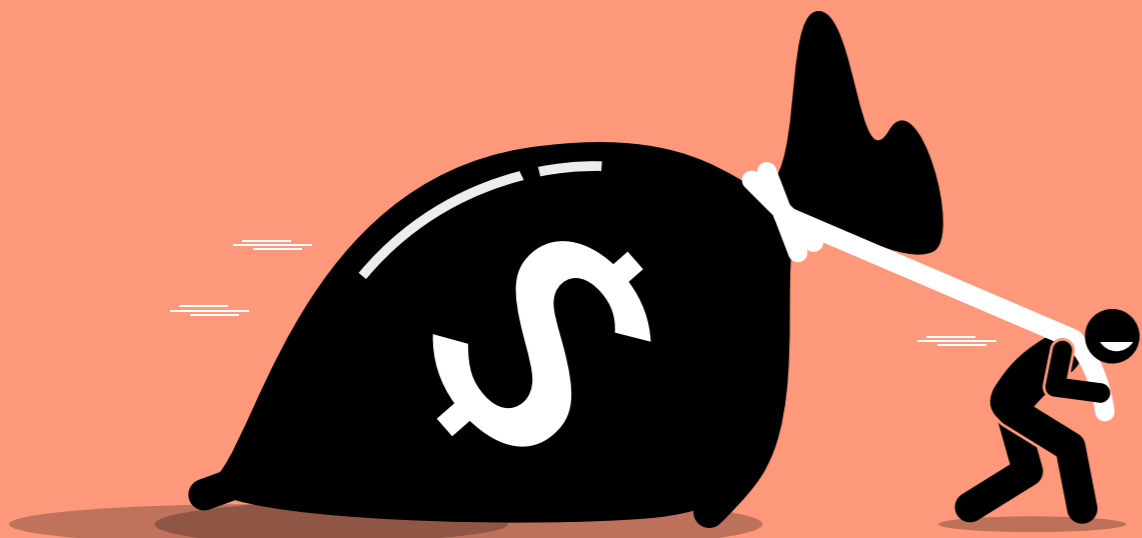
Every system tracks and updates an order's payment status automatically, which is great. Payment Status is always a field used to govern further automation, such as automatically fulfilling orders when they have been marked as paid.

It's also possible to implement automated authorization on checkout and capture on shipment, which is preferred by many customers, and makes order adjustments much more straightforward.

Automation Caveats

One major risk of automating your payment processing and verification is that it could take longer to notice any problems with your payment gateway.

It's important to frequently reconcile your transactions with your accounts, to ensure that funds have been correctly transferred. Having an integrated accounting system can be handy for regular reconciliation.



3. Reserving inventory

Once an order has been placed or paid for (depending on your preference), you will want to reserve or allocate inventory to it, so that the items are not sold again. Inventory changes triggered by reservations will need to update your connected sales channels to ensure they all have correct inventory levels, reducing the risk of overselling an item.

Automation Opportunities

Nearly all inventory management tools will automatically reserve inventory for orders from connected channels like Shopify, Magento, or Amazon. Manual orders placed over the phone, in person, or through wholesale are prime candidates for automation rules.

You'll want to set up specific rules to reserve inventory at the correct step in the workflow, whether that happens once payment is complete, the contract is signed, or the order is delivered. This will save your team the administrative cost of having to allocate inventory to those orders manually, and improve customer service by ensuring you are correctly reserving the right inventory for sales made.

Automation Caveats

It is imperative that your team fully understands the interactions of every channel with the inventory management platform. Without a solid understanding of the automation process, a team member could accidentally reserve stock or push false inventory levels to a channel, which could lead to overselling or missed sales.

4. Review the order

The review stage of an order can vary widely from business to business. Some are happy to let every order go straight to their warehouse team, while others may require each order to be reviewed first. This could be because they are prone to fraud, are high value, or for a number of other reasons.

Automation Opportunities

An automation rules engine allows you to define the criteria to decide which orders can be automatically routed for shipment and which require a human review. This can significantly reduce the amount of time required to process orders, and evolve your order processing routines so you manage your business by exception.

Automation can run checks at your designated points to ensure all compulsory fields are set and valid, and then highlight the orders that need attention. This avoids needing to check each and every order.

Automation Caveats

To ensure your order exception criteria works correctly, you need to test drive and vet them before automating. Enacting automation rules before you have thoroughly understood their impact could lead to problematic orders being automatically assigned for shipment.

5. Dispatching the order for fulfillment

Once an order has been approved for shipment (either manually or automatically), the next step is to dispatch it from the proper fulfillment location.

The complexity of dispatching for fulfillment can vary widely - a business with a single warehouse does not require the same level of automation that a business with multiple warehouses, a 3PL provider, or freight forwarder might. Partial fulfillment might also be needed when some of an order's items are out of stock.

Automation Opportunities

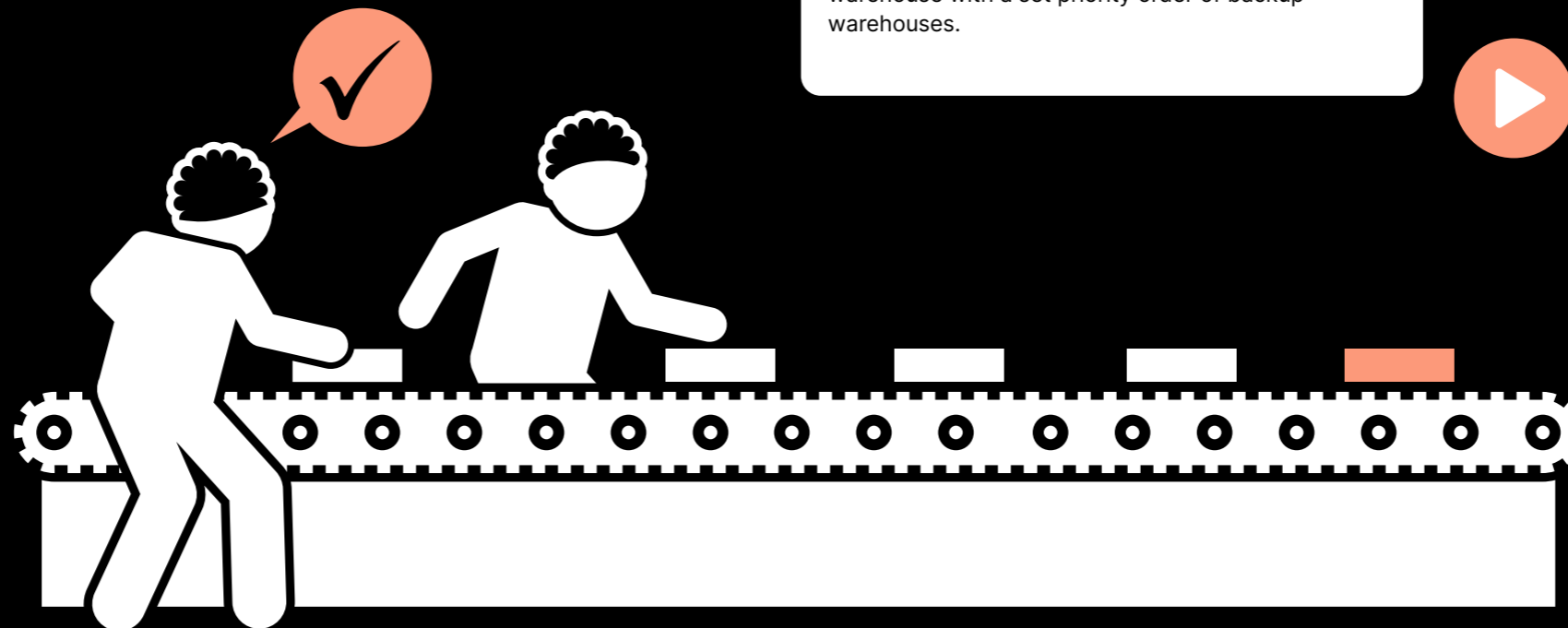
For businesses with multiple fulfillment locations, the job of routing orders can become a cumbersome and highly specialized task (i.e. what happens when your router is out sick)? And, for businesses that use dropshippers, sending a purchase order to the right supplier for each order can be a time-consuming job that's error-prone. It becomes even more complex if you have both stock on hand and dropshippers for the fulfillment of certain products.

An automation tool, like Brightpearl's, allows you to create a set of advanced fulfillment rules that automate dropshipping and partial fulfillment, and automatically route orders to their optimal warehouse with a set priority order of backup warehouses.

Automation Caveats

There are a couple of risks to be aware of when automating your fulfillment. Inaccurate inventory data is the first. The time lost recovering from improperly routing an order because of an inventory discrepancy between your system and physical inventory can be significant.

The next area to be aware of is when you involve a third party team. If they lack the context to know that orders were potentially incorrectly dispatched, they will typically begin shipping items immediately. It is important to work with your third party provider and understand the process from their side, too.



See Brightpearl's Automation Engine in Action Watch Now

6. Updating the order status

Once the order has been dispatched, most businesses typically update the order's status to 'processing'. This helps to identify which orders still need to be routed and the current burden on the warehouse staff, as well as keeping the customer informed with order progress.

Automation Opportunities

With an automated system, it is simple to configure an automatic status update for an order once it has been routed to the warehouse. This saves someone having to manually update the system. It's far more accurate, too.

Automation Caveats

If there are gaps in your rules for updating order status, then your order data can quickly become confusing, and, if your order statuses are public (i.e., they're linked to a webstore), then your customer could be misinformed.



7. Packing the shipment

The next step is for your warehouse crew to receive the order and get it picked and packed as efficiently as possible. This is a process that can be highly error prone. That's due to things like high turnover of staff, seasonal workers, similar looking items, disorganized warehouses, and time pressures. All these can lead to inaccuracies or delayed shipments and unhappy customers.

Automation Opportunities

Removing the step of having to manually print a pick list or packing slip can shave minutes off each shipment batch in your warehouse processing. A suitable warehouse management system can be configured to automatically print out picking routes for warehouse staff, allowing them to focus on efficiently picking and packing items, instead of working with software.

Taking things even further, many warehouses have shifted to a paperless approach, using iPads or wireless scanners. Through software and automation, you can reduce the time pressures on your warehouse team and avoid packaging errors. This means, you can be confident the boxes leaving your warehouse are on time, and have got the correct items in them!

Automation Caveats

As with any automation step, there are risks in orders being missed or lost through automation rules without a human review. It is important to have checks in place to prevent missed orders while you are establishing your automation rules, and even when it is fully established. With Brightpearl's warehouse management system, you can set up different user permissions to urge a manager review on certain orders.

8. Choosing a shipping method and printing the label

Once orders have been picked and packed, the shipment method must be determined. This is typically a standard carrier or an alternative selected by the customer. Selecting a more expensive carrier or level of service than required can have serious implications for the profit margins of an online business.

It is important to consider the type of product, customer location, and urgency when selecting the proper shipper. USPS is typically cheaper for smaller, less urgent items, while UPS and Fedex provide better rates for larger or more urgent orders. Although selecting the optimal carrier for every order seems like the correct approach, the savings could quickly be erased if a staff member has to manually check rates and service levels - this is where automation comes into play.

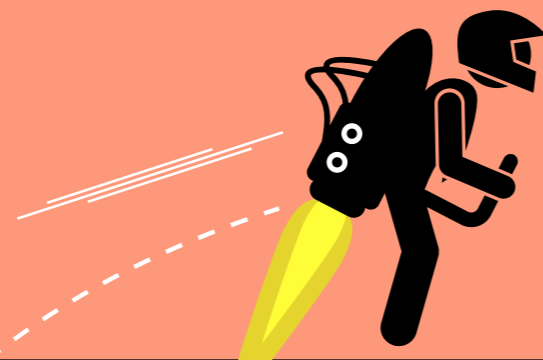
Automation Opportunities

Tools like ShipStation and Shiptheory allow you to create shipping automation rules based on shipping methods coming from Brightpearl. This allows you to choose specific options, like shipping with USPS for less urgent orders and shipping via UPS or Fedex for more urgent orders.

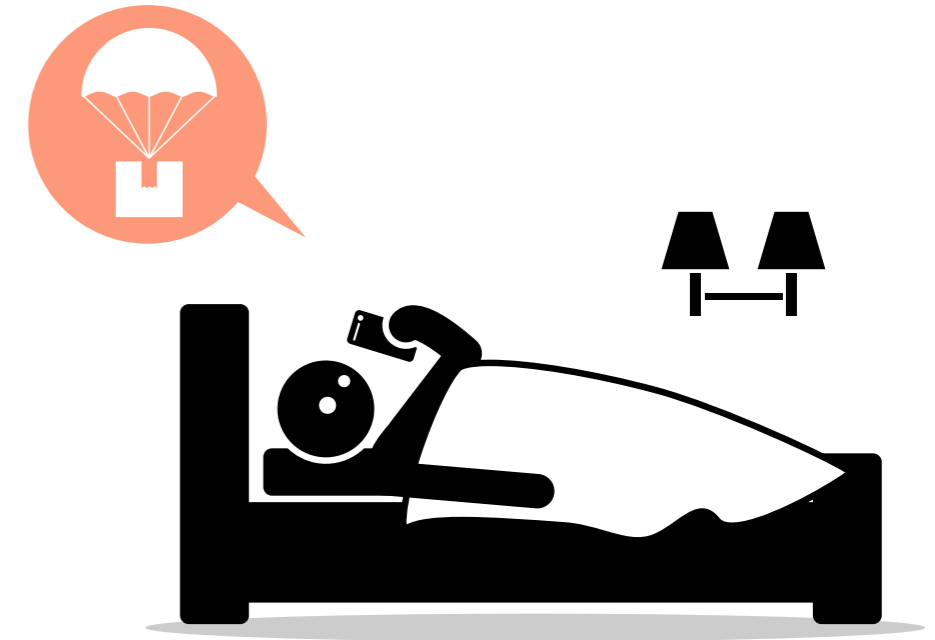
Brightpearl's automation tool helps to take things further, and allows you to automatically update shipment methods based on things like whether an order contains a specific product or comes from a particular location. ShipStation, Shiptheory, and other shipping aggregators can eliminate the need to manually arrange carrier pickup for shippers like Fedex and UPS. Once an order has been created, an alert for pickup can be sent automatically.

Automation Caveats

Your automation rules for assigning shipment need to be fully vetted before they are implemented. If minor mistakes are made, you could spend more than you need to on shipments, especially without someone monitoring the process.



FREE



9. Updating the customer

The modern online shopper has come to expect a high level of visibility on the status of their orders, due in large part to the service levels of Amazon and other large retailers. A key step to providing this visibility is sending a customer an update when their order has shipped. This update should explain which shipper has dispatched the order and provide the associated tracking number.

Failing to provide information can lead to your phone, inbox, or support staff being flooded with "where's my order?!" questions. However, logging into multiple sales channels and copy-pasting tracking numbers from a shipper's website is not a great use of time. This is a problem that can easily be solved through, you guessed it, automation.

Automation Opportunities

Using a tool like Brightpearl along with ShipStation or Shiptheory, allows you to completely automate the process of alerting your customer of successful order shipment. Once an item has been shipped in ShipStation or Shiptheory, the tracking reference number is automatically passed to Brightpearl, and then relayed to the connected sales channel such as Shopify, BigCommerce, Magento, Amazon, or eBay.

Automation Caveats

The major risk with automating the process of customer updates is sending too many updates from too many platforms. It is important to map out and test exactly when customers should receive emails, what those emails look like across major email clients, and which platform is sending those emails.



10. Updating the financial accounts

The final step to completing an ecommerce order, (unless the customer wants to return, but that's for another guide), is accounting for associated revenue and COGS.

In the early days of being a retailer, you might enter this manually into an accounting platform or use an integration. Then as your reporting needs increase, you'll typically require more exact figures for profitability of sales - and that's where Brightpearl comes in.

Automation Opportunities

By adopting an integrated accounting platform, you will be able to track your profitability per order automatically. As orders are shipped and paid, they can be configured to automatically post accounting entries.

The final step is to determine your automated invoicing rules. If you are strictly retail, this will likely be once an order has been shipped and paid. Wholesale is a bit more complicated - you will want to create invoicing rules based on what you have negotiated with your wholesale customers. With Brightpearl's automation engine, you can automate the invoicing based on various conditions like order status, payment status, fulfillment status, and so on.

Automation Caveats

With automated accounting, it can be tempting to ignore account reconciliation or pay less attention to your accounts. It is still important to frequently reconcile accounts to ensure that payment has actually been received for each order.

Final Thoughts



Something important to keep in mind, as you consider the power of automation, is how complicated it is to create workflows. This depends mostly on the type of software you choose. If using an ERP, it typically requires the additional cost of an engineer to build the customized code from scratch, which takes significant time and effort to complete.

With Brightpearl, automation workflows are configurable and come out-of-the-box with no code requirements, so you'll start seeing the power of automation immediately. Brightpearl stands out from the crowd because its automation tools are simple and easy-to-use, which we know makes all the difference to businesses like yours.

It's essential to nail the order processing workflow in your business. Your customer satisfaction, overall efficiency and future growth all rely on it. By automating key parts of the order processing workflow, you can:

- Save hours every week
- Reduce human error
- Adjust better to market changes
- Grasp new opportunities faster

The only better time to say yes to automation was yesterday...



We're now saving 40 hours each month on tasks that previously we would have had to manage manually, which means we're able to optimize staffing and remain lean as an organisation, despite our growth."

Jessica Floyd, trueCABLE