

## **E-FULFILLMENT - A NEW CHALLENGE FOR ELECTRONIC BUSINESS**

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**ABSTRACT:** *Currently, we are witnessing a uniform interconnect solutions that allow easier access of small businesses and start-ups to electronic commerce and even their unprecedented development using specialized intermediaries. Thus, a modern distribution system is the e-Fulfillment presented in this paper. In the first part of the paper by presenting the concept and technological developments we have highlighted several classifications thereof. The biggest part presents the main operations are conducted at the operator e-Fulfillment, from taking products from suppliers, management, logistics information needed to store transactions through electronic transfer of goods to customers using courier companies, settlement and billing services, forms of promotion etc. The paper ends with some aspects of the advantages of using these systems, the costs involved and examples for Romania.*

**KEY WORDS:** *e-Fulfillment, electronic commerce, Authorized individuals.*

**JEL CLASSIFICATION:** *M15, P45.*

### **1. INTRODUCTION**

Currently, information technologies, where the Internet is the point of reference, are present in all fields of contemporary man and the generalization of electronic exchange of information determined the universal nature of interpersonal communication and business. The e particle is omnipresent and symbolizes expansion of information and communication technology across the economy: trade, business, economy on electronic support. In this context, reconsidering the role of intermediaries is one of the significant ways electronic business models, especially in electronic commerce.

Along with the expansion of solutions for electronic stores, gaining visibility on the Internet needed an efficient activity generated by their owners specifically intermediary electronic market requirements, such as specific search engine, providers

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of advertising space web directory organized web address on thematic areas etc. Since 2000, Delphi Group identifies a new trend on the emergence of new types of intermediaries in electronic Global Trade, intermediaries who take most of the activities carried out in an electronic store and a concentration of activity by one of several owners distributor.

These intermediaries will have two forms and two essential conditions will materialize in online businesses, the respective credibility and time. Specifically, it identifies the following: credibility brokers who act as catalysts for trading and seek build partnerships based on trust and credibility, prestige brand than or promotional efforts; Brokers absolutely necessary for the digital economy because the time will exceed the amount of capital importance, intellectual property and innovation capacity and creates business value by coordinating volume ever greater opportunities durations of increasingly small.

One of the recurrent patterns in today's e-commerce operations is the combination of 'bricks-and-clicks' – the integration of e-fulfillment into a portfolio of multiple alternative distribution channels. From a supply chain management perspective, multi-channel distribution provides opportunities for serving different customer segments, creating synergies, and exploiting economies of scale.

## 2. CONCEPTS AND CLASSIFICATION

The first in-depth research on strategies for order fulfillment (Fulfillment) was published by Mather (1988) which discusses the ratio of P production time, how long it takes to manufacture a product and C, time of producing the demand. Amount their time is that customers are willing to wait for command execution.

**Order fulfillment** (in British English **order fulfilment**) is in the most general sense the complete process from point of sales inquiry to delivery of a product to the customer. Sometimes *Order fulfillment* is used to describe the more narrow act of distribution or the logistics function, however, in the broader sense it refers to the way firms respond to customer orders.

Based on these options in conjunction with the logistics amazing development of the Internet and electronic comets and management systems and expert systems, providers can make a quick and cost-effective transition from the Fulfillment to e-Fulfillment.

However, in order to successfully exploit these opportunities companies must master novel challenges. In particular, the design of a multi-channel distribution system requires a constant trade-off between process integration and separation across multiple channels. In addition, sales and operation decisions are ever more tightly intertwined as delivery and after-sales services are becoming key components of the product offering.



Source: <http://www.logwin-efulfillment.com/>

**Figure 1. e-Fulfillment Solutions**

Currently, we are witnessing a uniform interconnect solutions that allow easier access of small and medium-sized e-commerce and even their unprecedented development using specialized intermediaries.

Thus, after 2010 there is a new type of intermediaries that provide high quality service and efficiency through e-Fulfillment which radically alters the effective monitoring of business processes implemented in the company or in its partnerships through electronic platforms that take over all operational process and logistical online store.

E-fulfillment is the service through which an operator takes all order fulfillment process in the name of an online store, from storage, taking orders, packing and delivery or website management, based on cloud systems management, reporting and track orders.

Basically, the order fulfillment time is significantly reduced by taking goods into the e-Fulfillment. According to the dictionary of business, e-Fulfillment is a Process of taking an order and executing it by making it ready for delivery to its intended customer. It may involve warehouse pickup, packaging, labeling etc.

### **3. THE OPERATIONS PERFORMED THROUGH THE e-FULFILLMENT**

Operations conducted using e-Fulfillment platforms are complex and numerous, so that electronic stores always outsource these tasks. Regardless of the portfolio of activities that constitute the contract between the supplier and the intermediate holding electronic platform should make a compilation of such activities depending on where and when you scroll.

Operations conducted from storage management system e-Fulfillment, include:

- Making and receiving processes of receipt of the goods and recording in the database all the information about the quantity, quality, size and weight;
- Storage products according to specifications and that they were conducting operations inventory, sorting and grouping them according to frequency of orders;
- Synchronization commands to streamline the time and cost of supply;
- Ensure safe storage and inventory.



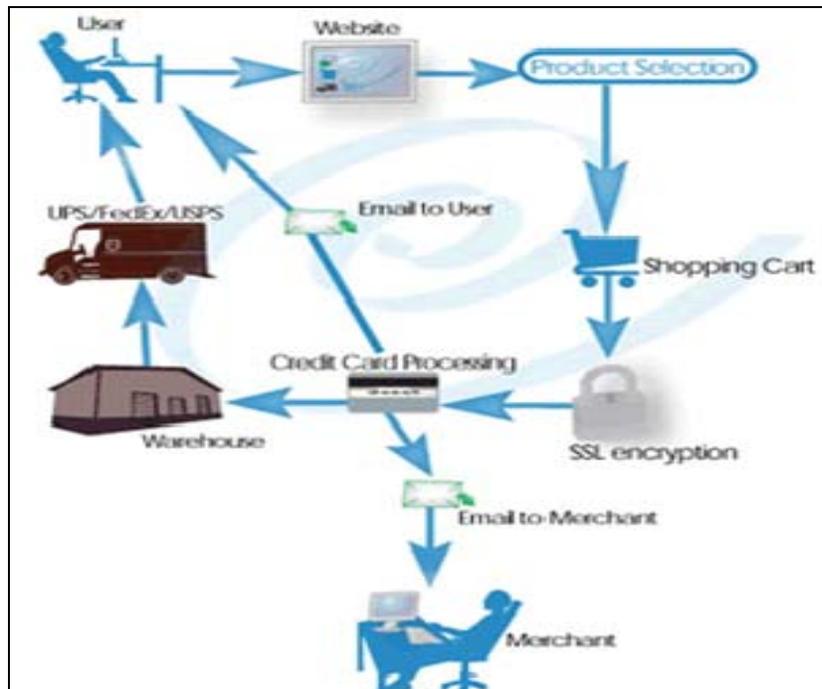
Source: [www.erdconcepts.com/order-fulfillment-logistics-shipping-services-for-your-e-commerce.html](http://www.erdconcepts.com/order-fulfillment-logistics-shipping-services-for-your-e-commerce.html)

**Figure 2. Operations for e-Fulfillment**

Operations conducted for the online store management system e-Fulfillment suppose (if that service is outsourced):

- The organization's homepage. Product placement on the homepage is a dynamic process based on analyzes and best practices of e-commerce;
- Updating the product portfolio on site, the selling price of these and technical characteristics;
- Support the proposed promotion campaigns marketing department;
- Making and sending newsletters to customers;
- Making and sending emails to all purchasers of the account creation stage cart, ordering, purchase order taking, etc;
- Creating reports with specific performance indicators.

E-Fulfillment Service Provider may provide other services in parallel with taking orders online order management through the online shop or order via email and telephone lines, with a customer service team that provides a flexible schedule for taking orders, even with extended hours until 22 pm and / or Saturdays.



Source: <http://fulfillmentwarehouse.com/ecommerce-fulfillment-services>

**Figure 3. Order and Shipping Data Transfer**

Operations carried out for product delivery by e-Fulfillment system, include:

- Billing products to customers is through a cloud ERP system and the information is sent to be registered in the customer management system;
- It allows billing automatically be deducted automatically from initial stocks sold products. Thus, using a permanent inventory of them that allows creating purchase orders and setting safety stock by creating a stock alert reunification;
- Preparation of customized documents required delivery;
- Assemble packages quickly expanded via a management system that allow the identification of the product is in warehouse. Packages can be customized with vendor-specific identifiers (logo, logo etc) and within them can put promotional material such as brochures, pricing offers, personalized calendars, etc.;
- Delivery of parcels by courier is much quicker because the number of packages over is high, the firm can retrieve e-Fulfillment sale of products from many online trading companies. Consequently delivery price decreases;
- Delivery Confirmation is based on a personalized email is automatically sent to the supplier of goods and the buyer is charged for

the product. The email specified details about delivery, including product identification code and information on the courier company;

- Receiving information from the courier company on receipt of products by customers through integrated information system.

Supplier is able to conduct himself more operations that have been more surveillance and control character, rather than operational. The most important operations of this type are:

- Provides access to the warehouse stocks knowing exactly how much quantity available there for each position;
- Check the status of orders, real time seeing their progress through the steps of processing and delivery;
- Receive data aggregated performance reports online store orders, returns and stock
- Receive alerts for food stock when needed.

Obviously, the growing number of such platforms of e-Fulfillment proving that their use is effective and can highlight several advantages, the most important being:

**Table 1. e-Fulfillment Advantages**

No.	Advantage Type	Effects for the supplier
1	Taking on storage operations, taking orders, merchandise management, invoicing, packing, delivery.	Outsourcing storage, taking orders, goods management, invoicing, packing, delivery.
2	Transformation of indirect operating expenses management e-commerce store in direct costs proportional to the number of orders shipped and stored cargo volume.	Reducing expenses operation of electronic shop.
3	Online store owners can focus exclusively on business development, increasing portfolio of marketed products, promotion and strategic market positioning.	Focusing on developing the product portfolio, increase their competitiveness and promote their.
4	Follow activities undertaken by the e-Fulfillment by ERP and Business Intelligence secure cloud that allows viewing a dashboard in the end of the day or in real time.	View, surveille and control of outsourced services.

The order fulfillment strategy has also strong implications on how firms customize their products and deal with product variety.<sup>[4]</sup> Strategies that can be used to mitigate the impact of product variety include modularity, option bundling, late configuration, and build to order (BTO) strategies—all of which are generally referred as mass customization strategies.

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#### **4. e-FULFILLMENT IN ROMANIA**

In Romania, the first e-Fulfillment platform was launched in Brasov in 2013 by the Frisbo company. The value of the initial investment was over 500,000 euros and was to create logistics infrastructure respectively a warehouse with an area of 1,400 square through which the first year of operation were delivered over 100,000 products purchased online.

In 2014 through the platform are managed operational and logistic processes of 10 businesses from home and abroad. The main customers are Okian library and shoe retailer Frisbo but also stands Leonardo, Cosmetic Plant (Cluj), XTDeco, Mobilena (Salaj).

#### **5. CONCLUSIONS**

Electronic commerce confirm the role of information and communication technologies in enhancing the potential of an undertaking complex and ensure its development prospects. In this context, the e-Fulfillment is an opportunity through the many advantages they offer materialized in reducing costs and transforming fixed costs into variable costs, flexibility and speed in storing, managing, retrieving and delivering goods.

For these reasons the business development of this type should be included in programs for development of information society and business compatible with these trends.

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