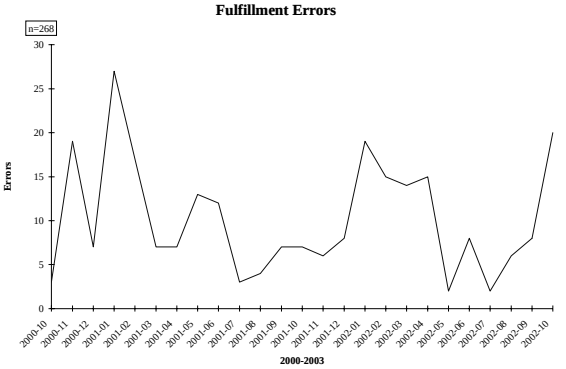
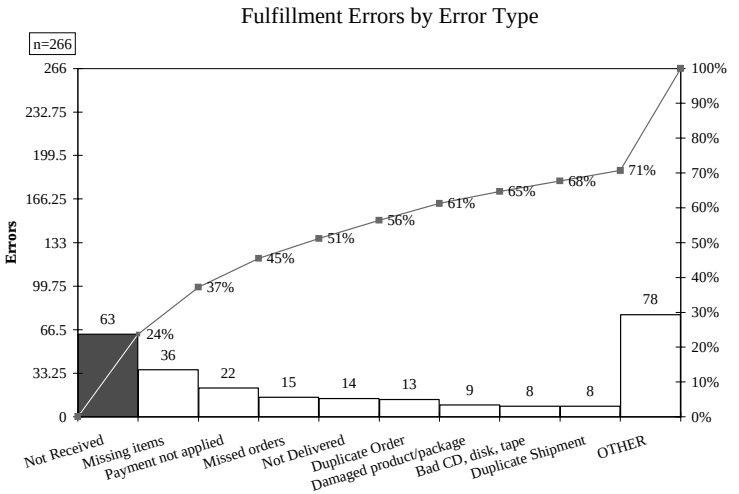
CASE STUDY-MAIL ORDER FULFILLMENT

In my business, I ship software and training materials. This results in a variety of possible fulfillment errors:

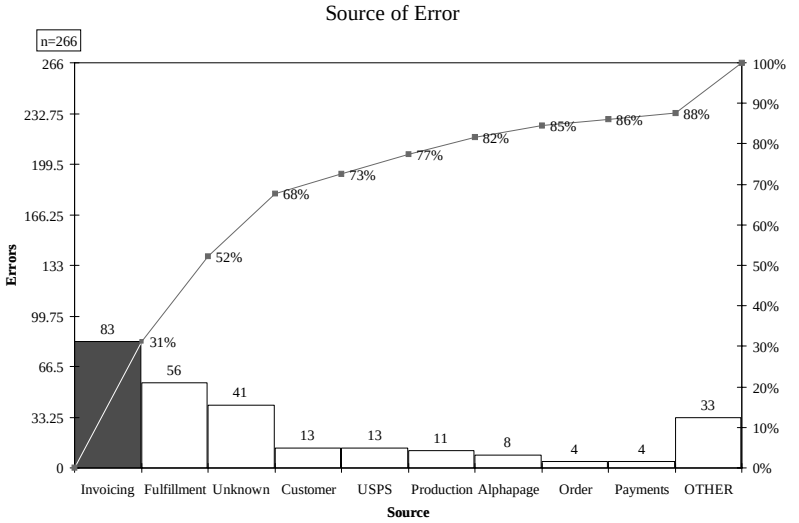


DEFINE THE PROBLEM

On average, we were getting 10 errors per month—about a 3% error rate. By analyzing each error, we were able to identify the most common types of errors;



To analyze the problem that shipments were not being received, we then looked at the source of these errors by examining the invoices and any returned packages.

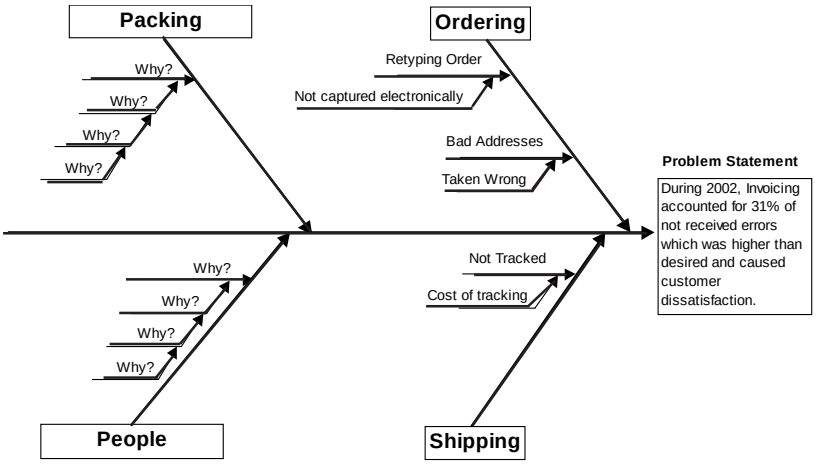


TARGET:

I set a goal of reducing these errors by 50%. As you can see from this chart, invoicing and fulfillment (packaging) contribute over 50% of the problem!

ANALYZE THE PROBLEM

Part of our problem involved the retyping of orders, resulting in address and order errors. Another involved tracking the shipped products.



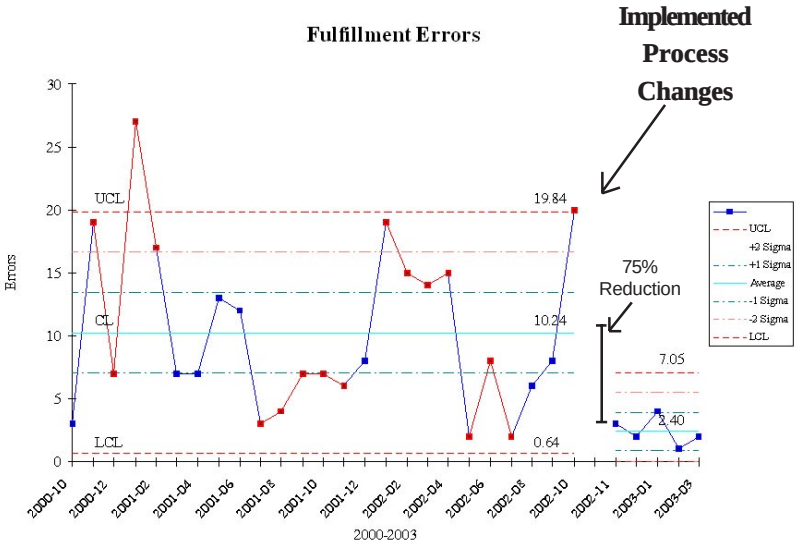
PREVENT THE PROBLEM

To prevent these problems we chose to:

1. Capture all internet orders electronically and import them into the billing software. Additionally, we decided to drive more customers to the website as opposed to the phone or fax.
2. Capture all phone orders electronically using the internet. (Type once and import.)
3. Use Stamps.com to create the shipping labels because:
   - Stamps.com validates the address using USPS data
   - Stamps.com provides FREE delivery confirmation ($0.45/order savings).

CHECK RESULTS

It took about two months to implement all of these improvements. As a result, *total errors* have dropped from 10/month to 2.4/month, a 75% reduction.



SUSTAIN THE IMPROVEMENTS

Using this data, we are now charting the errors per month using a c chart (above).