How To Prepare For Peak Season

A Comprehensive Guide To Organize
and Automate Your Inventory

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Peak Season Is The Hardest And Most Rewarding Time Of Year For Your Business

In fact, $109.3 billion of online spending was earned in Q4.

Preparing for peak season is kind of like preparing for the SAT in high school. You purchase the study material, make flashcards, and sharpen your #2 pencils to actually take the exam. You've got an organized plan of attack. What could go wrong?

Unless you've got an organized plan between your inventory, vendors, and software systems in place, the preparation was all for nothing. If you've taken the time to craft a system in place to handle peak season, you'll pass with flying colors and advance.

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It's Not Too Late

If you're reading this and haven't implemented an inventory and warehouse management system to handle peak season orders, there's still time, but the window is closing fast. The sooner you begin implementation, the sooner you can have everything organized and ready to go when things get hectic.

However...

If you're saying to yourself, "I don't have time to implement a new system right now," well quite frankly, you're doing yourself a disservice. The implementation time is up to you - you can drag it out for months or get it set up in a few short weeks.

Without a system at all, you won't be able to keep your head above water and any profits you do make will pale in comparison to the profits you could have made with an automated organizational system.

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Holiday Shopping Season definition: In the merchant world, peak season is typically the holiday shopping season, which encompasses Black Friday, Cyber Monday, and Christmas. Consumers know it as the holiday season shopping. However, peak season times may vary dependent on a company's industry.

In order to have an organized system capable to handle peak season, a few factors must be in place first, like:

- Adequate warehouse layouts and workflows
- Reliable software systems for every part of your business (shipping,website, etc.)
- Good vendor relationships
- Forecasting capabilities
- Seasonal staff

Don't wait until it's too late. If even one of these factors is slacking in your business, you're already behind. The time is now to implement an inventory and warehouse management system that is capable of handling all of these responsibilities.

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Your Biggest Challenges

Your own time management and stubbornness

...and the consequences.

Lost time and money. And not only that, but you will also fall behind in the trends of online peak season shopping

Peak season shopping dominated online in 2016. Do you really want to miss out on these numbers?

1. $122.9 billion spent in non-store sales (up 12.6% from 2015)
2. 29% of sales on Cyber Monday came from smartphones (up 27% from 2015)
   An estimated $4.74 billion of online purchases were made on
3. Amazon from Thanksgiving through Cyber Monday. This represented 37% of all online sales during the five-day period. INSANE

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Words of Wisdom From Our CEO
Andy Eastes

We all have said, and heard, the ominous phrases, "We can't keep up," "We don't have time," or "We have always done it that way." To me, these are signals that there is opportunity for improvement. When choosing an inventory and warehouse management system for peak season, here's some things to consider:

- The best time to change processes is during a software implementation. You're probably retooling some processes anyway, so use it as an opportunity. It's best to not implement software so inflexible you have to completely change all your processes.On the other hand, it's also not good to implement software that you try to make fit current processes exactly. Keep the best parts of your current processes and improve the rest.

- Rely on people and data to determine how and what to change. Big data is useful if analyzed properly, but also take into account the user stories. That is where the real innovation happens.

- Get your employees involved. The frontline has the best and most valuable feedback on what needs improvement. Build a level of trust so they feel comfortable critiquing processes that could use improvement.

- If executed well, there should be large cost savings. Yes, there may be some upfront costs for new software, equipment, etc., but you should be able to recognize the savings within three months. It pays to identify the costs you will track to measure effectiveness of your efforts.

You're never too busy for improvement!

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CHAPTER 1

Warehouse Structure and Workflow

Warehouse Layout

Think of your business as a brand new car with your warehouse as the engine and your web store as the shiny body style.

Most people only see your web store, or the shiny exterior of the car. The engine, or your warehouse, is the part that is rarely seen, but whose inefficient performance is detrimental to the functionality of your business.

Increased overhead costs, mispicks, decreased worker productivity, shipping errors, and inventory control issues are just a few ways that an inefficient warehouse can cost you. It's important to never become complacent with the functionality of your warehouse.

Much like a car engine, a warehouse requires constant maintenance and upkeep to ensure the highest quality performance.

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Gathering data on your warehouse layout & processes.

What is the average pick time of an individual item?
How long does it take to process and receive new orders?
**How can you optimize warehouse space to improve efficiently?**

Once you've gathered this information, define what processes need improvement in your warehouse. Implementing new layouts and processes can be a daunting task, but once you establish your new layout and reassess your processes, your business will experience a tremendous boost in efficiency and performance. Out of stocks, mis-ships, and mistakes caused by human error will no longer impede your peak season performance.

After you understand where your pain points are, begin mapping out the layout of your warehouse. You can optimize your floor plan by using your space's FULL capacity. By making appropriate use of warehouse space, your staff will be able to get jobs done faster and complete more jobs in a day. Not only do you allow employees to work smarter, but you also save on overhead cost by not expanding unnecessarily.

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In fact, only a small fraction of the companies that believe they need to move into larger locations really do need to. They often have enough space, they're just using it poorly.

So how do you get the most out of the space you do have? Good question. You can start by:

1. Measuring the space you have to work with.
2. Define storage, sorting, shipping, office, and product locations.
3. Pick the best shelving for your products e.g. two-tier, fixed, mobile, etc.
4. Create clear labeling for aisles and product locations.
5. Establish optimal material flow paths and picking paths.
6. Place hottest selling items in close, easy to reach locations.
7. Avoid overstocking items that are slow sellers to open more product space.

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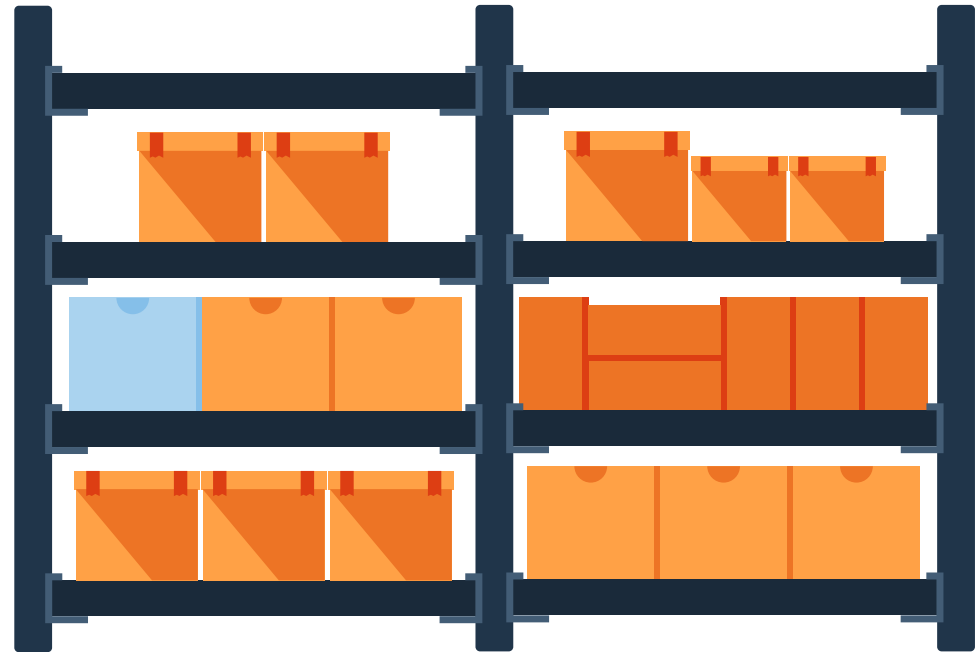
Establishing Workflows

As a business owner or warehouse manager, your primary goal is to ensure that the right product gets to the right place at the right time. In a way, you are the gatekeeper between the product and the customer.

As the gatekeeper, it is your job to facilitate this transition and make the process appear as seamless as possible, which, as you may already know, is no easy task. In order to achieve this, your entire warehouse operation from receiving, to picking, to packing, to shipping, to data collection needs to be optimized for peak efficiency.

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Receiving

Begin thinking about how you can optimize your warehouse workflow the second the product arrives at your warehouse. Once received, products are checked for damages, mis-picks, and quantity.

There are two common methods for receiving products: manual and automated.

In the manual checking process, an employee looks over a shipping invoice and visually checks that everything listed has arrived and has the right quantity. While this method is one of the cheaper options for checking products, it increases the chance of human error dramatically. In many cases, multiple people are required in order to double-check the shipment. This requires twice the effort and costs your business time and money.

Instead, try to automate this process with some form of inventory management software or warehouse management software. Yes, they are different. Do your research and decide which one will work best for your warehouse. Automation minimizes the error of manual checking by doing the work for you. Instead of visually cross referencing an invoice with the product, this method uses scanners to run a comparison by simply scanning products barcodes while unloading them. When optimizing your warehouse always remember, work smarter not harder.

Picking

Picking is one of the most pivotal processes in your warehouse. When done efficiently, you have a well-running operation.

However, if done poorly you can end up in a situation that costs you time, money, and customers.

When a product is picked incorrectly, you appear less reputable as a company, and to make matters worse, you waste the time and money it took to pick and ship that product and now have to spend more time picking and sending the right product.

To optimize this process and avoid picking nightmares consider the following:

1. Don't mix multiple SKUs in the same location
2. Place products in optimal locations for pickers
3. Designate zones for certain products e.g. peak season products, on-sale items, or hot sellers
4. Pick as many orders as possible in a single run to lower pickers travel time
5. Automate picking processes with a warehouse management system
6. Implement incentives for pickers

Little tips like these are what separates a good warehouse from a great one, and as a business owner or manager, you should always strive for greater results.

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Packing

Packing needs to be done quickly with minimal mistakes. Packaging hundreds of orders a day can be a real nuisance without structured methods.

Start by establishing a packing location that is near the shipping location. From there you want to ensure that the physical method of packing is optimal.

Even the way you package products contributes to the overall efficiency of your warehouse. When boxing products, less is more. Designate only two or three standard shipping packages. With only two or three boxes to choose from, pickers are able to assemble orders at a faster rate. This approach also optimizes freight expenses and makes it easier to support a pick-path methodology.

Shipping software also increases the efficiency of the packing process. Shipping software can create product labels and calculate the weight of the package. However, these features are just the tip of the iceberg. Learn what shipping software can do for you inventory [here](#).
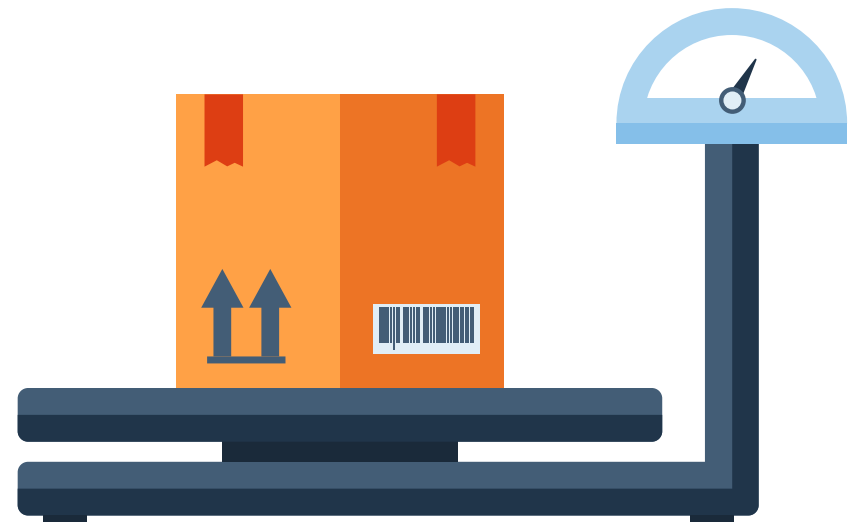
Shipping

Diversify shipping methods to provide an array of options for best shipping solutions. If you are currently only using one shipping solution do your research and see what other shipping providers are available to you. Shipping providers like FedEx, UPS, USPS, and freight on board (FOB) are some of the most popular methods to choose from. Understand that the more shipping providers you have, the more options you have if trouble arises.

For example, imagine that it's holiday season (which is fast approaching) and you have late orders that need to be delivered as fast as possible. If you only use one shipping provider and they are not able to deliver the product then you are out of a sale. However, with multiple shipping providers your chances of making the delivery increases.

Increasing shipping efficiencies can also open doors for your business. Say for instance you are a warehouse who wants to gain access to Amazon's consumers using Amazon Prime. Most sellers can only become a Prime member through Fulfillment by Amazon (FBA), which ensures two-day shipping.

Amazon's Merchant Fulfilled Prime allows merchants who meet certain shipping standards to fulfill shipping themselves, ultimately saving the merchants the overhead cost associated with FBA. But the main requirement is that you must consistently ship quickly and efficiently. To be competitive, faster is always better.

Keep a list of multiple shipping methods and stay up-to-date on changes in the shipping industry. In today's economy, business is constantly changing. So, remember to track your orders after they are shipped to ensure products are delivered efficiently and in a manner that works well with your business model. Later, we will get into more detail about shipping management software.

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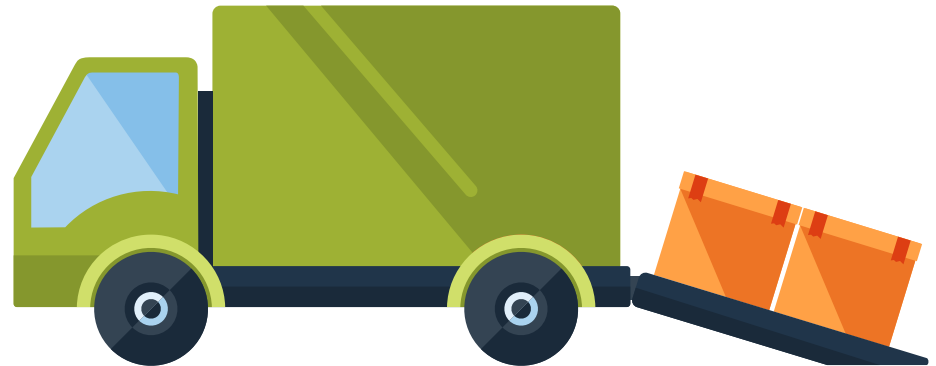
Data Collection

With the almost endless methods for data collection, you should not be relying on manual collection methods. These methods can be seriously flawed and skew data to the point that the information collected becomes useless.

Instead, use mobile computers with barcode scanners to collect data as a more reliable solution. Mobile computer and barcode scanners are the tools that you will need to auto-mate much of your warehouse process. When used, they collect important data about every process in the warehouse. This data includes, but is not limited to:

- purchase orders
- replenishment needs
- product locations
- picking orders
- purchase history

The purpose of data collection is to allow warehouse managers to see what they are doing well at and what areas still need improvement. This information will give users an aggregate breakdown of everything in the warehouse. Having real actionable data grants managers the ability to make informed decisions about their products and process. Which, when used correctly, can clearly point out any fallacies in the warehouse that need to be optimized.

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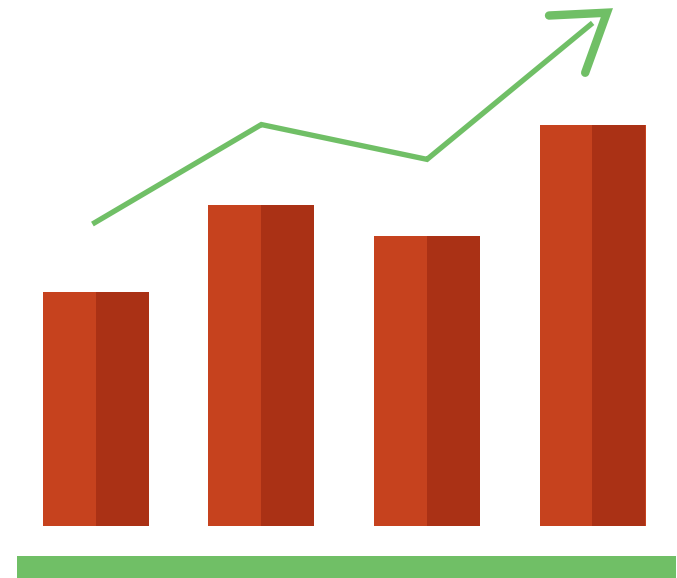
Tools and Software

To keep a competitive edge in any industry you have to be able to adapt and meet the expectations of your consumers. The same is true for warehouse managers.

In an era of technological growth, you'll want to be in the know to avoid falling behind. Research what tools and software are currently driving the industry and strive to adopt the tools and tech that will propel your business.

Barcode scanners, mini computers, iPads, and radio-frequency identification (RFID) are some of the tools you should research and learn more about. Each can be used to coordinate warehouse processes and improve efficiency. However, like any tool, they are only useful when used appropriately. Keep in mind the goal is to automate your workflow, and tools like these are the physical pieces that link all the parts of your warehouse.

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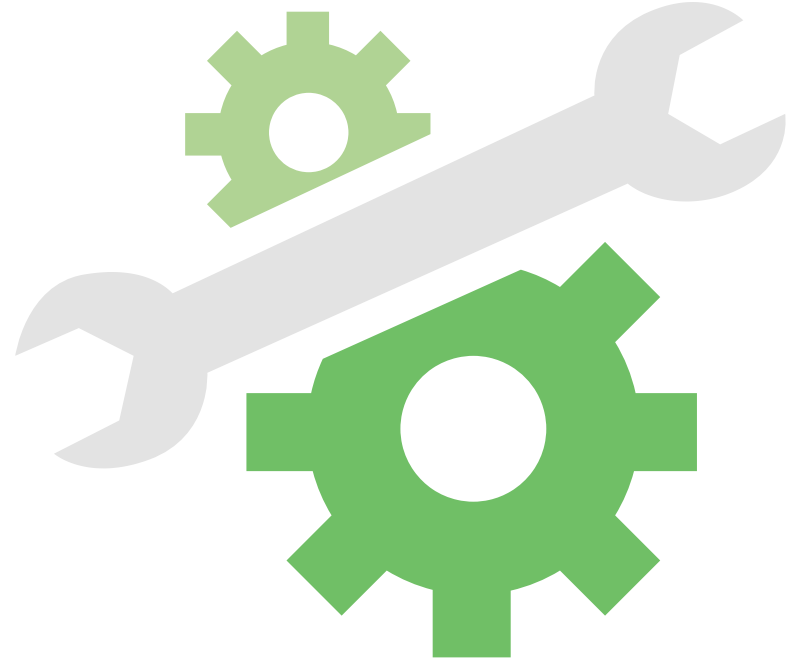
Streamline Internal Systems

What exactly does it mean to automate?

Automation refers to the software and tools used to sync the various departments in a warehouse while coordinating data into a single platform. It also can be used to describe the use of tools to relieve manual processes.

Warehouses use different software in different departments to operate. Every department has its own software needs, and warehouse and inventory management software is the information hub used to sync and manage the various tools and software. For example, a warehouse may use a shipping software like Shipworks to manage orders and Channeladvisor to sync online sales and shipping needs. A warehouse and inventory management software, like SkuVault, comes in and collects the info to show managers exactly how much product is available in the warehouse and online, as well as what products have been shipped or still need to be shipped.

Remember to automate where it makes sense. It can be a lofty investment, so keep ROI in mind and upgrade selectively. However, the amount of time and money that can be saved makes the option worth exploring.

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There is NO backup plan!

To keep a competitive edge in any industry you have to be able to adapt and meet the expectations of your consumers. The same is true for warehouse managers.

CHAPTER 2

Have the Right Software in Place

Before looking outside for help, assess internal needs and concerns of your business, long before peak season begins.

Gather your employees and ask them what processes they need help with, or even what processes they feel could be improved. Maybe you're having trouble with slow sync times or have a disorganized warehouse. It's important to include the opinions of everyone since the software you choose will need to be understood by everyone and work in favor of the progress of everyone.

Once company needs and concerns have been addressed, it's time to explore your software options. Depending on your industry, software needs could be one or all of the following:

- Channel management
- Inventory management
- Shipping management
- Website platform

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Don't Make Excuses

At this point you might be thinking, "I can't afford another software right now," or "I don't have time to implement a new system." Well, you're wrong. You will lose more money instead of saving money by not implementing a system to accommodate peak season orders. It's still important to factor in the budget set aside for software improvements. With that being said, a good software is not the place to cut corners. **A good software is an investment in your future.** Take the time to weigh your options and thoroughly research each software to make sure it's an adequate fit for your needs.

Here's a few aspects of a smooth running software:

- Preparation for heavy traffic
- Good service staff for customer questions
- Cloud-based and free of server malfunctions

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Channel Management

Retailers who sell on multiple marketplaces during peak season must have a channel management software. You will flounder without one.

A reliable channel management system, like ChannelAdvisor, will show your product listings and sales across marketplaces and keep your inventory up-to-date. Channel listings are automatically updated with channel management software, but you have to closely monitor the system for inaccurate quantity updates during peak season due to a high volume of orders.

This is why it's important to check on the level of support your system provides. It has to be capable of handling a large amount of orders in a short amount of time. Ask the system's service team how they have handled issues with peak season in the past, and how they can help in the event of inaccurate quantities this peak season.

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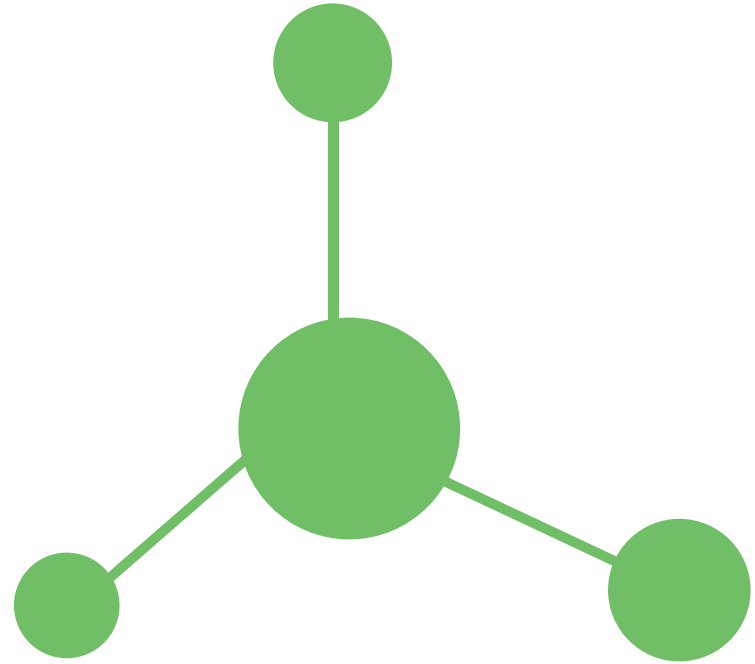
Shipping Management

When you sell on multiple channels, you have to make sure the products get to the right shipping address. If you've got a shipping management software that will get orders to the right address at the right time, a big part of your job is done.

Shipping solutions also provide connections to shopping carts, major shipping carriers, and eCommerce platforms. It's another step in this seamless chain to have better software in place before peak season.

SkuVault, for example, integrates with shipping solutions in a number of ways. The quality control feature aids the shipping process greatly by checking orders for discrepancies and accuracy before they're sent to shipment. It's like that last look in the mirror before you leave the house to make sure you don't have spinach in your teeth.

When integrating with shipping softwares, SkuVault pushes locations of inventory into the software, giving customers the option to use invoices as pick lists. It also pulls orders from software to generate pick lists that can be used as packing slips.

All of this deletes the need for manual updating and adjusting, which reduces the number of oversells. Automated processes are the way to go so you can work on other aspects of your business.

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eCommerce Online Platform

Peak season is prime time for website overload. With an abnormal amount of visitors and transactions being processed, your website is in panic mode and could crash.

In fact, 18% of online shoppers will abandon their cart because of slow page load times, according to research by New Relic.

This is why it's absolutely imperative to run website tests ahead of time to make sure your online store is running properly. Software like Shopify and Magento are examples of online platforms working with eCommerce merchants (and retailers in general). You should also arrange calls with your website platform provider to go over logistics and how to handle a possible website crash.

If your inventory management system is running smoothly, so will your online store. And again, the support and services team on the inventory side should be available to help with any errors in quantity updates on your website. If not, you've got the wrong software my friends.

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Warehouse and Inventory Management

A warehouse and inventory management system acts as a hub for all the information from other management systems.

A warehouse and inventory management system, like Sku-Vault, automates workflow processes like receiving, picking, packing, and shipping via integrations with other softwares. This integration between systems allows for complete transparency to track and monitor inventory as it comes in and out of your warehouse. It's important to make sure this system is running smoothly since it's essentially responsible for the automation of every part of your business.

Basically, this kind of software is the holy grail of peak season success.

Some of the best features of a warehouse and inventory management system for peak season include:

- Quality control
- Sales reports
- Software integration capabilities (as mentioned above)
- Forecasting reports
- Real-time quantity syncs

Warehouse and Inventory Management System Features

Quality control is an important feature during peak season because it acts as two-step verification to ensure the validity of a product before shipment.

Quality control is used to reduce returns and exchanges from incorrect shipments. It's especially important when you're inundated with orders and the need to gain customer loyalty. The last thing you want is a mass amount of unhappy customers who lose interest after one incorrect (or even late) shipment.

Recording good sales data is another key feature to an effective inventory and warehouse management system.

Sales reports pull together data from every facet of your business into one place, including each marketplace listing. This feature mitigates the efforts of scrambling at the last minute to gather data for forecasting. Stop wasting your time manually gathering sales data and start making better forecasting decisions with a cloud-based warehouse and inventory management system.

As mentioned above, a unique feature to a warehouse and inventory management system is its ability to integrate with other systems. Peak season is demanding and ruthless, so to have a system housing all your integrations in one place makes the whole process easier to digest. And again, a cloud-based system affords the ability to monitor your inventory from virtually anywhere. Track your shipments, marketplace listings, and inventory quantities on one software in the palm of your hand.

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Don't Forget About Tech Support

With all of your business's various systems and software, be sure to have a capable IT team/member in place who can troubleshoot any issues that may arise.

Although you may have top-of-the line systems in place, that does not guarantee that things will not go awry. System updates and changes made to APIs may prove too problematic for someone who is not highly technical. So be sure to have someone on staff with these skill sets.

It also helps to purchase systems with a strong service team that is willing to help customers with day-to-day issues. At SkuVault, we treat our clients like individuals and provide solutions to their needs quickly. Our service team goes beyond expectation, and our clients love it! There is no better feeling that having someone on the other end of the phone when you need them most. This is especially true during peak season.

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CHAPTER 3

Forecasting and Sourcing Inventory Needs

There's not enough room in this book to stress the importance of forecasting and sourcing before and after peak season.

Forecasting capabilities are an absolute must-have for an efficient peak season.

They deliver data you need to better predict how much of a product you'll need to meet increasing demand. What's more, forecasting data reports from the previous year will help you make better predictions for the current year, albeit new trends in the market could edit decisions.

It's imperative to start tracking data into forecasting reports now so you have time to establish data for next year's comparison.

SALES GRAPH BY MONTH
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How to Forecast

Keeping items in stock throughout the year is important for any business to succeed. This is especially true for retailers who use FBA or seller fulfilled prime as part of their business model. Ordering for larger sales volume is particularly vital during peak season. In order to avoid lost revenue, it is of the utmost importance that businesses make plans for their product stocks months in advance.

Retailers can begin preparation by freeing up some of their resources to invest in items that you know will sell well. By liquidating the slower turning inventory you will be able to allocate a budget to your star products. Once you have money set aside for hot sellers, it's time to determine the right quantities to have on hand.

Predicting, as precisely as possible, how many of each item your business will need is admittedly cumbersome. Calculating for peak season can be an especially complex endeavor that can leave you pulling your hair out. The goal is to order enough inventory to meet the increased demand, but not too much. Otherwise, come January you could find yourself sitting on a pile of unsold goods.
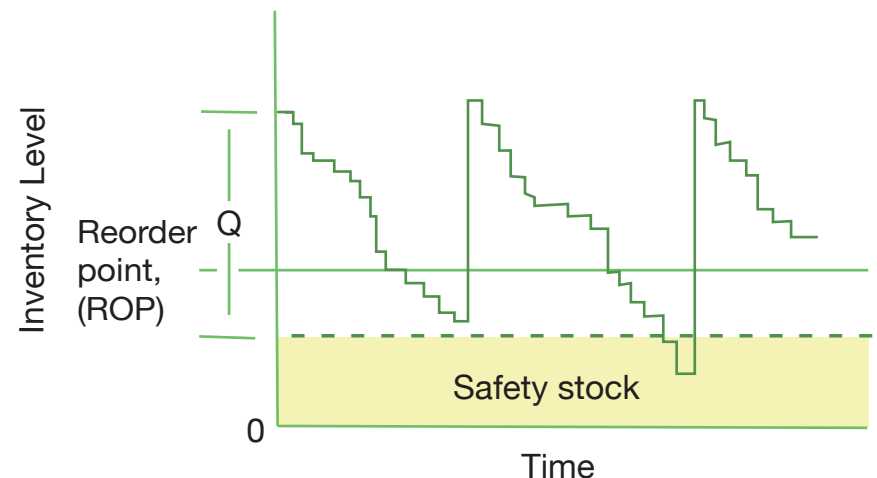

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Forecasting Formulas

Now, before you try combing through past historical sales data to determine the precise amount of inventory you will need, you should have a thorough understanding of these logistics terms and formulas:

- **Forecasting** - When you create a trendline on an Excel chart or other software that can recall past sales trends over time. It can then be used in equations to calculate future sales. (click here for the equation)
- **Reorder point (ROP)** - The level of inventory which triggers an action to replenish that particular inventory stock. It is a minimum amount of an item which a company holds in stock, such that, when stack falls to this amount, the item must be reordered (click here for formula)
- **Safety Stock** - extra inventory beyond expected demand. (click here for formula)

Every company uses a different business model, and because of this it is difficult to surmise a cookie cutter formula that works for all. However, by gaining an under-standing of the terms listed above you should be able to apply your inventory's data to their formulas and calculate the most accurate solution for your business.

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The Forecasting Alternative

The SkuVault replenishment report updates users on all inventory levels, and replenishes them with the click of a button. If fancy forecasting data is too complex, the replenishment report is a nice alternative with simple numbers you can even calculate yourself. Whichever method you choose, make sure the inventory and warehouse management system you purchase has the capabilities to provide sales data. This is not the time to rely on manual data entry or gut instinct. The budget for your business potentially rides on the money made during peak season.

However, If you are not comfortable working through the math yourself, then purchasing a forecasting software is a better option. Keeping up with sales data on spreadsheets creates a lot of information that will be hard to keep current and may ultimately lead to delirium. An effective forecasting program will not only keep your projections current, but also organized and useful for reordering.
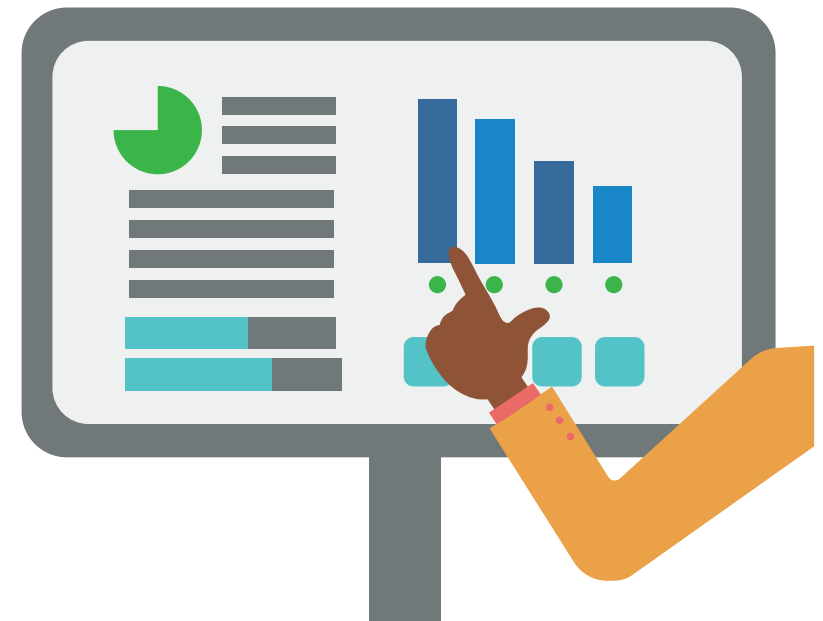
Sourcing

Let's backtrack a bit. In order to forecast inventory, you've gotta have vendors to purchase it from. Maintaining good vendor relationships is essential to keep your business consistent in terms of overall workflow and customer satisfaction, especially in preparation for peak season.

Selecting vendors (or suppliers) is a process called sourcing, which is under a greater umbrella term called the procurement process. These terms can be used interchangeably.

In order to establish a good vendor relationship, there's a few prerequisites to discuss, including:

- Establish payment terms
- Negotiate contracts
- Do your market research
- Establish standards
- Choose the best form of delivery with suppliers
- Create a well-written contract

Because sourcing suppliers is such a big factor to your business, take the time to research and get to know the people supplying your goods.

Remember that you're not just choosing a supplier, you're choosing a business partner.

Ask them questions about their years of experience, negotiable prices, and financial stability. Also be sure to discuss their stance on flexibility in changed order times and range of products and/or services. Make them aware that you need someone who will be flexible and offer additional products if needed for uncertain times during peak season.

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Big Data + Sourcing

If you don't have the time or resources available to choose your own goods and services, out-sourcing suppliers is an option. If you reach an unexpected increase in demand from peak season (or lack of a proper inventory manage-ment system), outsourcing is a great solution so you can focus on other aspects of your business.

As you can see, good sourcing techniques lead to better forecasting techniques. If you have the right team in place, you'll have reliable inventory coming in which will make forecasting efforts easier to predict and alter if necessary. A ware-house and inventory management system helps make these prediction efforts with comparative data year after year. This way you have the ability to see which suppliers are working and which aren't, and when to make an appropriate modifi-cation to your business plan.

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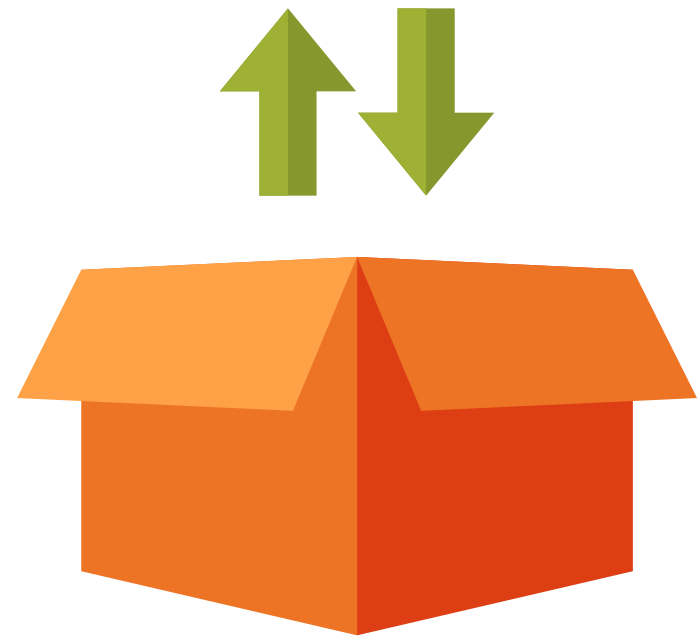
CHAPTER 4

Importance of Data Collection and Analysis

As aforementioned, collecting data before and during peak season is vital for making smart decisions about your business

Establishing good metrics about your warehouse and products allows you to determine which areas you are doing well in and identify areas that still need improvement. Regardless of what technique you come up with for forecasting inventory, consistency and careful monitoring are critical for success. Like the old saying goes, "What gets measured gets done."

However, forecasting is not just limited to inventory.

Unbenounced to many, forecasting for peak season can also be applied to marketing, sales, and ways to improve the overall customer experience. After you collect enough data to analyze, you can start drawing some conclusions about your business that will help you prepare for your next peak season like never before.

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Find Your Target Audience

Hopefully, by now you understand how collecting and analyzing data about your inventory and workflows can help you predict how much inventory you need throughout peak season. However, collecting data from various marketplaces and marketing channels will also give you valuable predictive insights.

Marketing forecasts have the potential to help you increase your yearly revenue by highlighting the marketing initiatives and strategies that work best for your business.

As with any form of forecasting, the information you collect will only be as valuable as the data points you choose to track. Many people make the mistake of tracking information that does not yield any conclusive information and is ultimately useless. So, what marketing data should you be tracking for this and future peak seasons?

"With access to your eCommerce data in an actionable way, retailers have the advantage of being able to understand who to target, how to target them, and even use this information to acquire new customers. The first step is gaining access to your data, the second step is going after the low hanging fruit - things like creating a lookalike Facebook campaign based on your best customer segment, creating specific campaigns for your holiday purchasers, etc. You can't optimize if you don't know who our what or who you're optimizing for."

- Polly Flinch, Director of Marketing, Windsor Circle

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Use Forecasting Metrics for Accuracy

Here are some guidelines for choosing the right metrics. Use forecast metrics that are:

- Closely aligned to sales and/ or revenue
- Have consistent influence on financial outcomes over time
- Are reasonably predictable with the data available
- Have clear definitions and meaning to all stakeholders
- Are within marketing's ability to impact and manage

The goal of any forecasting is accuracy. Too often companies use conservative estimates in order to consistently exceed goals. This practice can lead to the wrong conclusions about marketing initiatives and could lead to adjustments that are unnecessary. So, be straightforward about your predictions and avoid "low-balling" your estimates.

Deciding on your approach to forecasting should be based on:

1. The data available
2. The analytic skills available
3. The precision required

The data used can include marketing activities (eg.,advertising levels, direct marketing contacts, events), customer actions (responses, engagements, leads), and product information (promotions, offers, new product launches). Don't forget to include external influences such as market trends or competitive activity.

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Approaches to Forecasting

There are three general approaches to forecasting you should consider.

1. **Historical Conversion Rate Approach:** A basic approach to forecasting is to apply rates of conversions between tracked metrics and sales or financial outcomes. This works very well when tracking a marketing outcome that comes shortly before a purchase decision, such as sales opportunities. The approach works similarly for other metrics such as product trials or website landing page visits as long as the conversion rates are fairly consistent over time.

2. **Predictive Scoring:** For marketers that engage directly with prospects and customers to generate leads and sales, predictive scoring is an approach that can improve forecast accuracy. This approach uses contact-specific data, such as profiles or purchase history, to project the probability of converting to a sale and/or the expected value per sale. Predictive modeling is used to analyze prior contacts converting to sales in order to identify the characteristics and value of buyers. The probabilities are applied to score new leads or potential buyers and project upcoming sales volumes.

3. **Forecast Modeling Approach:** Advanced statistical techniques can be used to develop forecasting models that are very predictive of sales and revenue outcomes. These models are created using many data points that include detailed marketing activity changes in market conditions, product and pricing changes, and competitive activity. Once the model is developed, actual data is input along with upcoming planned assumptions to project the outcomes. Forecasting models can take many variables into consideration and generate fairly accurate predictions, so this approach is often preferred for quality forecasts over longer periods of time.

For example, if contacts from region A tend to convert at a higher rate than region B and recent marketing has generated a higher portion of leads from region A, the predictive scoring would use this to show a higher conversion rate.

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Optimize Sales Forecasting

Like all forecasting, sales forecasting can also be highly specific. So specific that many organizations use their own methods and terminology to do it.

The key to sales forecasting is measurement. Consistent tracking in each stage of the sales funnel will bring consistently better results in the forecast. Apply these five metrics to your sales forecasting and set your team up for success.

1. **Accuracy:** Forecast accuracy is the variance of the projected forecast to the actual number for a given measurable period. Accuracy determines whether the rest of the business can rely on the sales forecast for planning and strategy. Analyzing past forecasts and using historical data will help inform the accuracy of your current sales forecast.

2. **Variance:** Variance is the distance between the commit and the upside in the pipeline. It also measures how much the sales forecast changes from the beginning to the end of the quarter. In addition to listening to your reps, make sure you check their deal activity. Pipeline and data inspection are critical to understanding what changed in the sales forecast and why.

3. **Pipeline Coverage and Mix:** Pipeline coverage is the assessment of pipeline size to evaluate whether forecast goals can be met or exceeded. Pipeline mix is the content and makeup of your pipeline, including not only deal size, but also deal strength and probability to close. Depending on how you define your sales stages and sales cycle, you can determine the optimal pipeline coverage ratio for your organization.

4. **Compliance and Commitments:** Compliance and commitment numbers indicate whether all sales team members have submitted an accurate forecast and proper close dates for all committed opportunities. It's up to sales leadership to submit their numbers to executives - but those numbers start at the bottom with reps.

5. **Linearity:** Linearity illustrates the balance of deals closed over the course of a quarter. A forecast may be weighted more heavily toward the end of the quarter or spread evenly throughout. Analyzing close dates will show you whether your deals are on schedule, or what adjustments you might need to make to build a healthy spread of deals for the quarter.

Your sales forecast is a leading indicator of the health of your business and the cornerstone of your company strategy. The incremental improvements of today are the monumental progress of tomorrow.

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Analyze Your Outcomes

Once you have created the best data points that are most significant to your sales/revenue and have tracked the data, you are ready to analyze your outcomes.
Start by comparing the forecast to the goal you have set. If you discover that the forecast metrics are below the goals you have set, it is a sign that the marketing team needs to take corrective actions if they wish to improve the results. This can manifest in a variety of corrective actions, but those actions should be closely associated with the metric being tracked.

After each quarter, the forecast should be updated and the most recent quarter should be compared to the actual results.

Comparing the actual results to the forecast will show you if your forecasting is accurate. If the actual results and the forecast are completely different, then you know that there is a flaw in the forecasting metrics you have previously established. If the results are accurate, then it is likely that you are tracking the right metrics and are making the correct predictions.

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Making Sense of it All

Now that you know whether the forecasting metrics are accurate or not, you are ready to start making conclusions and make corrections. Do research into areas that did not meet your goals and determine what factors lead to these results.

Be sure to have someone on your team who can dedicate time and energy into making sure that the metrics for all forecasting endeavors are up to date and accurate. This way analysis can be made quickly and not stifle the work of other departments. Making sense of this data is crucial to making smart decisions about your business for peak season as well as operations throughout the year.

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Improve Customer Experience

Forecasting, Forecasting, Forecasting...okay we get it, forecasting is important, but what is it all for? Good question.

All of these calculations ultimately boil down to two things: customer experience and revenue.

The whole point of forecasting is to establish measureable metrics that ensure your are able to meet the demands of your customers. The data collected will show you how to improve upon your business operations, with the hope of gaining more customers.

Successful businesses know that if you take care of your customers, they will love what you do and tell their friends about it. The more service you provide your customers, the more you stand out from your competitors.

The key to gaining repeat customers is to provide an experience they can't get anywhere else.

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CHAPTER 5

Seasonal Staffing

With an increase in demand of inventory comes an increase for extra helping hands. You have to consider each aspect of your business in terms of how much help you'll need, for what positions, and for how long.

Not to beat a dead horse here, but it's all about preparation.

The sooner you post job listings and set temporary worker guidelines, the sooner you are to getting everything in place for peak season

However, there are a few questions you can ask yourself to work through this process, like:

1. How much of your budget can be allocated to temporary staff?
2. What areas of your warehouse performed well last holiday season and which ones struggled to meet your needs?
3. Which positions require the most and the least amount of training, and how can incoming staff be trained most efficiently?

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How to Hire Seasonal Staff

After you've figured out your staffing needs, use a staffing firm to to hire temporary workers who have warehouse experience. This is the quickest way to find qualified staff who already have an idea of what the job requires.

Experienced temporary workers are easier to train and have a more thorough understanding about warehouse rules and expectations.

However, if your budget doesn't allow a wealth of temporary workers (and you don't want to just hire anyone off the street), an inventory and warehouse management system like SkuVault can perform responsibilities like manual picking and make them automated. That means more money in your pocket and a reliable system you can trust.

More Temporary Staff Resources:

- United States Department of Labor
- FindLaw
- Occupational Safety and Health Administration

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How to Keep Your Warehouse Safe

Make sure your warehouse is safe. The constant moving of people and products can create the perfect environment for accidents to occur, especially during peak season. Therefore, you should make sure aisles and walkways are clean and free of spills and debris at all times.

As a manager there isn't always time to check periodically for cleanliness. So in order to save time and effort, it's a good idea to hold supervisors and staff accountable for their work environment. Have brooms, mops, and trash cans readily available and encourage employees to take care of their workstations throughout the day.

Another tip for optimizing your warehouse is to make sure all areas are lit properly. Low visibility can lead to mishaps while picking and sorting as well as safety issues. Bright lights encourage alertness and safety by keeping your employees awake and aware of their surroundings. Lastly, provide large visual cues throughout your warehouse of various safety and overall warehouse guides to create a consensus on how the workplace operates.

Unfortunately, seasonal staff workers don't always come in with the best intentions toward your business.They're their to make money, do their job, and leave, unlike regular employees who practice company morale and values.

If you're worried about the possibility of theft, a few security cameras won't always catch everything. Some inventory and warehouse management systems come with a feature called user accountability. This means the actions of an employee will be tracked and held accountable when using an inventory system. User accountability tracks history reports so you can see exactly when and where a product went missing from production.

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CHAPTER 6

Industry Trends

Retailers should always be monitoring what new trends are emerging in the industry. Every peak season is a chance for retailers to make tremendous profits, but if you don't know the trends and behaviors of your customers, you could miss your chance to dominate the competition.

Over the years there have been tremendous changes in the shopping behavior of the modern consumer. By understanding what products are in demand and how consumers interact with them, you'll be able to sell more.

A good method for keeping up with industry trends is to look over last year's notable retail stats. According to a study by Proship, there are 5 trends that retailers should know about last year's peak season.

1. **Online Shopping Dominated**
   There was $122.9 billion spent in non-store sales (which is up 12.6% from 2015)
2. **Mobile Was A Big Deal**
   29% of sales on Cyber Monday came from smartphones (up 27% from 2015)
3. **Marketplaces Won**
   An estimated $4.74 billion worth of web purchases were made on Amazon from Thanksgiving through Cyber Monday, representing a staggering 37% of all online sales during the five-day period.
4. **Shipping Cost Mattered**
   46% of consumers claim they are willing to pay for shipping for a particular priority item, but they generally prefer to shop with retailers who offer free shipping.
5. **Customers wanted BOPUS** (buy online, pickup in store)
   39% of consumers use BOPUS to avoid home delivery charges and 31% use the service because they want their product sooner rather than later.

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SkuVault Story and Mission

Our core values include:

1. **INTEGRITY & TRANSPARENCY**: **We're dedicated to the validity and visibility of our system and our actions toward clients, as well as to other team members. We treat all individuals as we wish to be treated: with respect. We have a commitment to honesty, and a commitment to our ethical and moral responsibilities in all areas of our work.**

2. **INNOVATION & FREE THOUGHT:** **We strive to cultivate and maintain an open-minded atmosphere with steady progression and constant improvements. We break through barriers, thinking mindfully outside-the-box to elevate our customers and team members to the next level.**

3. **EMPOWERMENT**: **We thrive via lifting up our clients and team members with tools, resources, and potential growth. We possess compassion for our clients and team members and their distinct needs, and understand that they've come to us with specific and complex issues that require timely solutions. Our clients rely on us for the survival and growth of their businesses and employees, and we take that obligation to heart.**

4. **SYNERGY:** **We promote and encourage uniqueness combined with unity to achieve common goals for both clients and our team. Teamwork and a can-do attitude strengthen our ability to be proactive thinkers and problem solvers. We believe we're stronger together and that our differences grant added value to system development and the decision-making process as a whole.**

5. **WASTE REDUCTION:** **We uphold a conscious relationship with the surrounding world, promoting environmental awareness as well as process waste reduction. We execute environmentally-friendly business practices, and we work to reduce inefficiencies in our clients' businesses and our own.**

SkuVault is a warehouse management technology platform that empowers B2C and B2B companies to optimize their operations at a fraction of the cost. We provide fast and hands-on customer service, actionable data, and automated processes to reduce supply chain inefficiencies. Our clients on average decrease their out of stocks by 10x, reduce labor costs by 30%, and reduce fulfillment time by 87%.

Let SkuVault unlock the potential of your inventory!

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What our Clients Are Saying

Skuvault has been instrumental in streamlining our warehouse processes along with lowering our customer service costs and increasing our customer satisfaction.

- Cameron Muir, Seahorse Enterprises dba Baby Cubby

With skuvault, we have much more visibility on what is happening with inventory at all times. We have more [reporting] insights and it's extremely easy to use.

- Tara Vogelgesang, Sigma Beauty

The inventory management feature has defined our inventory. We know exactly where to look, where we can find our inventory, how much we have on hand, and that alone is worth the price we're paying.

- Jennifer Macaulay, Grace and Lace

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We've come to the end of this Peak Season preparation guide.

Now the decision is up to you. Are you going to stick to your current inventory management method, or are you going to take the necessary steps to upgrade your system and compete with the top sellers in your industry?

Click Here To Learn More Tips & Tricks!

Request A Demo

Sources

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