



# Transform your store with EDI & 360 degrees of drop ship automation



**Magento**<sup>®</sup>  
an ebay inc<sup>™</sup> company



# Surprise!



Submit questions throughout the webinar for a chance to win a \$5 Starbucks gift card

# Agenda

- About Logicbroker
- eCommerce Overview
- EDI 101
- Drop Ship Automation Benefits
- Drop Shipping for Suppliers
- Key Takeaways
- Q&A

# About Logicbroker



- Business Process Automation
- Inventory Automation
- Electronic Data Interchange (EDI)
- Project Management
- Supply Chain Optimization
- Web Development & eCommerce
- Product Catalog Management
- ERP & OMS System Integration
- Workflow Design & Automation
- Drop Ship Deployment
- Shopping Cart Integration
- Omni-Channel Architecture

*Logicbroker was founded in 2010 and is based in Shelton, CT*

Built For

 NETSUITE

 Magento®

 NETSUITE

intuit  
QuickBooks

= EXACT

 Microsoft  
Dynamics®



# eCommerce Overview



Retailers and suppliers need a modernized supply chain with better business processes to control or reduce inventory and warehousing costs.



Magento makes it simple and affordable for companies to eliminate traditional manual processes while optimizing their supply chain for success.



# EDI 101

## 1965

First EDI messages sent – Holland-American steamship line sent trans-Atlantic shipping manifests using telex messages (which could send a full page of information in roughly 2 minutes)

These messages were then converted into tape that could be loaded onto computers

## 1975

The TDCC releases the first EDI standards, of which Guilbert was a major contributor.

The first Value Added Network (VAN), Telenet, was established

## 2004

Wal-Mart adopted the AS/2 standard to communicate with suppliers. While other major retailers follow, many retailers continued to use VAN communication

## 1948

Ed Guilbert, the father of EDI, expanded upon standardized shipping manifests he developed during the 1948 Berlin Airlift

## 1973

The File Transfer Protocol (FTP) was published and enabled file transfer between internet sites

## 1982

Companies in the automotive industry, such as Ford and General Motors and large retailers, including Sears and Kmart, begin to mandate EDI for their suppliers

## TODAY

Over 100,000 companies in the United States use EDI to communicate with business partners

The AS/2 has risen in popularity, as it is less expensive than VAN and eliminates the need to go through a 'middle man'. Companies such as Target and Lowe's utilize AS/2, and require all of their suppliers to use it too

Over 90% of Fortune 500 companies are EDI capable, but many small businesses are adopting EDI as well.

# EDI is Not...





# Common EDI Documents

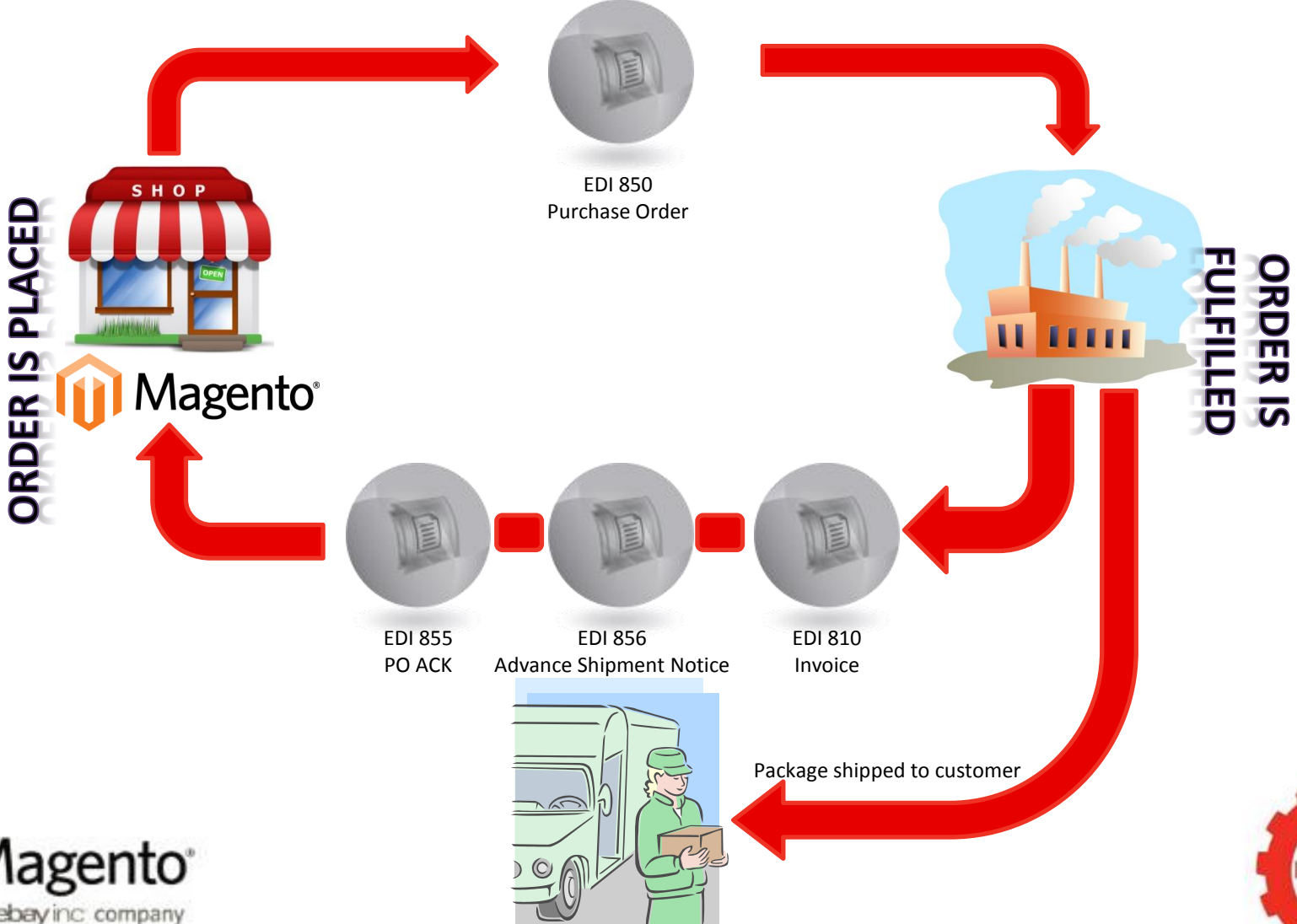
Name	Description
204	Motor Carrier Load Tender
210	Freight Invoice
214	Transportation Carrier (TC) Shipment Status
810	Invoice. Invoice sent from the vendor to the merchant
820	ACH Payment (Automated Clearing House Payment)
832	Product Catalog Price File
846	Product Inventory
850	Purchase Order. Ship to address, items to ship
855	Purchase Order Acknowledgement. Got your PO (850), can ship all items, some items or no items.
856	Advance Shipment Notice. Tracking information for the items shipped on the PO (850)
940	Warehouse Order – similar to 850 except goes to 3PL WH
945	Warehouse Shipping
997	Functional Acknowledgement (FuncAck)



# Who should use EDI?

- Suppliers & Retailers
  - Looking to do business with large retailers/suppliers
  - Processing over 15 orders a day
  - Looking to offer virtual inventory

# So, how does EDI affect the drop ship process?



# Drop Ship Objectives



Eliminate out-of-stock and lost sales when inventory is indeed available



Reduce costs and headaches associated with carrying your own inventory



Minimize data entry and manual processes through automation

# Why automate your drop ship process?

- Seamlessly add virtual inventory
- Improve communication with trading partners
- Experience enhanced efficiency
- Scale while remaining lean
- Manage Supplier Relationships
- Shorten order-to-cash cycle

# Virtual Inventory-What is it?



# Virtual Inventory-How does it work?



## Vendors Inventory/Cost Listing

Page 1 of 1 pages | View 20 per page | Total 13 records found

Export to: CSV Export

Reset Filter Search

Vendor	Vendor Inventory	Cost	Product Sku	Vendor Sku	Last Sync
	From: <input type="text"/> To: <input type="text"/>	From: <input type="text"/> To: <input type="text"/> In: USD	<input type="text"/>	<input type="text"/>	From: <input type="text"/> To: <input type="text"/>
	96	\$0.00	<a href="#">tablet1</a>	MagVendID4_SKU	Oct 13, 2014 3:59:49 AM
	0	\$0.00	<a href="#">laptop1</a>		Oct 13, 2014 8:24:36 AM
United Stationers	0	\$100.00	<a href="#">Test10</a>	Vendor_SKU2	Oct 14, 2014 1:56:39 AM
	96	\$100.00	<a href="#">laptop1</a>	MagVendID4_SKU	Oct 13, 2014 8:24:15 AM
	0	\$100.00	<a href="#">Test10</a>	Vendor_SKU1	Oct 14, 2014 1:56:39 AM
Vendor 1	96	\$100.00	<a href="#">Aspen5</a>	1Vendor_SKU1	Oct 13, 2014 5:28:36 AM
Vendor 1	96	\$100.00	<a href="#">tablet1</a>	MagVendID4_SKU	Oct 13, 2014 3:50:40 AM
Tech Data	94	\$100.00	<a href="#">FitBit</a>	Vendor_SKU3	Oct 14, 2014 5:51:59 AM
Vendor 50	150	\$150.00	<a href="#">Tablet1</a>	MagVendID4_SKU	Oct 14, 2014 2:29:45 AM
United Stationers	0	\$200.00	<a href="#">Tablet9</a>	Vendor_SKU2	Oct 13, 2014 4:27:53 AM
	0	\$500.00	<a href="#">Tablet9</a>	Vendor_SKU1	Oct 13, 2014 4:27:53 AM
Vendor 50	100	\$550.00	<a href="#">Apple_DS_Test1</a>	VS_TA_1	Oct 14, 2014 2:52:17 AM
Vendor 8	146	\$575.00	<a href="#">Apple_DS_Test1</a>	VS_TA_2	Oct 14, 2014 2:53:43 AM

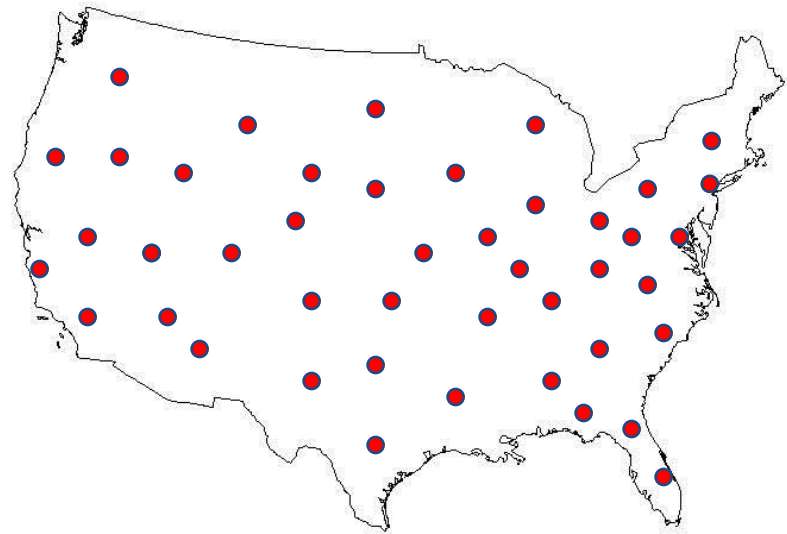


# Lowens risk of out of stock items

Single Drop Shipper with multiple warehouses



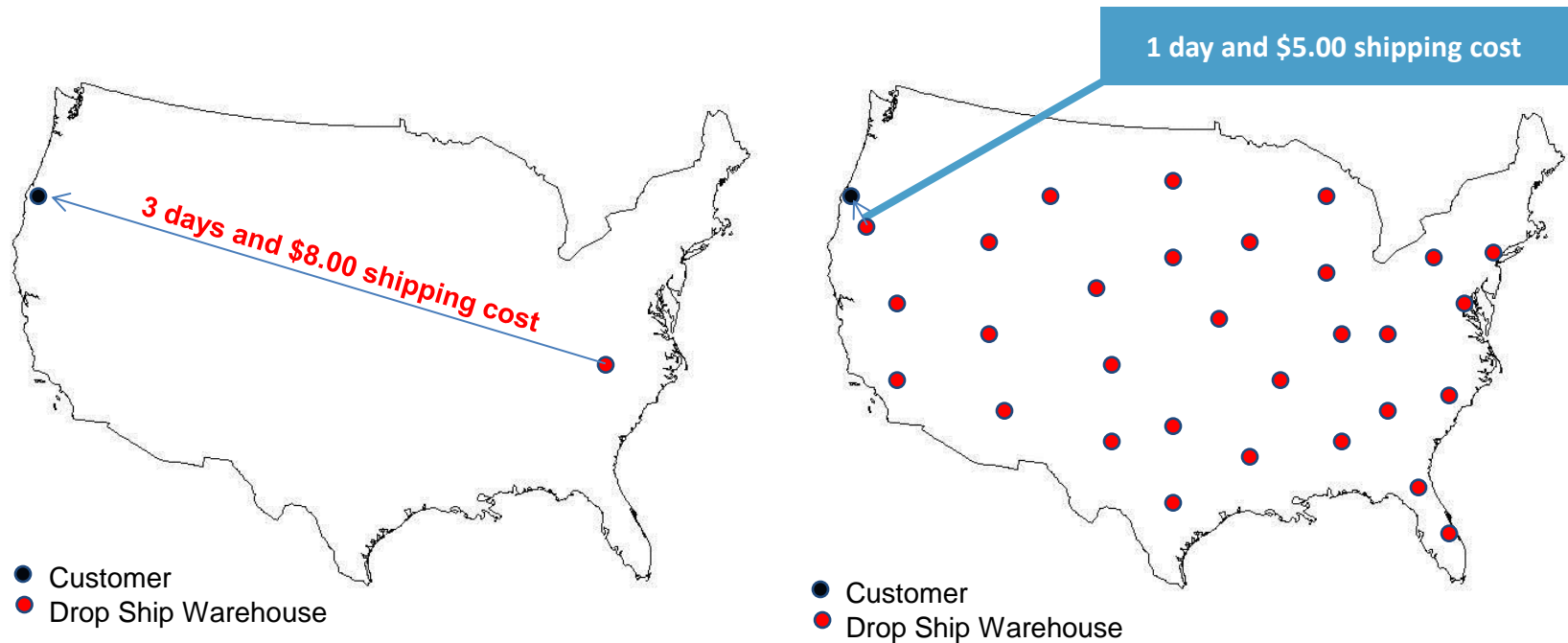
Multiple Drop Shippers with multiple warehouses



● Drop Ship Warehouses

Use of multiple drop shippers reduces the chance of items being out of stock at any one drop shipper.

# Lower shipping costs/Quicker delivery



Using multiple drop shippers, orders can be shipped from the nearest warehouse, reducing shipping costs and providing customer with quicker delivery

# Vendor Sourcing



Current Configuration Scope:  
Default Config   
[Manage Stores](#)

**Configuration**

- GENERAL
  - General
  - Web
  - Design
  - Currency Setup
  - Store Email Addresses
  - Contacts
  - Reports
  - Content Management
- CATALOG
  - Catalog
  - Inventory
  - Google Sitemap
  - RSS Feeds
  - Email to a Friend
- CUSTOMERS
  - Newsletter
  - Customer Configuration
  - Wishlist
  - Invitations
  - Reward Points
  - Promotions
  - Gift Registry
  - Persistent Shopping Cart

**Sourcing Configuration**

**Product Import**

Categories:  [GLOBAL]  
▲ Default Category In Which New Product Assigned

**Sourcing Logic**

Sourcing Rule:  [GLOBAL]  
Default Vendor:  [GLOBAL]  
▲ Selected vendor will override the backorder logic.

**Inventory**

Buffer:  [GLOBAL]  
▲ Buffer value will be subtracted from each vendor

**Order Statuses**

Begin Sourcing:  [GLOBAL]  
▲ Which Orders Need to Pick For Sourcing

Awaiting Transmission:  [GLOBAL]  
▲ Which Orders Need to Pick For Sourcing

Backordered:  [GLOBAL]  
▲ Which Orders Need to Pick For Sourcing

Sourcing Complete:  [GLOBAL]  
▲ Which Orders Need to Pick For Sourcing

**Help**

Need Help? [Visit dropship360 Knowledge Base](#) [GLOBAL]



# Enhanced Efficiency: Eliminate Data Entry

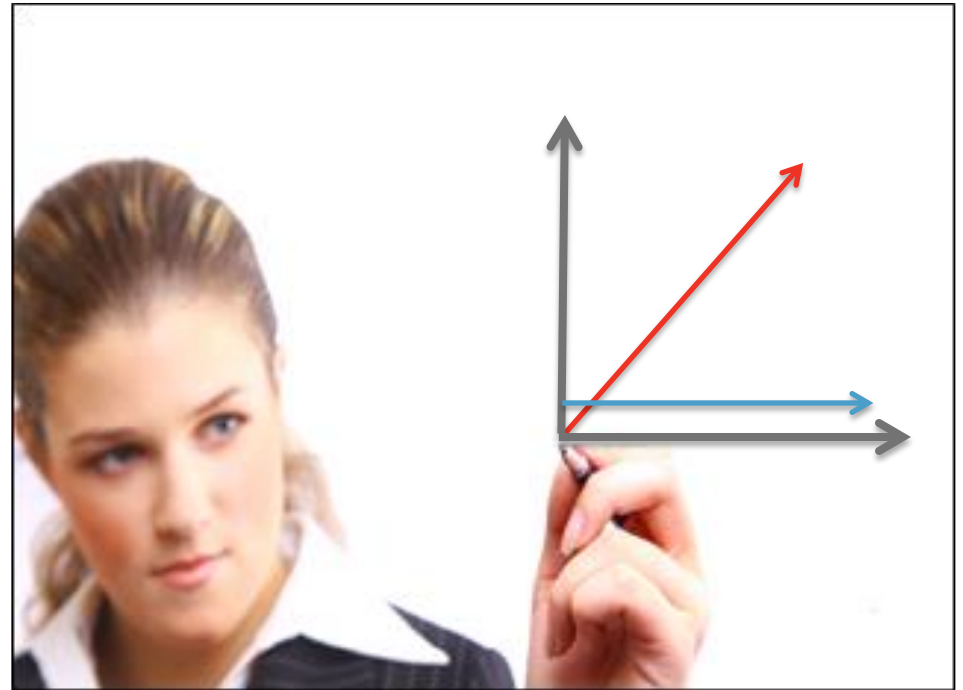


# Enhanced Efficiency: Speed



# Scale While Remaining Lean

*Handle a higher order volume while maintaining the same headcount*



# Manage Supplier Relationships

**Latest Message:** Reminder: Change Magento's default phone numbers and callouts before site launch

**Order Sourcing**

Page 1 of 1 pages | View 20 per page | Total 15 records found

**dropship 360** [minor and 136 notice unread message\(s\). Go to notifications](#)

[Reset Filter](#) [Search](#)

Order Id	Item Id	Product Sku	Vendor	Vendor Sku	Vendor Cost	Price	Qty	Item Status	Order Status
					From: <input type="text"/>	From: <input type="text"/>			
					To: <input type="text"/>	To: <input type="text"/>			
					In: <input type="text" value="USD"/>	In: <input type="text" value="USD"/>			
100000065	151	aws006			\$0.00	\$1,880.00	4.0000	No Dropship	done
100000065	153	hde001			\$0.00	\$2,550.00	6.0000	No Dropship	done
100000065	154	hdd000			\$0.00	\$550.00	5.0000	No Dropship	done
100000081	185	hdb006			\$0.00	\$210.00	1.0000	No Dropship	done
100000081	186	hdb009	vendor6		\$80.00	\$275.00	1.0000	Fulfillment	done
100000083	191	abl003	vendor3	abl001	\$30.00	\$400.00	1.0000	Fulfillment	done
100000083	192	abl004			\$0.00	\$150.00	1.0000	No Dropship	done
100000089	204	wbk002			\$0.00	\$240.00	2.0000	No Dropship	done
100000091	210	mpd003			\$0.00	\$420.00	3.0000	No Dropship	done
100000202	554	hdd002	vendor5		\$70.00	\$135.00	1.0000	Fulfillment	done
100000202	555	hdb001			\$0.00	\$25.00	1.0000	No Dropship	done
100000202	557	hdb006			\$0.00	\$210.00	1.0000	No Dropship	done
100000202	558	hdb007			\$0.00	\$275.00	1.0000	No Dropship	done
100000202	553	hdd001	vendor8		\$100.00	\$135.00	1.0000	Fulfillment	done
145000006	596	acj004	vendor2	acj004	\$100.00	\$375.00	5.0000	Fulfillment	done

# Shorten Order-to-Cash Cycle

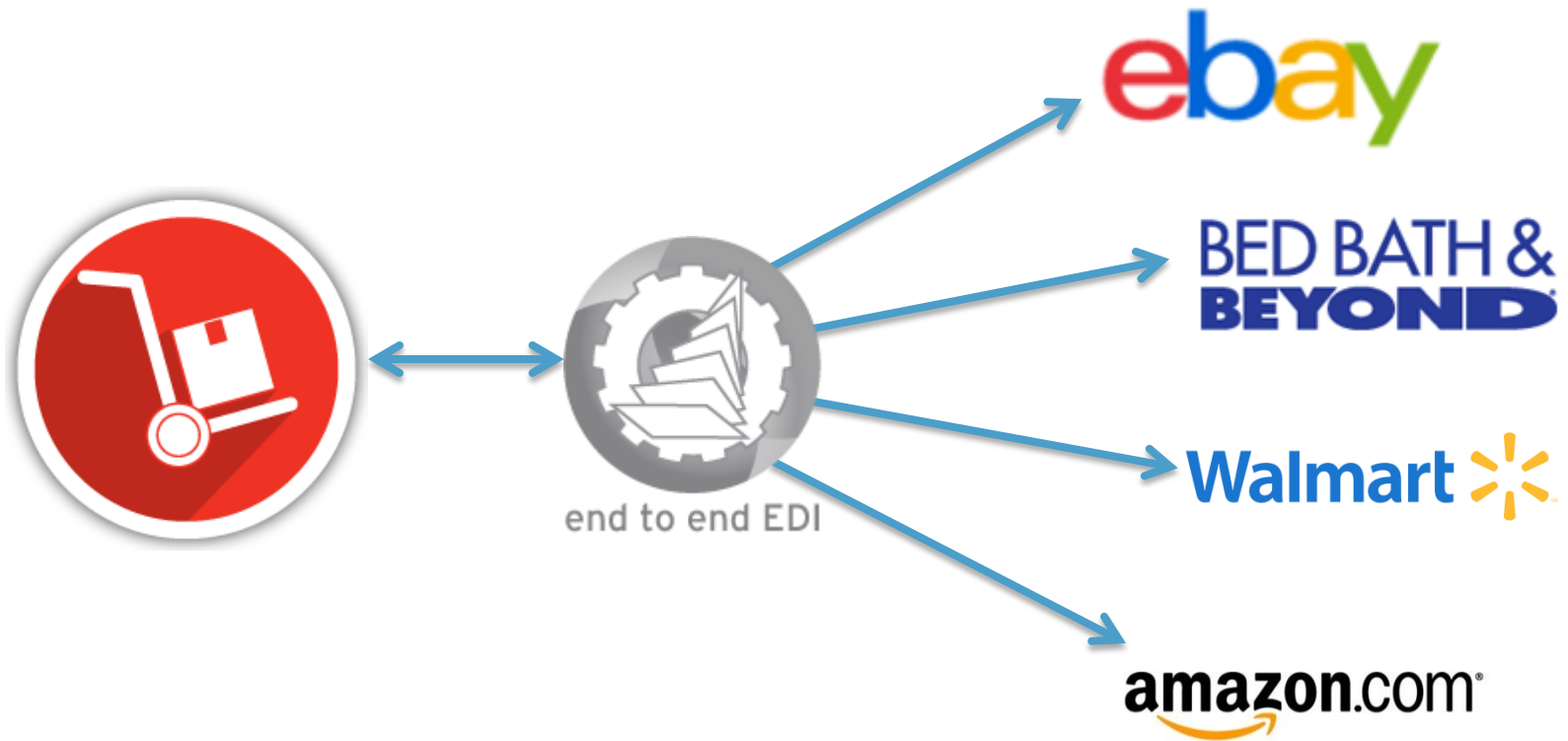




# Reduce paperwork & Automate manual processes



# Drop Shipping for Suppliers



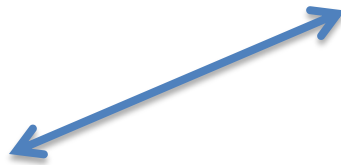


# Drop Ship Example

- Labor intensive
- Keying errors
- Inefficient
- Virtual inventory availability



Drop Ship  
Suppliers



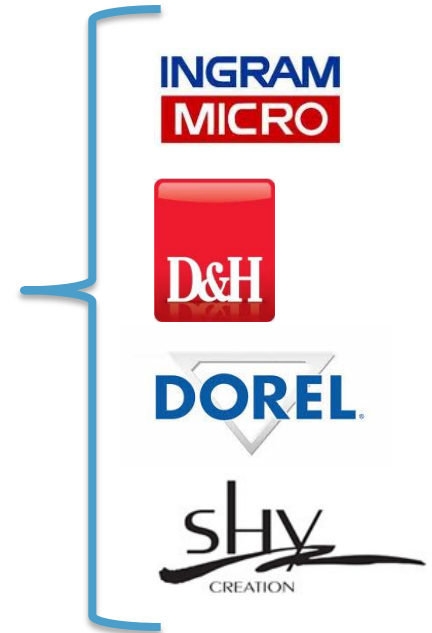
# Drop Ship Example



- Rapid trading partner onboarding
- Eliminate manual touches
- Free up resources
- Maximize margins

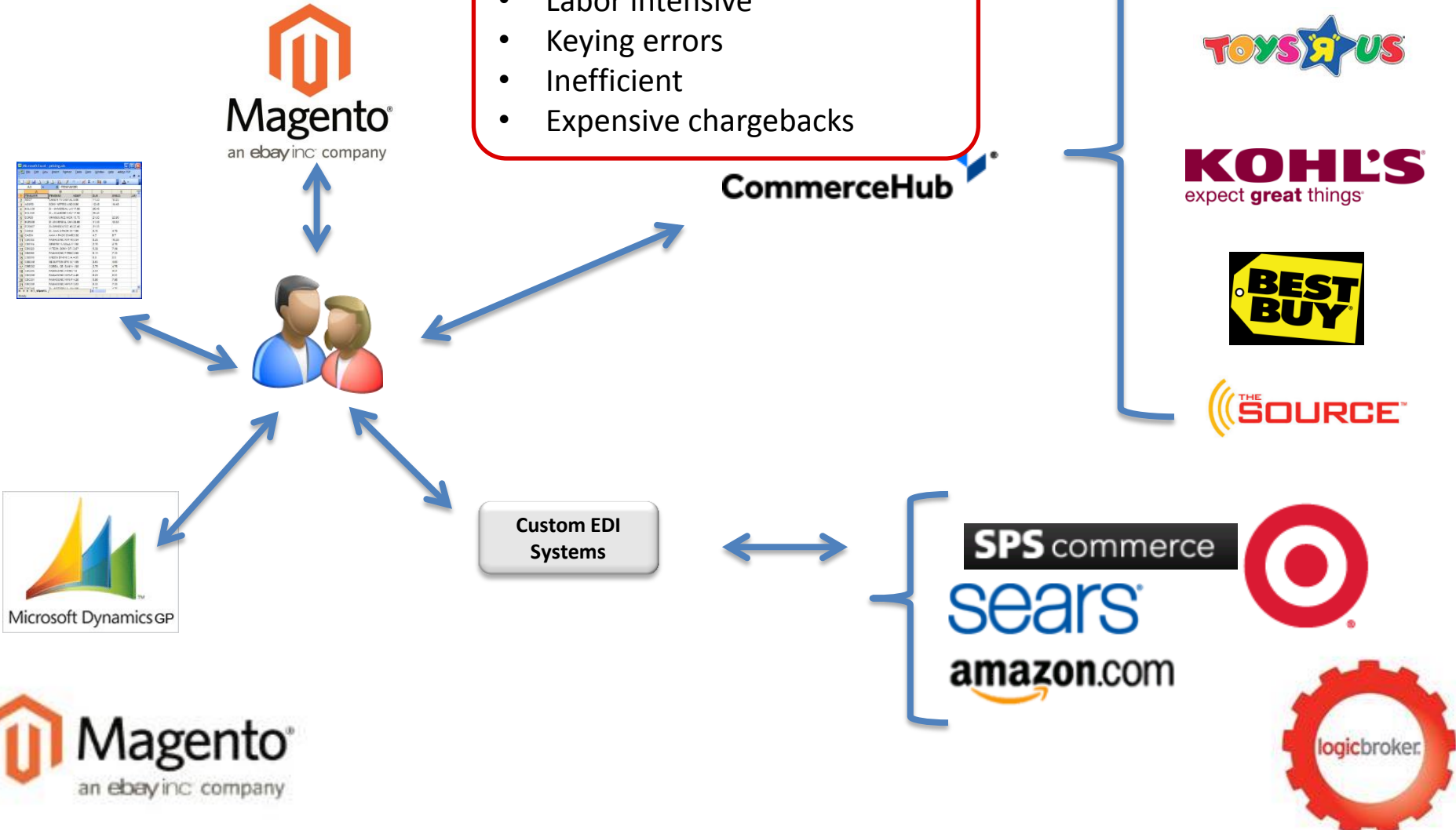


Drop Ship  
Suppliers



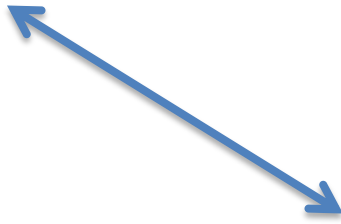
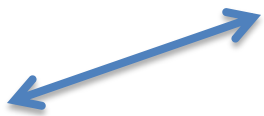
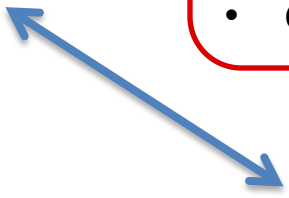
# Drop Ship Example

- Labor intensive
- Keying errors
- Inefficient
- Expensive chargebacks



# Drop Ship Example

- Seamless GP integration
- Eliminate manual touches
- Single connection to trading partners
- Free up resources
- Get paid faster



# Key Takeaways

- Tips for a successful drop ship program:
  - Stand apart from the competition by delivering a superior customer experience
  - Need a cloud-based, SaaS solution for complete drop ship automation
  - Take advantage of offering virtual inventory
  - Increase your visibility: sell on Marketplaces



# Q&A



[www.logicbroker.com](http://www.logicbroker.com)  
[sales@logicbroker.com](mailto:sales@logicbroker.com)

203.929.7633

 @logicbroker