

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

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5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This final chapter contains a summary of conclusions which were derived by collaborating and merging all data (primary as well secondary information) that was obtained through the researched conducted for the writing of this dissertation. After certain direct conclusions have been reached, the second part of the chapter then contains recommendations for the future of the information technology industry, logistics management in South Africa and for fulfilment houses in particular.

5.2 Conclusions

The following findings and conclusions can be derived from the completed questionnaires, personal interviews and literary sources consulted:

5.2.1 Market and industry drivers

Through the research conducted by consulting literary sources and articles in journals and trade magazines (mainly secondary information), it can be successfully concluded that several market and industry drivers shape the business processes of companies operating in the fulfilment industry. Firstly, as product life cycles shorten for computer software and hardware products, the manufacturers of such software and hardware have focused their resources on their core business functions and have outsourced the non-strategic, non-core activities.

Secondly, the market for outsourced products and services has been positively affected by the ability of information and products to be digitally distributed. Digital distribution of software products has driven one-to-one marketing, thus collapsing the channel between content owner and business consumer. As products and services are digitally distributed, the inherent value of the product or service shifts from manufacturing/push to information management/pull. This new trend especially benefits fulfilment houses operating in the information technology industry.

Lastly, changing end-user requirements have also helped to drive the fulfilment industry's growth. Generally, clients who make use of fulfilment houses require:

- Customisation of products and services by company or individual.
- Security across global infrastructures.
- Velocity, in order to implement worldwide simultaneous delivery and reduce time-to-market.
- System efficiency to reduce redundancies and integrate software manufacturing, distribution, order-processing and support.

These requirements are better met by outside full-service providers due to their dedicated expertise, experience, scale, operations infrastructure and system investment.

5.2.2 Fulfilment house services

Afore mentioned supply chain management and logistical companies were interviewed and completed questionnaires. From this primary information it can be concluded that fulfilment houses generally offer a very wide range of diversified services, all uniquely customised to suit the requirements and needs of each of their individual client companies. When a comprehensive array of these services are used in conjunction with each other, it will lead to a customised solution for the management of the supply chain of any company. Services most generally performed are:

i. Component assessment and procurement.

Most fulfilment houses employ dedicated account managers who aid the client company in the assessment, selection and procurement of components that are best suited and priced to meet the client's budget and market specifications.

ii. Software replication by means of in-house replication services.

In-house replicating equipment offers the advantage to the fulfilment house of them being able to replicate and deliver small or large quantities of compact

discs, cassette tapes or any other type of information carrying component. It also allows the fulfilment house to respond quickly and effectively to changes in product configuration.

iii. Warehousing.

Raw materials, components, work-in-progress as well as finished goods are warehoused by the fulfilment house on behalf of the client.

iv. Customisation of branding.

Components and finished goods can be branded to suit any requirement.

v. Assembly of deliverables.

Sophisticated assembly lines with short lead-times enable the fulfilment house to provide a fast, on-demand and customisable product manufacturing service. This not only prevents stock shortages, but also keeps finished goods to a minimum, saving the client valuable financial resources.

vi. Order processing and deliveries.

It was found that most fulfilment houses invest in a powerful Management Information System (MIS), where orders can be processed in real-time. This important tool then ensures the rapid deployment of the client's goods into the market.

vii. Database management.

The fulfilment house can also assist the client in the creation of sales projections that can help to ensure that the client stays in tune with the latest market demands.

viii. Reporting.

Through the maintenance of real-time stock reports (again by means of the fulfilment house's MIS), strict inventory risk management and control is made possible. This aids in the tight control over inventory levels, decreasing the risk of obsolescence.

- ix. Tailored and complex distribution.
Goods are freighted either back to the fulfilment house client, or to the client's client, the retailer or directly to the end-user. It was found that most fulfilment houses utilise their own vehicles, although they may make use of out-sourced freight and courier services if the need arises. Most fulfilment houses can also do serial number tracking if this is required by the client.
- x. Management of receivables.
Through special arrangement with certain banks and other financial institutions, some fulfilment houses can collect and repatriate royalties and license fees on behalf of their offshore clients. These fulfilment houses manage independent bank accounts for each client. In addition, they may also manage the risk on foreign exchange transactions.
- xi. Shipment reports.
Detailed shipment reports are customised and delivered to each client at a desired frequency (being daily, weekly or monthly) to meet specific requirements. As with the stock reports discussed earlier, shipment reports are also generated automatically from the MIS.
- xii. Peace of mind.
By means of advanced hi-tech security systems, fulfilment houses can ensure the secure warehousing of goods, the protection of intellectual property and a commitment to the elimination of piracy.

5.2.3 South African players

Primary research has shown that there are currently only between twenty and thirty fulfilment houses operating worldwide. The South African company *Bowline (pty) ltd*, with offices strategically situated in Cape Town and Midrand, is believed by many to be the only company acting as a proper fulfilment house in Southern Africa. Secondary research reveals that being a lone competitor in this specialised industry may have the following advantages:

- i. *Bowline* has no direct South African competitors who can offer the same combination of services and the total turnkey solution to their clients.
- ii. *Bowline* is often the first in the market to try something new, or invent new processes and procedures that can streamline the supply chain. They are thus viewed as an innovative and highly adaptable company.
- iii. *Bowline* is big enough to manage the total end-to-end supply chain of any company, but also small enough to customise and adapt their service offering to each and every client's specific needs.
- iv. Because of all the above-mentioned advantages, *Bowline* has built up a sound and very loyal customer base. Their clients trust them to manage their entire inventory, all distribution, reporting and even their debtor's books.

It is however these same above-mentioned advantages that can also be a disadvantage at the same time. Being the only competitor in the industry means that the company has no other competitors to measure itself against. There are no industry standards in place against which to benchmark. This more often than not makes it very difficult to explain the total service offering and logistical solution to prospective new clients. The value that is added by a company like *Bowline*, is not only in procuring components, assembling end-items or doing deliveries, but rather in the total supply chain management solution that they offer. Utilising the full spectrum of a fulfilment house's services, provides the client company with peace of mind and allows them to rather concentrate on their own core competencies (*i.e.* the development of new software or new technologies).

5.2.4 Benefits of outsourcing to a fulfilment house

As has already been discussed above, the benefits of utilising the full spectrum of services offered by a fulfilment house, extend far beyond only the outsourcing of some isolated business activities. As discussed above, many fulfilment house clients and

suppliers were interviewed before it was concluded that the optimum benefit will be achieved through a variety of services, including the following:

i. Customised solutions.

As each supply chain management client has different needs, customised solutions are needed to offer a comprehensive value-added service tailored around specific needs and requirements.

ii. Turnkey solutions.

A client's concept is developed into a complete service (in terms of procurement, production, warehousing, assembly and distribution) of their final product. If so desired, the fulfilment house will take over the whole process, from buying components up to the final delivery of the end-item (a 'cradle-to-grave' approach).

iii. One point of contact.

In order to ensure that the client of the fulfilment house receives service levels that exceed its expectations, these supply chain management companies need to simplify client needs by offering them a dedicated account manager who will manage the process from the minute the client's requirements are discussed, up to the time of delivery of the product to its final destination. Clients then do not need to negotiate on issues concerning cost, quality etcetera with a large amount of suppliers and service providers. This management function will be taken over by the fulfilment house.

iv. Warehousing on behalf of the client.

Many clients of fulfilment houses do not own their own warehouses and therefore store their components and finished goods on the premises of the fulfilment house. This service then allows clients to feel safe and secure in the knowledge that their products are being constantly monitored via state of the art security systems. Clients can also receive detailed reports on the status of their inventory at a desired frequency and in a customised format.

v. E-commerce.

The fulfilment house that wants to continue adding value to its clients' business operations, will need to offer a wide range of e-commerce facilities in the near future. Both B2B (business to business) as well as B2C (business to consumer) selling requirements will have to be met. The viability, benefits and opportunities of e-commerce will be thoroughly researched and discussed under the Recommendations at the end of this chapter.

5.2.5 The role of suppliers

Choosing the right supplier is one of the most critical business decisions a fulfilment house can make since it will greatly affect all aspects of procurement- and stock management. Good planning regarding quality and quantity will be futile if the supplier cannot deliver on the stipulated specifications. The implications of having bad suppliers can be disastrous to any fulfilment house. Some situations that were revealed through the research process, are:

i. Out-of-stock situations.

When components and raw materials are not available at the exact time and place when they are needed, it will lead to unnecessary production- and sales disruptions. Stock-outs occur when a company is out of stock but has a buyer willing to buy. One sure way for the fulfilment house to lose clients, is to be an unreliable source of supply. Ultimately, this will have a widespread negative effect on the fulfilment house's operations, including a loss in market share and profit margins. If goods are not delivered to the retailer's shelf as soon as possible after development, a newer, improved version may already be on its way. This will lead to the unfortunate event of stock becoming obsolete.

ii. Obsolescence.

The term 'obsolescence' recognises the fact that sometimes, items in an inventory gradually become out of date (Johnson 1996: 319). This process of then having to write-off stock will of course be expedited if goods were received late from suppliers. It can be concluded that obsolescence poses a

serious threat to the fulfilment house, since the cost of writing-off stock can run into many thousands of rands if everything possible is not done to firstly minimise the situation, and then to manage the process properly.

iii. Unreasonable prices.

Unnecessary highly charged prices will lead to cost increases, which will inevitably filter down to the fulfilment house's client, and ultimately to the end-user. Alternatively, these high prices will have a very negative effect on the fulfilment house's own profit margins if they do not also increase their price to their client accordingly.

iv. Poor market position.

Poor suppliers will contribute to a fulfilment house's weak competitive position in the market, which will probably be accompanied by a decrease in the market share.

v. Missed opportunities.

The fulfilment house will miss out on business opportunities because of its bad track record on delivery times, quality and price. Once a fulfilment house has earned itself a bad image or reputation in the market, it will be very difficult and sometimes very costly to prove otherwise.

On the other hand, effective and reliable suppliers are invaluable. Through the research, the following characteristics of good suppliers can be concluded:

i. They will supply goods and services of the specified quality.

ii. These goods or services will be delivered or achieved within the pre-determined time-span, which is crucially important in the fast-paced and continuously changing IT industry. Receiving raw materials and components on time will help to reduce the appearance of out-of-stock situations, or having to write-off stock that has become obsolete.

- iii. Honest suppliers charge reasonable, competitive and market-related prices, which should be passed on throughout the whole supply chain and ultimately to the end-user.
- iv. They can react quickly to changing requirements and can service even unpredictable needs or requirements.
- v. They have the initiative to continuously better their ways of delivering their service.
- vi. They continuously look for ways to be more cost-effective.
- vii. They will warn their client in advance if they will not be able to meet all requirements, so that suitable alternatives can be found.
- viii. They can supply technological knowledge and other relevant information derived from their experience. Good suppliers are an increasingly valuable source of information, be it for either product or process innovation.

Bearing in mind the fact that a competitive advantage is increasingly a function of supply chain efficiency and effectiveness, it can be concluded that the greater the collaboration at all levels between supplier and customer, the greater the likelihood that a mutually beneficial advantage can be gained. The end result that can be derived from this collaboration is more often than not measured in terms of lower material costs, higher quality, shorter lead-times of supply and lower inventories.

5.2.6 The fulfilment house client

It was found that many fulfilment houses started out by specialising their service offerings particularly to the IT industry. Even though this might have been the initial point of market entrance, it was found that successful fulfilment houses today invariably possess a wide range of strategically differentiated clients such as Internet

Service Providers (ISP's), cellular service providers, ancillary computer hardware distributors, producers of multimedia games, audio distributors and many others.

Many companies utilising the services offered by fulfilment houses were researched. One such a South African company, currently outsourcing its business operations to a fulfilment house, will be briefly discussed as an example:

i. *Siltek Ltd.*

Siltek Distribution Dynamics (SDD) is South Africa's largest broad-based distributor of information technology. They distribute a wide range of 'best of breed' hardware and software products, as well as other computer peripherals, components and consumables. One of the company's many focused business units is *MultiMedia Warehouse (MMW)* which is a focused multimedia and entertainment distribution company with a wide range of products varying from audio to communications, graphics, games, voice recognition and many others. The core competence of the *MMW* workforce is to import hardware and other computer peripherals and to then market it into the retail channel. They have extensive knowledge of the characteristics and needs of their market and they know where to buy the best components or products at the best prices, wherever in the world that might be. They know which components to bundle with which products and how to present it to the channel in an attractive and affordable manner.

However, the *MMW* buyers and sellers still need somebody to actually assemble their end-items or bundle their products with the goods of others. Their expertise does not lie in managing the actual physical operational work to be done on the assembly lines. This is where companies like *MMW* are realising the huge value that fulfilment houses can add to their businesses. Below is a sample of a simplified workflow process:

1. The *MMW* importer will buy components from his overseas suppliers, for example:
 - Computer modems from Taiwan.
 - Modem driver disks from Australia.

- Modem cables from Germany.
 - Phone lines and lightning protector units from Japan.
2. *MMW* will choose a suitable fulfilment house, preferably located close to the selected target market. The fulfilment house will collect the above-mentioned components from *MMW* and receive it into their own warehouse.
 3. In this case, *MMW* will also need packaging for their modem bundle. This procurement function can also be outsourced to the fulfilment house, which will buy-in printed outer cartons on behalf of *MMW* and store it, together with the other components, in their warehouse.
 4. Fulfilment houses assemble only on order. Goods are usually warehoused as components rather than as finished goods. This is done because of the fast pace with which the content and configuration of IT products change, improve and become obsolete.
 5. Before starting the assembly process, it is imperative that both parties agree on various important aspects. First of all the Bill Of Material (BOM, as discussed in Chapter 3), must be finalised and signed by both parties. This is the exact 'recipe' that the fulfilment house staff will use to 'build' the end-item. Other terms and conditions, such as costs for warehousing, assembly and freight must also be agreed upon.
 6. After the required quantity of the end-item has been completed, the fulfilment house then delivers it back to *MMW*, or directly into the retail channel (*e.g.* to computer stores such as Incredible Connection, or to other nominated retailers such as Pick 'n Pay, CNA, Makro or Game).

5.2.7 Current technologies

5.2.7.1 E-commerce

Research contained in literary resources and academic articles have proven that, in order to survive in the new digital economy, fulfilment houses, suppliers, retailers and basically all companies that want to stay competitive and maintain or improve their market share, are investing in an e-business strategy of some kind.

Many people use the term e-commerce without having a clear picture of exactly what it is. Very simply put, e-commerce is about doing business electronically using the internet. It is buying and selling on-line. It can happen between businesses and other businesses (B2B), or between businesses and consumers (B2C) as well as between consumers and consumers (C2C). It can simply be defined as a tool to improve business performance through connectivity.

E-commerce is essentially frictionless. Hardwick (2000: 1 – 2) explains how there are no phone calls, faxes or paper trails which can clog the communication channel between buyer and seller. Through research it can be concluded that virtually every industry is now represented on-line by at least one e-commerce entrepreneur or company trying to carve out a niche in the e-business community. These e-businesses are using the internet to optimise their market positions by integrating their supply chain- and logistics management applications with their internal and external value chain processes. As was mentioned many times before, companies can no longer afford to operate as independent islands in a sea of partners and competitors. In order to stay competitive and thrive in a real-time, 24-hour-a-day, 365-day-a-year worldwide marketplace, companies must bridge information islands both internally and across business communities.

a) Current world-wide trends.

Ernst & Young (E&Y) recently questioned thousands of consumers and many companies in the United States, Australia and the whole of Europe. In this global on-line retailing survey, the *E&Y* researchers found that personal computer and internet penetration are increasing, and also that more and bigger purchases are being made on-line. Some other interesting trends relating to e-commerce consumers, were that they are found to be:

- Prone to on-line impulse buys.
- Not very concerned about their credit card security.
- Very concerned about shipping costs.

It is suggested in the report that these findings can also be applied in the South African model. It can therefore be concluded that it will be wise for all players entering the e-commerce market, to find ways in which to lower their shipping costs, or to build these freight costs into the selling price of their products.

b) The South African user group.

The largest online survey conducted in South Africa by the local internet portal site MSN.co.za, has revealed that thirty six percent of all South African internet citizens (or 'netizens' as they are often called) have purchased online (Scholtz 2000: 1 – 2). These are interesting figures if they are compared to the recent survey conducted by *Ernst & Young USA* which stated that only twenty seven percent of the United States market has bought online, while it is estimated that only ten percent buys online globally.

c) E-business benefits.

Research has shown that companies worldwide have been investing heavily in business applications and computer systems to improve their productivity, enhance their efficiency, reduce costs and share information with business partners. With the implementation of an e-business solution and the accompanying escalation in more efficient and faster information flow, it can be concluded that international as well as South African companies will be able to realise the benefits of:

- Reduced inventory levels.
- Shorter cycle times.
- Improved customer service.
- Improved asset utilisation.

- Reduced obsolescence.

5.2.7.2 Wireless Application Protocol

WAP (Wireless Application Protocol) has become one of the new buzzwords in the IT and telecommunications industries. Traditionally, internet users received access to the net and webpages through a cable interface with telecommunication networks. The development of WAP has now eliminated this cable interface. Users of this technology are able to gain access to the information on the internet and intranet through handheld wireless devices such as cellular phones, pagers, personal digital assistants and two-way radios.

The technology is thus a scalable, open interface technology that replaces conventional copper or fibre optic telephone cabling. It is compatible with networks providing voice, video, data and internet access. Some of the WAP characteristics and advantages that were researched and concluded, are that it is:

- Faster than the traditional method of working on-line.
- More convenient since the internet can be accessed from wherever you are.
- Less expensive to roll out since no cable network needs to be installed.
- Able to deliver quick return on investment (ROI) in high-density areas.
- Has a fast installation process.
- Has a high capacity.
- Allows cheaper network maintenance.

Through the above research, it can thus be concluded that WAP technology can present endless opportunities to logistics managers and fulfilment houses. Areas of inception into the fulfilment house business operation will be discussed under the following Recommendations.

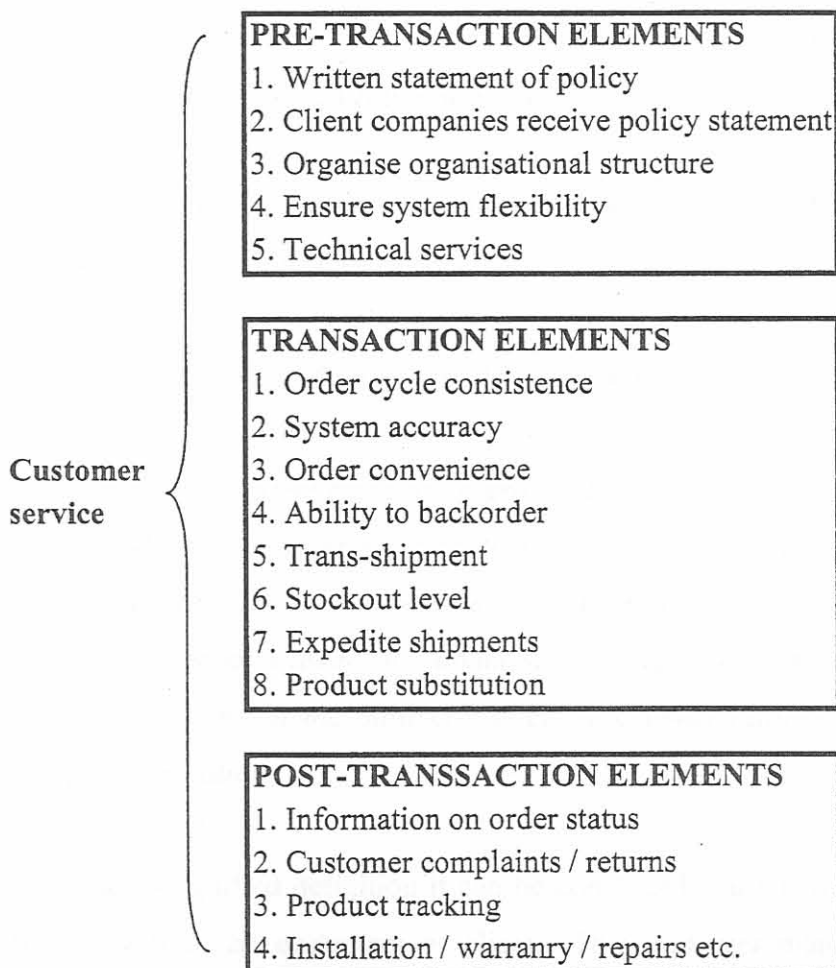
5.3 Recommendations

It is predicted worldwide that the future of dedicated and competent fulfilment houses looks bright. This also seems to be the general feeling throughout the South African

industry. In the past, the decision to outsource was mainly driven by perceived problematic labour situations and the lack of expertise or other resources. Lately, there now seems to be a need for additional added value. Apart from doing only the basic things right (*e.g.* warehousing, assembling and delivering), fulfilment houses must now look at new and innovative ways in which they can add more specialised value to the businesses of their clients. Recommendations to obtain this added value will be discussed in detail below.

5.3.1 The client as the most important asset

Figure 5.1 Customer service elements.



i. Customer service

When offering a service of comprehensive supply chain management as discussed in the examples above, the role of customer service is imperative to success. It is because of the multivariate nature of customer service and because of the widely differing requirements of specific IT-market needs, that it is essential for any fulfilment house to have a clearly identified policy towards customer service. Most fulfilment houses see their superior customer service as the most important element in their company's marketing mix. The classic competitive dimensions of the past, being price and promotion, are today substantially less important than quality and reliability. If the product or service is not available at the time the customer requires it and a close substitute is available, then the sale will be lost to the competition.

ii. Customer Relationship Marketing.

The essence of Customer Relationship Marketing (CRM) is not a new concept. According to Wright (1999: 1):

“CRM is about finding, winning, retaining and growing customers to increase the value of your customer base. It's about gathering information on your customers, identifying those groups that are attractive to your organisation, and then treating your customers differently according to their potential lifetime value to you organisation. It's also about building relationships and building knowledge. It's about segmenting your customer groups to interact with them via the most cost-effective channel relative to their value to the organisation.”

In a much simplified definition it can be concluded that CRM is about the effective management of all customers or clients. This customer management can then be viewed simply as the need to improve your organisation's client knowledge and client communication. Today companies deciding to outsource their business operations are empowered to decide what, how, with whom, to what extent and for how long they

want these outsourced agreements to continue. They have infinitely more choices in services and interaction channels available to them. Fortunately, the rise of the modern-day fulfilment house, coupled with new technological advancements, has provided fulfilment houses the ability to satisfy all client needs.

5.3.2. Improving technologies

5.3.2.1 E-commerce

a) B2B e-commerce.

It is recommended that, in future, businesses will have to think beyond only e-commerce (which has its emphasis on electronic trade) and concentrate more on e-business, which is a much wider concept encompassing all of a company's processes.

Research predicts that global electronic business will be worth an estimated US\$6.9 trillion by the year 2004, with almost eighty nine percent of all on-line business transactions made in only twelve countries. The combined revenues for Eastern Europe, Africa and the Middle East are estimated to be at approximately US \$68.6 billion in the same period (the above-mentioned figures were taken from a report researched and published by the US company *Forrester Research*).

It is recommended that the e-business solution which is implemented, must be able to perform the following five important functions:

- i. Allow businesses to leverage their existing investments (e.g. in current back-office systems) across the new e-commerce operation.
- ii. Perform other services that will increase the speed, efficiency and accuracy of business processes across the entire value chain.
- iii. Extend the trading network to include all current and potential business partners and customers.

- iv. Outsource the management of integration, administration and simple help-desk tasks in order to concentrate on the company's core business.
 - v. Allow only selective trading partners that can be changed on demand, and then also provide audit trails of interaction among these partners.
- b) Recommended opportunities in South Africa.

There are many opportunities for South African businesses to be successful in the new digital economy. It is recommended that the following areas are identified and targeted:

- i. The isolated market.

The *E&Y* survey results that were mentioned in the Conclusions above, show a definite window of opportunity for South African companies. Only eight percent of the international companies polled said that international expansion would form part of their future growth plans. Locking in their home markets by acquiring new customers and expanding into new categories and channels were found to be more important to them. (International sales represented only five to twenty five percent of revenues, and the respondents confessed to logistical problems standing in the way of international business.) The conclusion is that there is still time for South African companies to jump onto the e-business bandwagon. Not many of the big overseas international players see Africa as a market for them – especially the United States will first focus all their operations locally and then turn their attentions to Europe. If the current lack of understanding of the e-commerce business model can be overcome, on-line buying and selling will lead to new benefits for South African buyers and sellers alike.

- ii. New technologies.

Cynics argue that e-commerce won't survive in South Africa because the market is simply too small. This might have been the case if the personal

computer were to remain the only point of access to the internet. Fortunately, developers are now manufacturing cellular phones and other hand-held devices that enable web access and browsing through WAP technology. Considering the fact that the amount of cellular phone users in South Africa is higher than in some first world countries, this new technology will definitely enhance and grow the use of the internet in South Africa. It is predicted that more than ten million people in South Africa will own their own cellular phones by the year 2005. It is recommended that all companies operating in the IT market, research how they can best use this technology to their advantage.

iii. Improved access and usage.

In the B2B market, South African companies are starting to get serious about e-commerce and significant growth in this sector is expected as businesses go public with their online strategies. In 1998, it was estimated in a report in 'The Business Day', that about ninety three percent of South Africa's top two hundred and fifty listed companies had internet access. This figure has definitely risen substantially over the past two years. It is clear to see why it is highly recommended that fulfilment houses and all other players in the IT market, ensure that they use the current trends of increased e-commerce usage to their advantage.

5.3.2.2 Wireless application protocol

a) Opportunities for fulfilment houses

The *Gartner Group* (in Cilliers 2000; 1) estimates that over four hundred trading markets have been launched to date and that this figure will rise to at least ten thousand by the year 2002. Over three million worldwide sellers are expected to participate in e-marketplaces by that time, with an estimated US\$438 billion in B2B transactions taking place.

If fulfilment houses want to continue offering their clients a comprehensive and complete turnkey solution, it is recommended that they become themselves e-

commerce enabled, and also offer their clients the opportunity to engage in B2B and B2C business transactions. The additional value that is now added by also adding WAP-enablement to this technology, substantially increases the advantages fulfilment houses and their clients and suppliers can achieve. It has amongst others, the following advantages:

- It simplifies the ordering process.
- It can substantially reduce lead-times.
- Payments and transfers can be made electronically.
- Information can be accessed and processed at any time from anywhere in the world.

5.4 Summary

While outsourcing business processes is often perceived to be a tactical exercise, outsourcing an entire supply chain to a fulfilment house must be seen as an option to create and add strategic benefit and value to current business operations. In the typical information technology company, the decision to outsource the supply chain is usually driven either by pressures to reduce costs, or because of a lack of expertise or physical manpower. Outsourcing can translate into an important opportunity for the outsourcing client company to add great value to its own business operations.

Research conducted by the 'Supply Chain Council' in the USA, indicates that the key cost drivers of a supply chain are order management and inventory carrying costs. This means that the maximum value that can be provided by a fulfilment house to its clients, are in the areas of order management and inventory carrying cost reduction. These should thus be the main areas of concern for all fulfilment houses that are currently operating in the worldwide IT industry. However, in order to remain competitive, fulfilment houses need to continuously research processes and new ways in which they can even further improve their value-adding services and solutions.