

CASE STUDY / RETAIL

# From brick to click: How a department store chain improved fulfillment logistics during Covid-19

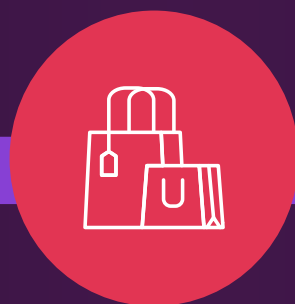


# About the customer

Mexico's largest department store chain, operating two well-known department store brands and a multitude of boutiques, shopping complexes, and eCommerce stores.



**280+**  
department stores



**120+**  
boutiques



**28**  
shopping malls



# Business challenges

Prior to the Covid-19 outbreak, our client's brick-and-mortar stores accounted for an average of 90% of total sales. When the pandemic hit, it was clear that the company's eCommerce operations, including order generation, warehouse logistics, and last-mile delivery, would not be able to handle the 400 percent increase in online and mobile app order volume in 2020 without quick action. Furthermore, during the lockdown, when its sales shifted to 100% online, the pressure intensified. Although fortunate enough to experience a 5x increase in digital revenue and a 7x increase in digital consumers, our client did not expect to meet those targets until 2025. And like most brick-and-mortar retailers, it lacked the immediate logistics and resources required to scale their operations and sustain its reputation for an exceptional customer experience across its online channels. Softtek was asked to help:

1

Enhance logistics processes to handle the sharp increases in eCommerce orders

2

Decrease volatility across its online fulfillment operations, including staff allocation; inventory, order, and delivery management; and in-store fulfillment

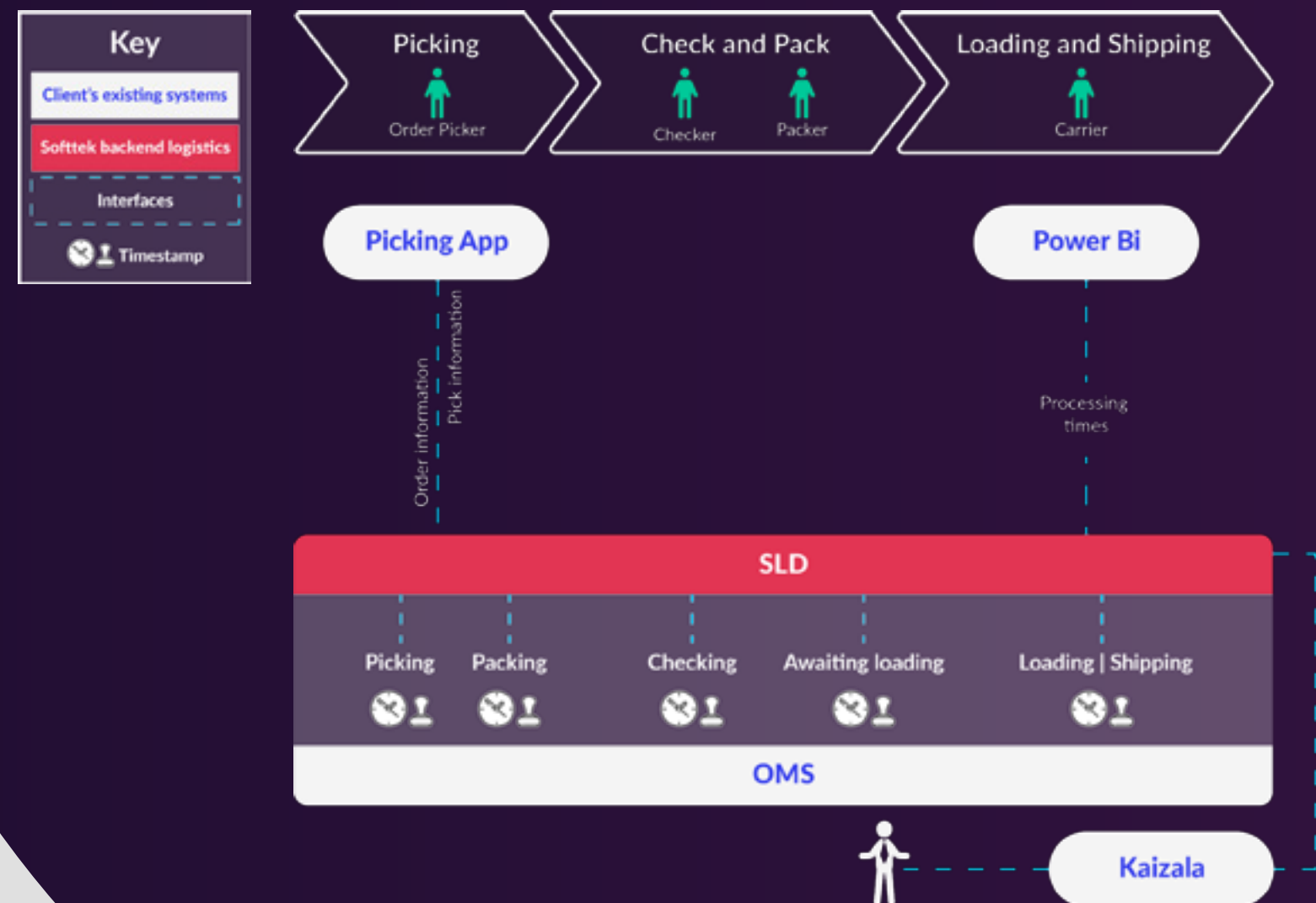
3

Provide continuity across fulfillment functions and deliver a consistent omnichannel retail CX during the pandemic



# How Softtek comes into play

Softtek developed and implemented a scalable back-end logistics strategy that combines order generation, picking, packaging, distribution, and last-mile delivery into a single platform to manage huge spikes in demand across its retail channels.



**Automated back-end logistics** monitoring for real-time inventory, personnel allocations, and order picking and packing inside a centralized platform.

**Integrated a new solution** to scale its existing processes.

**Integrated intelligent algorithms** to assess the performance of any process using real-time metrics.





# Business impact



Customers and workers benefited immediately from a consolidated and transparent logistics back-end for our client, and the financial statements revealed that online sales accounted for 29% of total revenue in 2020. Our client's strong brick-and-mortar operations are now supplemented by an equally formidable eCommerce fulfillment operation required to support its total omnichannel experience. Armed with a new logistics solution, its retail operations can flex with demand across its various channels.

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## Shareholder benefits:

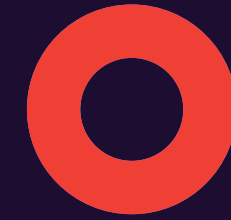
- Minimized labor costs associated with the surge of online ordering
- Reduced last mile logistics costs by 30%
- Optimized picking and packing route selection
- Decreased inventory levels by 8% vs 2019

## Customer experience benefits:

- Increased real-time visibility of product availability and shipment information to respond to customer concerns and give customers accurate order status
- Since the implementation of Softtek's back-end logistics technology, 91 percent of orders have been delivered early or on time
- Over the course of six months, customer complaints were reduced by 30%
- Human touchpoints in the logistics process were minimized thanks to smart monitoring, proactively minimizing errors that may have impacted customer satisfaction

## Employee experience benefits:

- Thanks to smart logistics, our client was able to stay focused on new strategic efforts rather than manual tasks
- Employees can now monitor logistics using Softtek's user-friendly interfaces
- Our customer was able to sustain fulfillment operations using
- Softtek's technology to keep personnel on the job throughout the COVID-19 lockdown



#### ABOUT SOFTEK

Founded in 1982, Softtek is a global company and the largest provider of IT services from Latin America. With a broad portfolio of business-transforming products and solutions, Softtek helps Global 2000 organizations evolve their digital capabilities constantly and seamlessly, from ideation and development to execution.

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