



The 2017 EasyPost Holiday Guide



FOR INQUIRIES, CONTACT SALES@EASYPOST.COM
120 KEARNEY ST, SUITE #400, SAN FRANCISCO, CALIFORNIA, 94108



Introduction

The holidays. The season that represents around 25% percent of your annual revenue, all compacted into a three-month long stretch that will test every business process that comprises your brand. It's a time to look forward to, since you'll be seeing a lot of revenue from a lot of new customers that you can cultivate loyalty with. It's also a time to be wary, since one supply-chain SNAFU can endanger thousands of orders and your brand's reputation..

A successful holiday season always includes two things - well-done advance planning and organizational synchronization. You have to model everything, from staffing requirements to total expected orders, and create actionable, scalable, and quick contingencies if events deviate from the model. On top of that, your operational and sales models have to match up perfectly, otherwise you're either going to hurt your brand via stockouts or waste money on extra products, labor, and packaging.

At EasyPost, we're projected to process over 20 million shipments this holiday season, which is a 15% increase from our 2016 holiday volume. With all of those packages running through our system, we're in a unique position to see what works and what doesn't. From there, we can also rely on the decades of collective experience our team has in shipping and fulfillment to find scalable solutions to the most common holiday operations problems.

So we've gotten together and created our 2017 EasyPost Holiday Guide with a specific focus on how to set your business operations up for success. We've divided the guide into five sections that focus on the main keys to building a foundation for a successful holiday season:

- I. Every Forecast Matters
- II. Position Your Team For Success
- III. Have A Plan B For Everything
- IV. Prepare a Better Returns Process Now
- V. Take Notes, Track Data





Every Forecast Matters

Forecasting the operational resources you'll need - labor, packaging, warehouse capacity, production - will all depend on the models that your sales/marketing and finance teams create first. You can't plan ahead on labor costs if you don't have reliable estimates on projected order totals.

Of course, even though forecasting is extremely quantitative, it's still more of an art than a science. Sure, it's possible to create a perfect forecast, but it's impossible to find a consistent way to create them. As you build your forecasts, you have to remember these three things:

Establish a solid baseline

Assemble strong reference points such as year-over-year growth, previous year performance, and overall market trends. Collate them to establish a strong baseline that provides reasonable expectations that all teams can operate from. Try not to be too aggressive or conservative, and really focus on the factors you trust. Forecasts tend to become inaccurate when new factors are overemphasized.

Be very honest with your projections

We all have expectations going into the holiday season. There's nothing wrong with being aggressive or conservative with your holiday strategy, but your projections shouldn't reflect any biases or feelings you have about your future performance. The projections should be strictly data driven, with all factors weighted within reason. It's very easy to let your biases seep into your forecasts, but that's how forecasts end up being useless spreadsheets instead of actionable numbers that you can base your holiday processes on.

Continue to update forecasts throughout the holiday season

Don't just be satisfied with your original forecast numbers. When you actually start shipping orders, you'll get much more valuable data that can help refine a previous projection. If things are trending up or down, revise the projection and all of the operations tied to it. It doesn't make sense to continuously hold faith to pre-holiday projection if the holidays themselves don't hold true to them.

Forecasting isn't an exact science. Trying to draw firm predictions from a chaotic shopping season requires a lot of grounded thinking and consistent gut checking. Maintain a data-driven approach and be flexible. The goal is to find a projection that stays reasonably close to actual results, not a projection that hits perfectly so that you maximize demand and minimize cost. Aiming for the former gives you a much better shot at a successful holiday season.



Position Your Team For Success

Success is simply the result of leveraging opportunity, and opportunity benefits those who're prepared to take it. Every eCommerce business in Q4 has an opportunity to achieve growth, but only those who prepare their teams for success will achieve it.

We took a holiday performance survey and found three common themes from our customers. They all revolve around one core truth - a good holiday experience for the customer is ultimately getting their product on time and without hassle. The following three keys are some of the most effective ways to ensure that:

Keep everybody in the loop (56% of EasyPost customers)

Cross-departmental communication is crucial to holiday success. Marketing should always be up-to-date on operational situations, especially if they plan on including last-minute promotions to push more demand than your operations may be able to support. Now, more than any other time of the year, requires a business in sync.

Handle your staffing needs now (73% of EasyPost customers)

Don't just assume that you can find help if it's needed. As soon as your holiday forecasting is done, determine if you have enough fulfillment capabilities to handle your projected holiday orders. Whether you're handling your fulfillment/support in-house or with a partner, ensure that the staff involved will be ready to handle the influx of demand before it hits.

Automate as many processes as possible (44% of EasyPost customers)

Of course, the holiday season also comes with the temptation to add extra flourishes to your packaging or kitting to appeal to consumers. Still, you have to remember that your demand will be constant and your customer's patience will be limited. If your operations team can handle such flourishes, then it's your decision. However, it's inarguable that adding more complexities to your operations will add more risk of errors. The more you're able to simplify and automate, the more likely you'll be able to push out orders reliably and quickly.





Have A Plan B For Everything

Part of holiday preparation is ensuring good backup plans when things go wrong. The holiday season is much too valuable to your business to let your strategy run on good faith. It needs guardrails to account for worst-case scenarios.

For instance, inclement weather can shut down a fulfillment center or waylay a carrier. One way to mitigate this risk is to spread inventory across multiple fulfillment centers, so if one gets knocked out temporarily, orders can still be fulfilled from others. You can use rush shipping to ensure products will arrive in a reasonable time (most customers expect their products within a week).

A carrier refusing service because of overload can also put a screeching halt on your operations. It's important to have backup carriers in case your primary partner isn't able to take up any more packages for you, especially if it's during Black Friday or Cyber Monday. In this instance, we'd recommend that you establish relationships with secondary and tertiary carriers now. If it's in a pinch, you can also leverage shipping APIs like EasyPost to connect to regional carriers if the orders aren't going too far from the fulfillment center.

As you form your backup plans, it's extremely important to ensure that everyone involved - from your COO to the staff on the ground - are well aware of all contingencies that you install for the holiday season. It doesn't matter how well you craft your contingencies if the execution doesn't happen.

Backup plans could be the difference between a successful holiday and a painful one. Try to identify where your operations could be weakened, and implement processes to defend against the unexpected.

A graphic at the bottom of the page featuring the text "PLAN X B" in a bold, black, sans-serif font. The letter "X" is crossed out with a large, red, handwritten-style "X". To the right of the "X" is a large, red, handwritten-style letter "B". A white arrow with a black outline points to the right, positioned behind the "B". The background of the graphic is a dark blue and black geometric shape.



Prepare a Great Return Policy Now

There are two statistics that revolve around the importance of a good return policy.

24% of customers expect to return or exchange at least one of the gifts they received.

95% of customers will shop with a business again if their online returns process is convenient.

The holidays aren't just your biggest sales period of the year, it's also a precursor to the biggest returns period of the year. Having a good return policy is a huge driver in maintaining customer loyalty, and a good return policy is only as good as the operations behind them.

It's tough to squeeze in preparation for returns when your operations will already be at full throttle to meet the queue of outgoing orders. Still, it will save you a ton of headache if you prepare for the wave of returns now. That way, you can confidently move forward with a return policy that drives more sales, knowing that you'll maintain the same great experience for returns as you do for sales.

We've included a basic framework below that you can build or customize to fit your business:

1. Receiving team receives return and inspects these four values:

- a. *Who returned the shipment?*
- b. *Which products have been received?*
- c. *What condition are the products in?*
- d. *Do the products match the original order?*

2. Receiving team verifies return. Return policy dictates refund, credit, or replacement.

3. Receiving or operations team recycles item back into stock depending on condition of product.

Of course, there are ton of unique differences that you'll have to add onto that framework to make it work for your business. The main purpose of reverse logistics is to retain value while simultaneously providing customer satisfaction. As long as you keep within the core concepts of this framework, your returns policy should provide both.





Take Notes, Track Data

The only way to improve upon your holiday performance is to take stock of shortcomings and inefficiencies from the year before. It makes perfect sense to keep a running log that highlights areas of improvement for your business. Holiday success provides the foundation for many businesses to grow, which makes it important to keep improving with each year.

Some things to keep an eye on logistically as the holiday season is in full swing:

1. Order Fill Rates
2. Technology Uptime
3. Follow Through on Carrier Commitments
4. Average Price of Shipping
5. Average Cost of Labor
6. Inefficient Processes
7. Average Time to Process Returns

Once the holidays are over and the data is collected, do a post-mortem with your team to identify pain points and inefficiencies, and work to address them before the next holiday season. The better you get at this, the more growth you can squeeze from future holiday rushes.

One last point of emphasis is the identification of process automation. You should take every opportunity to automate whenever you can, especially when things calm down and it's easier to implement new technology or processes. Automation is how you can increase productivity, efficiency, and reliability. If you identify potential points of automation now, you'll definitely be in much better shape to take on a new rush of orders when the next holiday season rolls around.

And remember, when this is all over, know that you'll definitely deserve your Christmas feast at the end of it all. With all the preparation and work you're about to put in, you'll be in a better position to succeed now than ever before. Go out there and kill it!





Support & Resources

Account Executive

Jillian Voege

jill@easypost.com

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