



EBOOK

Revolutionizing Supply Chains:

How Tech-Enabled Forward Stocking Locations (FSLs) Drive Digital Transformation

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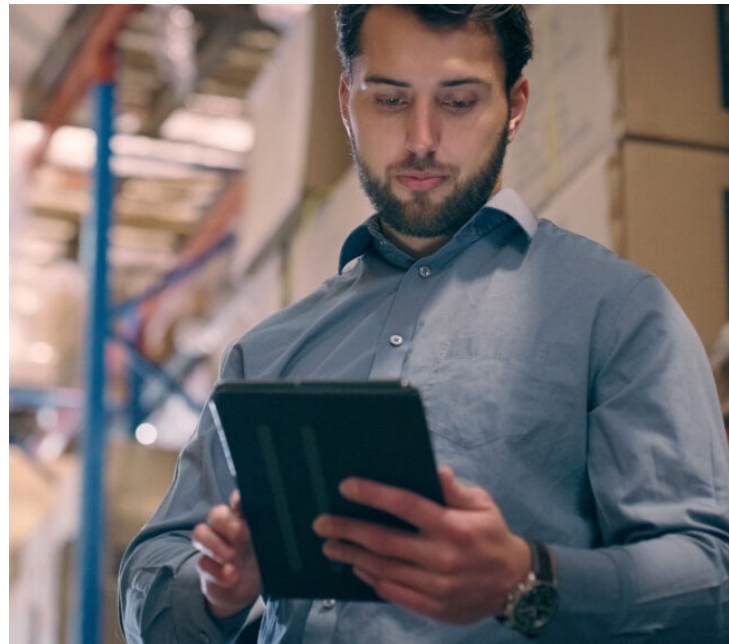
Tools used to manage the flow of products through supply chains have changed dramatically over the years, from handwritten ledgers to typed spreadsheets and software that automatically controls warehouse operations. The next step in this journey, digitalization, uses emerging technology to give physical objects a digital footprint.¹ Digitalization opens [opportunities to connect siloed systems](#) for transparent, efficient, and intelligent supply chain management.

Technology-enabled forward stocking locations (FSLs) are part of this next wave of digitalized supply-chain management systems. These autonomous storage units located near customers provide easy, secure access to high-value products and use software to monitor and track inventory precisely.

Taking advantage of digital transformation in supply chain management gives businesses a competitive edge in an industry prone to disruption.

This eBook answers the following questions:

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- What is the role of FSLs in modern supply chains?
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- How does incorporating technology in FSLs benefit businesses and customers?
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- How can businesses implement tech-enabled FSLs?
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- Where will technology take supply chain management next?



¹ Rennie, Elizabeth. "ASCM's Top 10 Supply Chain Trends in 2024." *Association for Supply Chain Management*, 6 Dec. 2023, www.ascm.org/ascm-insights/ascms-top-10-supply-chain-trends-in-2024.

Understanding Forward Stocking Locations (FSLs)

WHAT ARE FSLs?

FSLs are storage units with a curated inventory placed close to customers. Unlike traditional, large distribution centers in rural areas, FSLs can be in suburban or urban locations with easier access by teams or couriers for direct delivery to customers (Figure 1). Warehouse Anywhere has access to over 1,500 (and counting) FSLs.

FSLs are not a replacement for distribution centers. Instead, they are a strategic resource for businesses that must store high-value products close to their customers in compliance with industry regulations. FSLs are a natural extension of the supply chain and a value-add to the traditional distribution center model.

HOW FSLs BENEFIT BUSINESSES

Housing products closer to customers increases the efficiency of supply chains and improves product availability. For example, [field service technicians](#) who need a certain part can stop by an FSL to pick it up near their client instead of driving to a distribution center or ordering the part and postponing service until it arrives. Streamlining services reduces wait times for customers and simplifies work for employees.

Forward stocking locations use inventory management equipment and software to carefully monitor what products are stored at each location and provide demand forecasting. Accurate inventory reduces waste and saves costs. For [medical applications](#), keeping critical inventory close and in a compliant facility can make a huge difference in a patient's health and well-being.

Fulfilling service-level agreements (SLAs) with customers helps secure customer loyalty and build and maintain a brand's reputation. According to research by Deloitte, 88% of customers who trust a brand buy from them again, and trusted companies outperform competitors by up to 400% of their market value.² FSLs help companies meet SLAs and improve customer satisfaction, ultimately increasing revenue.

Figure SEQ Figure * ARABIC 1. Forward stocking locations compared with the traditional distribution model.



TRADITIONAL HUB + SPOKE DISTRIBUTION MODEL



FORWARD STOCKING LOCATIONS WITH WAREHOUSE ANYWHERE

FSL advantages:

- Streamline processes
- Increase product availability
- Improve customer satisfaction
- Reduce waste
- Reduce inventory holding

² Dunlop, Amelia, and Ashley Reichheld. "Challenging the Orthodoxies of Brand Trust." *Deloitte Insights*, 31 Jan. 2023, www2.deloitte.com/uk/en/insights/topics/leadership/brand-trust-and-challenging-orthodoxies.html.

CASE STUDY: END-TO-END LOGISTICS SOLUTION FOR A GLOBAL FEMTECH COMPANY

FSLs benefit businesses as risk mitigation to their current supply chains. However, the benefits expand when businesses use the same provider for their entire logistics operation.

A global medical technology company, which we'll call Company A, wanted to establish its presence in the North American market for female health technology (femtech) products. They needed an efficient system for distributing and storing products close to customer demand.

Company A solved this challenge by sourcing global shipping logistics (GSL) operations and tech-enabled FSLs from Warehouse Anywhere.



Warehouse Anywhere's end-to-end logistics solution for Company A included:

- Full-scale distribution model with nodes in high-volume markets
- Secure option for keeping high-value, high-demand supplies close to customers with limited onsite storage
- Ability to manage field inventory onsite for customers with storage capacity

Company A plans to use Warehouse Anywhere's Spyglass software to monitor inventory throughout the chain, from traditional warehouses to FSLs, to field inventory conveniently near customers.

Choosing a single-source provider for warehousing, field inventory management, customer on-site management, and FSLs meant that Company A had a single point of contact for their logistical supply chain and could better trace products from delivery at warehouses through delivery to customers. The partnership would save time and costs and streamline the distribution of Company A's product.

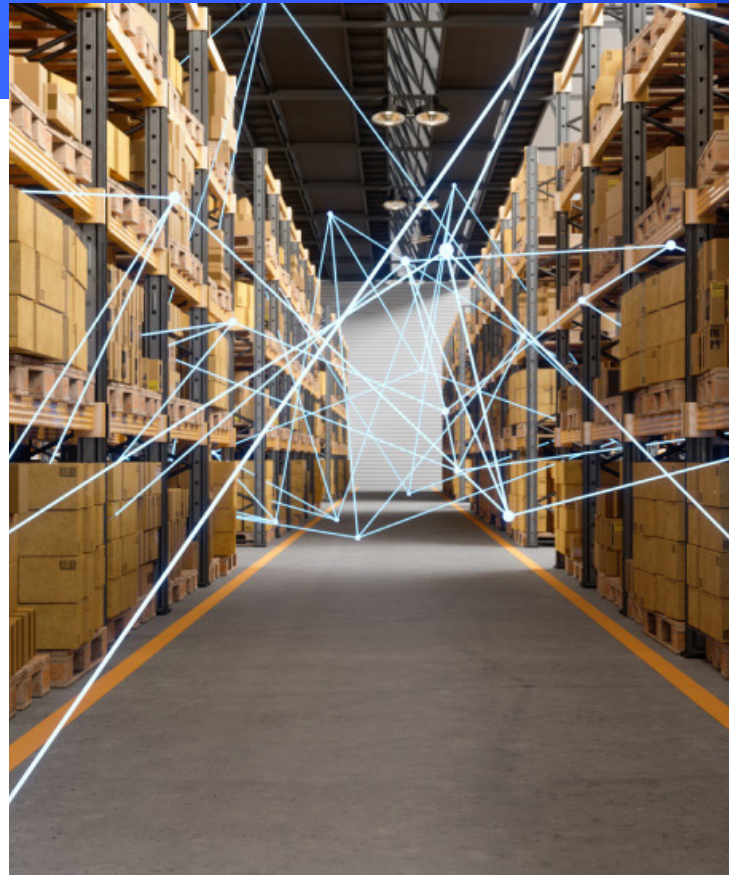


The Role of Technology in FSLs

TRANSFORMATIONS IN SUPPLY CHAIN MANAGEMENT TECHNOLOGY

Previously, companies managed supply chain logistics using paper records, software programs like Excel, and other siloed methods. Warehouse Anywhere changed traditional inventory management by incorporating radio-frequency identification (RFID) hardware and SpyGlass software into forward stocking location storage units. The result, tech-enabled FSLs, offer proximity to customers, security, accessibility, and inventory accuracy

Another technology transformation for supply chain management is cloud-based technology. Companies with complex supply chains can now access management tools anywhere, whether onsite or in a home office. Cloud-based technologies can improve how teams work together, speed up the development of new ideas and products, and optimize costs through scalable and easily updatable software without the expense of physical equipment.³



INCORPORATING TECHNOLOGY IN FSLS

Precise inventory management is crucial because FSLs hold just-in-time inventory, and product availability is key to meeting SLAs. Incorporating software like [Warehouse Anywhere's Spyglass solution](#) to manage orders and monitor inventory helps [ensure inventory aligns with demands](#). In each Warehouse Anywhere FSL, RFID scanners are located above the products. Products don't have to be oriented in a certain direction for the overhead scanner to read their barcode. RFID scanners send information to Warehouse Anywhere's Spyglass software to record and monitor inventory digitally in real time. This system is an example of the Internet of Things (IoT), which allows the physical world to be digitally monitored.⁴

³ "Future of Cloud Strategy Survey Report." *Deloitte United States*, <https://www2.deloitte.com/us/en/pages/consulting/articles/cloud-strategy-innovation-survey-report.html>.

⁴ "What Is the Internet of Things?" *McKinsey & Company*, 17 Aug. 2022, www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-internet-of-things.



BENEFITS OF TECHNOLOGY-ENABLED FSLs

FSLs store products closer to customers, helping businesses streamline services and meet SLAs. When equipped with technology, FSLs can also do so much more.

Managing each product remotely gives businesses more control over inventory management operations, making it easier to process orders, manage returns, and quickly identify and correct problems that could compromise service.

Also, compared with traditional FSLs staffed by a team, tech-enabled FSLs are available 24/7. Field service technicians often need parts to service clients' machines during non-business hours, and tech-enabled [FSLs provide constant, secure product access](#) using Bluetooth technology. Ultimately, this helps businesses meet client SLAs.

Tech-enabled FSLs simplify inventory access for employees without warehousing experience. Traditionally, field service technicians and hospital employees collecting products from warehouses followed the warehouse's record-keeping process. These processes can be time-consuming and complicated, and any mistakes can lead to costly inaccuracies in inventory.

In contrast, tech-enabled FSLs automatically track inventory. This simplifies supply collection and guarantees products are stocked accurately.

Tech-enabled FSLs can:

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- Ensure inventory availability through real-time monitoring and tracking
-
- Enhance inventory accuracy and transparency
-
- Improve administrative control over inventory access
-
- Optimize stocking levels and replenishment
-
- More easily scale to fit business's needs

In addition to remote management and simplified access, tech-enabled FSLs provide businesses with some [buffer against temporary supply chain disruptions](#), such as weather events. With Warehouse Anywhere's national, interconnected network of FSLs, companies can order products from another FSL if a disruption impacts the one closest to their customers, their third-party logistics (3PL) provider, or their distribution center. Quick delivery from another FSL helps businesses keep SLAs even during disruptions.

Warehouse Anywhere's CRO, Steven Ciemcioch, summarizes these benefits:

“With Warehouse Anywhere, you get what I call the three A’s: availability, accuracy, and agility. Ninety-nine percent of products are available, 99% of inventory is accurate, and our plug-and-play technology and large network of FSLs help clients quickly adapt to changes in their supply chain.”

Key Considerations for Implementing Tech-Based FSLs

Understanding when your company is ready for digital transformation can be difficult. Although embracing technology can save time and money, implementing changes takes work and may temporarily impact efficiency. To prepare your organization for a smoother transformation, consider what has to change in your company's culture, any new skills your employees may need to build, and how your current technology fits (or doesn't fit) with new technology.⁵

When a business's existing technology integrates with new technology, the change is drastically simplified. For example, Warehouse Anywhere's Spyglass technology works with most clients' enterprise resource planning (ERP) systems. Employees can continue to use a familiar interface alongside the easy-to-use Spyglass application.

In addition to providing technology that works with existing software, the right partner can develop a solution that fits a business's current needs and then scale during slow or busy seasons. Warehouse Anywhere's tech-enabled FSLs can be closed, opened, or moved more quickly and at a lower cost than staffed FSLs. The right partners will help smooth operations and simplify workload for both employees and administrators [see sidebar: "5 ways partners can help overcome common challenges in FSL implementation"].

Implementing tech-enabled FSLs starts with conversations—from reviewing the business benefits with C-suite executives to discussing how it will change the daily work of teams on the ground. Then, it is on to choosing the right partner, working out pricing, FSL locations, and other details, training the team, and addressing any issues that arise once the system is in operation.

In some situations, such as the case study below, testing the solution in a single market before expanding to all markets can also ease the transition.



5 ways partners can help overcome common challenges in FSL implementation

- Secure technology protects client's data, alleviating privacy concerns
- Technology platforms that integrate with existing software and hardware simplify the transition
- Responsive teams work quickly to correct problems and improve overall satisfaction with the system
- Easy-to-learn systems ease employee training concerns and overall downtime
- Established partners with insights into the future of logistics technology help businesses make the most of current technology and stay up-to-date on emerging trends

⁵ Nema, Prashant. "How to Prepare for a Successful Digital Transformation." *Forbes*, 21 Feb. 2022, www.forbes.com/sites/forbestechcouncil/2022/02/17/how-to-prepare-for-a-successful-digital-transformation/?sh=3b0f30797e89.

CASE STUDY: DIEBOLD NIXDORF USES TECH-ENABLED FSLs TO INCREASE INVENTORY ACCURACY

Diebold Nixdorf specializes in providing software and hardware solutions to businesses in the financial and retail sectors. They empower clients to navigate evolving markets, strategically plan for growth, and enhance customer connections.

Offering technology solutions for efficient operations and secure transactions, Diebold Nixdorf helps businesses stay agile and competitive in dynamic industries.

The challenge

Diebold Nixdorf needed to increase inventory accuracy in order to better meet customer service level agreements (SLAs). Warehouse Anywhere's Spyglass technology offered a way to do that by automating inventory identification across their supply chain. Despite concerns about potential disruptions, Diebold recognized the compelling benefits and initiated a technology pilot in California.

Joe Sponseller, Diebold's Regional Director said, "We were looking for a better way to identify inventory that wasn't available while increasing accuracy in the field. We knew that optimizing our inventory within the various markets we serve would aid us in meeting our customers SLAs."

The solution

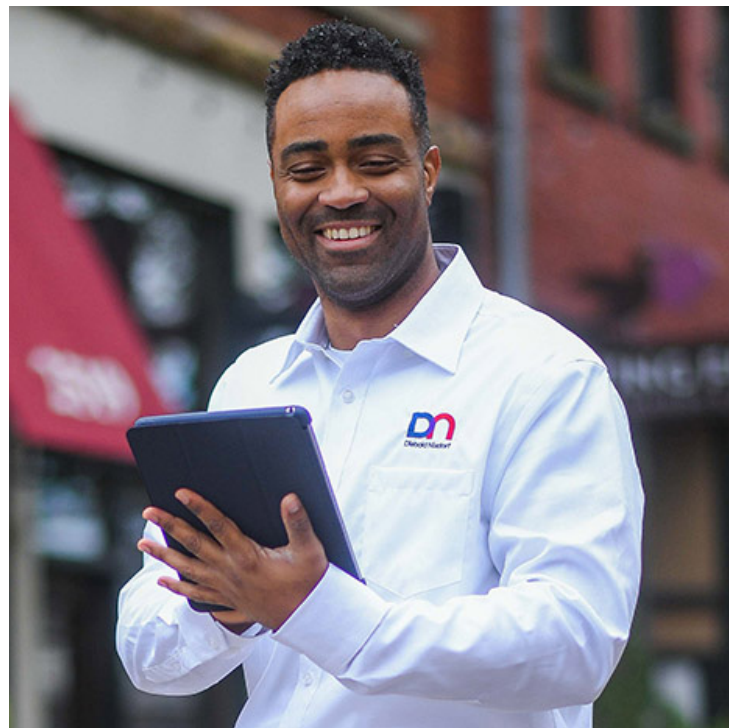
Engaging with Warehouse Anywhere's team alleviated Joe's concerns as the technology seamlessly addressed both the physical flow of goods and the informational flow, facilitating effortless tracking, management, and optimization of inventory. Opting for Warehouse Anywhere as the go-to solution for all storage and distribution requirements in California became an obvious decision for Joe and his team. Their choice was reinforced by the exceptional support and partnership offered by Warehouse Anywhere.

Joe expressed, "We have a phenomenal relationship—a truly robust partnership. I've never experienced such responsiveness from a technology company in meeting our needs."

Results included:

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- Real-time inventory tracking to minimize loss & maximize efficiency
-
- Mobile app to facilitate inventory management & optimization
-
- Last mile delivery service to meet & exceed customer SLAs

[Tech-enabled FSLs improved DieBold Nixdorf's inventory accuracy](#) and helped the company meet and exceed customer SLAs. Working with Warehouse Anywhere's experienced and friendly team also helped smooth the transition. DieBold Nixdorf is currently looking to expand its partnership to new markets.



Looking Forward: Opportunities for Tech-Based FSLs

SMART SOFTWARE CAN IMPROVE DEMAND FORECASTING

As in many other industries, generative artificial intelligence (AI) software and advances in machine learning (ML) have implications for tech-based FSLs. Although these technologies haven't been integrated into equipment yet, Warehouse Anywhere is researching and developing new ways to put smart technology to work in areas like forecasting customer demand.

Currently, businesses use demand forecasting to determine which products are needed at each storage location. Smart software can enhance demand forecasting by using historical data to predict customer demand more precisely and determine product routing and placement. Better forecasting drives efficiency, saving businesses time and money on logistics.

“The FSL of the future will be even more agile and data-driven. We are currently working on new features to harness AI and machine learning to make what we do today even more effective for our customers in the years to come.”

- Steven Ciemcioch, CRO, Warehouse Anywhere



Conclusion:

Tech-Based Solutions Unlock Supply Chain Potential

Embracing digital transformation in supply chain management helps businesses streamline operations, remain agile, and meet SLAs in an industry prone to disruption. Working with the right partners can help ease the transition to using new technology.

Tech-enabled forward stocking locations benefit businesses by storing products near customers and improving inventory accuracy, availability, and scalability. In the future, emerging technology will support intelligent demand forecasting and provide even more transparency and control over last-mile delivery.

Ready to realize your supply chain's full potential through technology? [Contact an expert](#) to explore how Warehouse Anywhere's FSLs fit with your system.

Ready to speak to an expert?

We're ready to build a tech-based solution for your business.

Let's Talk 