

# e-Commerce Retailer Growing Pains

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Cardiff United Kingdom  
([rushPRnews](#)) 08/05/13 — E-commerce is one of the fastest growing markets in Europe, according to a report on 2012 figures by the Centre for Retail Research. It also states that online retailers in the UK, Germany, and France accounted for 71% of total

European online sales.

It is predicted that, from 2013, annual growth of online retail will settle down to around 10% in the UK, whilst elsewhere in Europe it will grow by an average of 14-16%. Either way, running an e-commerce business can be a commercially fruitful experience, yet a logistical nightmare operationally.

Most businesses that start an e-commerce venture will start with a business model that is, in basic terms, buying items cheaply and selling them for profit, using purchasing power to dial in the volumes required to make significant margins. One major downside is that the logistics function within the business, which often starts as something very simple in the minds of the entrepreneur, soon grows to one of the biggest animals within the operation. Stocking issues, warehouse management, delivery problems and high staff turnover are just some of the trials that our modern e-commerce entrepreneur faces when running an e-commerce business.

Scalability and growth go hand-in-hand, according to Small Business Trends

in their article [‘Ten Approaches That May Shape the Future of E-Commerce’](#). One of the points of this article covers scalability, where retailers are too focused on creating an e-commerce system that can seize a large section of market share, but struggle to fulfil their orders because they employ an out-dated - or worse still - no warehouse management system.

Michael Boarer, Chief Operating Officer of ProFS, [an e-commerce fulfilment company](#) with warehouses throughout Europe, also agrees. “We see so many businesses that have become operationally out of control,” states Mr. Boarer. “Their e-commerce strategy is almost perfect, apart from the final and most vital elements - the fulfilment and logistics. Businesses have found that outsourcing their operation to us in its entirety can provide them with peace of mind that they are working with experts, whilst their overheads are drastically reduced and delivery performance can be guaranteed.

“The benefits of employing an integrated supply chain cannot be overstated - it can potentially bring about a dramatic reduction in any a business’s number of stock days. This could therefore reduce their annual cost of stock by a percentage in the double digits.”

Michael also sees cross-channel integration as a potential pitfall for a lot of e-commerce brands that are in their growth cycle. "The advent of mobile devices with advanced functionality has created another headache for e-commerce businesses."

The Small Business Trends article agrees when they state that the need for cross-channel integration has made retailers ensure that their logistics suppliers are proficient at delivering real-time inventory feeds without sacrificing a steady experience.

Michael from ProFS understands the concerns of e-commerce businesses that have a logistical platform in place and appreciates the reasons why they may be reluctant to change to an outsourced model. “Some businesses just cannot comprehend the mind-shift that is needed to make the move to e-commerce outsourced fulfilment. This is why we developed an advanced

calculator on our website, so that the user can privately enter their own information and see the savings they can make with our outsourced model.”

The calculator is available online at [www.profulfilment.com/calculator1/](http://www.profulfilment.com/calculator1/)

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