

SUPPLY CHAIN METAMORPHOSIS

SAPICS
THE PROFESSIONAL BODY FOR
SUPPLY CHAIN MANAGEMENT

IN ASSOCIATION WITH
saaff

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What impact has e-Commerce had on the logistics environment in South Africa?

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eCommerce as % of Retail sales

- SA – currently at approx. 6% average (2%-15% range)
- Global – UK is current highest 22%; USA 17%
- SA – growing volumes over past 5 years
 - COVID accelerator
 - Groceries and Tech seen the greatest acceptance
- Future growth projections
 - Global 10%
 - SA 12-13%

eCommerce Order Fulfilment approaches

1. Traditional Retailers:
 - A. Pick from Store
 - B. Dark Store (in DC or separate)
 - C. Outsource to 3PL
 - D. Hybrid models
2. 3rd Party Contract Vendor model
 - A. Store, Pick & Fulfil in SA
 - I. From central DC
 - II. Direct from Vendor
 - B. Customs clear & Deliver in SA

Challenges in eCommerce Fulfilment (inside DC)

- Quantity of SKU's & Variability of physical items to be stored and handled
- Stock visibility (internal & external)
- Theft & Security
- Aligning business units on eComm strategy
- Profitability
- WCS limitations
- Increasing speed of delivery

Intra-Logistics solutions for eCommerce

- Range of shelving options
- Mechanization and intelligent sortation
- Automation of processes
- Robotic sortation systems
- Business case for Automation becoming more viable
- Increasing automation in SA over the next 3 years