



Coronavirus Survival Guide



# Why your business can only benefit from having its own delivery chain

Which measures can you take now to own your growth?



# Intro

The current situation is forcing dealers and manufacturers to rethink their business model and adapt it to new customer needs as quickly as possible. A clear advantage is seen by whoever manages and executes their own services, such as delivery, giving them total ownership over their customer journey. Now more than ever, dependencies on external courier services can quickly mean the end of a business. Even the current market leader, Amazon, has deprioritized items that are not considered essential in order to preserve delivery capacities for food and other household items. However, customers who want to order a laptop camera at the end of March have to be satisfied with 3-4 week delivery. This is a nightmare for all traders, who are already suffering losses in their offline trade. **The solution: the establishment of your own delivery chain.**

## A logistics integration is no longer enough

While logistics is more about optimizing the flow of goods, a separate delivery management optimizes and links the information flow of the entire value-added process - from procurement to delivery. This can be integrated into all procurement processes to enable fast and flexible adaptation to always-changing market conditions.

## The goals of owning your delivery chain

The goal of an integrated delivery chain is the focused alignment of the entire value-added process with the customer's demand. This ranges from procurement, which can be controlled according to demand and adjusted delivery, through, in an optimal delivery chain, to all processes that can be efficiently coordinated and linked and costs minimized.

## The benefits

- Improve reaction speed to changes in market conditions and demand is maximized
- Accelerate all processes interlock
- Bring your business closer to the customer and improve brand loyalty

## The requirements

In order to achieve the above-mentioned goals, implementing an own delivery chain requires modern information technology such as cloud systems. These offer the greatest advantage as all process participants can access the data regardless of their location. The software should always be individually adaptable to the information requirements and interfaces.



# How Picnic created its own delivery chain in the shortest time possible

How is it possible to set up your own delivery chain in a short time? A successful example of this is the Dutch online supermarket Picnic.

The image shows a screenshot of the Picnic website and its mobile app. The website header features the Picnic logo and the text "DER ONLINE SUPERMARKT". Navigation links include "Wie funktioniert's?", "App herunterladen", "Über Picnic", "Fragen", and "Kontakt". The main banner displays the slogan "BESTE PRODUKTE GÜNSTIGSTE PREISE GRATIS GELIEFERT" (Best products, lowest prices, free delivery) over a background image of a Picnic delivery truck parked in front of a brick building. The mobile app interface shows a "Meine favoriten" (My favorites) section with four items: Salatgurke (1 St.) for 0.59, Nutella (450g) for 2.79, Bananen (5 St.) for 1.99, and Lintforter Bergmann geschnitten (750g) for 2.85. At the bottom of the website, there is a red bar with the text "Liefere wir schon in deiner Nähe?" (Do we already deliver near you?), a "PLZ" input field, and a "Senden" button.

## Picnic by the Numbers

**500.000+**

customers in Germany and the Netherlands<sup>1</sup>

**70+**

cities and delivery areas<sup>2</sup>

**~ 800**

delivery vehicles

**250 M**

€ annual turnover in 2018<sup>1</sup>

**~ 2.000**

employees for delivery, logistics, coordination and marketing

<sup>1</sup><https://picnic.app/nl/locaties> (26.03.2020)

<sup>2</sup><https://ngin-food.com/artikel/picnic-heureka-joris-beckers/> (26.03.2020)



Founded in Holland in 2015 the founders of Picnic, although not from the food industry, witnessed a gap in the market after the successful sale of the software company Fredhopper.

From the very beginning, the Dutch market offered great potential for the business idea because grocery was one of the last retail segments to shift to online. Only the food sector was not yet offering: **free delivery and returns, a customer-centered product range, better service, and greater convenience than in the offline world.**

## **Fast time to market with the minimum viable product (MVP) approach**

Following the motto “Better the first in the village than the last in the city,” Picnic did not start in a large city area, but deliberately in a smaller city of 150,000 inhabitants. From the start, the range of products was similar to that of an average supermarket but with a smaller depth of range. The first public product was a test run which allowed the business to check whether the business model would find buyers at all and how the assortment could be optimized. That was enough to see a true, active business case and today, Picnic successfully supplies small and large cities in the Netherlands and Germany.

**Picnic controls the entire delivery process itself: from store to door.**

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*The milkman model is the most efficient delivery model on the last mile. He comes to my street once a day and not several times a day, as with other delivery services. This enables us to make three times more deliveries per hour. Picnic thus saves a third of the costs.”<sup>3</sup>*

- Frederic Maximilian Knautd, Founder of Picnic Germany

<sup>3</sup><https://www.eurotransport.de/artikel/online-lebensmittel-lieferdienst-picnic-lieferung-nach-dem-milchmann-prinzip-10757774.html> (26.03.2020)

The customer can choose from more than 10,000 products in the app. The products are purchased from wholesalers, local supermarkets, bakers and butchers, stored in picnic halls and picked up in trolleys. From the warehouses, Picnic transports the trolleys to the designated hub. There, the products are finally loaded and delivered by the drivers into the electric vehicles.

Picnic is not just a food salesman, but a technology company which, thanks to an efficient delivery chain, succeeds in meeting customer-first demands with the right technology and a clever logistics concept.

## Act now and own your growth

The market is currently in a state of emergency. Companies that only hope and wait for normality will soon lose, as the economy will likely never be the same as before the crisis. **Take advantage of the opportunity to manage your business model and supply chain independently of stakeholders and service providers.** Current dependencies on external interfaces can quickly mean the end of a company.

It's imperative you do not let this opportunity pass you by. Use this new normal to embrace the opportunity to optimize on your customer needs, your finances and your inventory through new holistic processes.



# Get in touch



Want to discuss a new or existing Spryker Commerce OS Setup?

## Contact

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Do you have feedback for us?  
Please feel free to contact us!

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