



News Release

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Major Retailers Using Tecsys-Enabled Micro-Fulfillment and Dark Stores to Account for Surge in Digital Commerce Retailing

As brick-and-mortar stores continue to lag behind in performance compared to digital commerce alternatives, multi-store retailers are recalibrating fulfillment strategies to meet new customer preferences and demand on capacity.

Montreal, October 5, 2020 — Tecsys Inc. (TSX: TCS), an industry-leading supply chain management and omnichannel commerce software company, is delighted to announce that multiple retailers using Tecsys' [retail order management](#) technology have leveraged their omnichannel distribution platform agility to use inventory from closed physical showroom locations for micro-fulfillment of online orders. This distributed order management platform accommodates the surge in e-commerce ordering during the pandemic shutdowns and equips retailers for reduced foot traffic during seasonal peaks.

Demand for pickup and delivery options across the retail industry has intensified since the pandemic, with a trendline indicating these fulfillment channels are unlikely to wane. With many retailers structured for a blend of in-store and online shopping optimized to pre-pandemic volumes, Tecsys customers are equipped to pivot their distribution network and strategy to accommodate the surging digital commerce activity likely to spike this holiday season.

One such Tecsys customer, national shoe retailer Browns Shoes Inc., is leveraging its Tecsys distributed order management system to power a [multi-channel shopping experience that reconciles digital and physical shopping](#) and enables fulfillment across retail locations through micro-fulfillment and a central distribution center. Micro-fulfillment is the process of leveraging retail storefronts for online and pickup order fulfillment during a store's downtime or in parallel to consumer shopping.



The onset of the pandemic meant that Browns Shoes had to accommodate shifting buyer preferences across digital channels. The flexibility of Tecsys' platform enabled Browns Shoes to leverage inventory across all locations — stores and DCs — even during shutdown periods, enabling Browns to keep customer orders moving smoothly despite fragmented inventory across multiple locations, maintaining business operations despite the disruption.

As Alexandre Hubert, senior director IT Strategy & Logistics at Browns Shoes, explains, "The Tecsys platform enables us to have real-time inventory visibility, optimized order routing, and a solution that enables advanced hub and spoke retail operational capabilities. We were already set up to fulfill orders from stores, so even as the pandemic stopped in-person shopping, we were able to switch order inventory sources on and off to process transactions based on what was available and accessible and bring those multi-line orders together to designated locations for order deliveries or single box shipments."

Similar to micro-fulfillment, dark stores entail full store conversions to fulfillment hub, recalibrating the physical layout and logical workflows to accommodate optimal picking routes and capacity. Turning a retail location into a dark store facilitates the fulfillment of online orders more efficiently. A converted location's layout and picking processes are reworked to optimize order-handling capacity and improve fulfillment performance. While it is a strategy most often employed by the grocery industry, one of Australia's largest supercenters has converted two stores into dark fulfillment centers by using Tecsys' retail order management software.

"Tecsys' platform enabled them to adapt to market demands quickly and easily," says Steven Berkovitz, chief platform officer at Tecsys. "They were able to start fulfilling online orders through dark stores without any consumer disruption. Because the Tecsys system is already set up to virtualize inventory across retail locations and fulfill orders based on a number of configurable parameters, they had the ability to close, convert and process orders within days."

Micro-fulfillment and dark store fulfillment are out-of-the-box functionalities in Tecsys' retail software offering. As buyer profiles and shopping preferences are changing in light of COVID-19, retail operations equipped with Tecsys software are able to quickly adapt to consumer behavior.



“Being able to recalibrate and reimagine your fulfillment channels to meet new customer demands helps in changing markets, and we are seeing extraordinary change in the retail market,” continues Berkovitz.

“Projected shopping behaviors have catapulted forward, with the ratio of in-store versus digital shopping having fast-forwarded by roughly 10 years according to some analysts. Flexible fulfillment options are giving retailers a fighting chance to serve their online customers better, faster and smarter.”

“Tecsys customers are in a unique position to leverage their existing retail locations to meet the rise in consumer demand for pickup and delivery options with the flip of a switch,” explains Peter Brereton, president and CEO at Tecsys. “Whether it’s leveraging micro-fulfillment, converting to a dark store, expanding into a new country, adding a new fulfillment option like ship-to-home, we are privileged to help our customers navigate this turmoil and come out of it with better options for their consumers, driving topline performance.”

Tecsys’ retail platform is the all-in-one SaaS offering that powers multi-channel and omnichannel commerce for some of the world’s most preeminent brands. Equipping retailers with the ability to dynamically route and fulfill orders across online and physical locations, Tecsys software serves as the nucleus for distributed order fulfillment, in-store and curbside pickup, ship-from-store and ship-to-home, among other delivery methods. The company’s solutions enable seamless transaction capture, processing and distribution across digital and in-store channels, giving retailers a single provider for end-to-end distribution management functionality capable of routing complex order management combinations.

About Tecsys

Tecsys is a global provider of supply chain solutions that equip the borderless enterprise for growth. Organizations thrive when they have the software, technology and expertise to drive operational greatness and deliver on their brand promise. Spanning healthcare, retail, service parts, third-party logistics, and general wholesale high-volume distribution industries, Tecsys delivers dynamic and powerful solutions for warehouse management, distribution and transportation management, supply management at point of use, retail order management, as well as complete financial management and analytics solutions. Tecsys’ shares are listed on the Toronto Stock Exchange under the ticker symbol TCS. For more information on Tecsys, visit www.tecsys.com.



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