

PFS DEFIES THE ODDS IN 2020

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PFS

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INTRO

Through a combination of **Business Continuity, Adaptability and Scalability**, PFS enabled brands to thrive in the midst of adversity.

2020 was a year that brought disruption of epic proportions. Health and economic crises on a global scale meant drastic lifestyle changes at best, and brought much worse for many.

The onset of the COVID-19 pandemic had an immediate impact on retail. Lockdowns and store closures resulted in an unprecedented shift towards online shopping that accelerated the growth of eCommerce by 2+ years overnight.



YEARS

ECOMMERCE GROWTH ACCELERATED 2+ YEARS AHEAD OF SCHEDULE OVERNIGHT

A PROACTIVE APPROACH TO A GLOBAL CRISIS

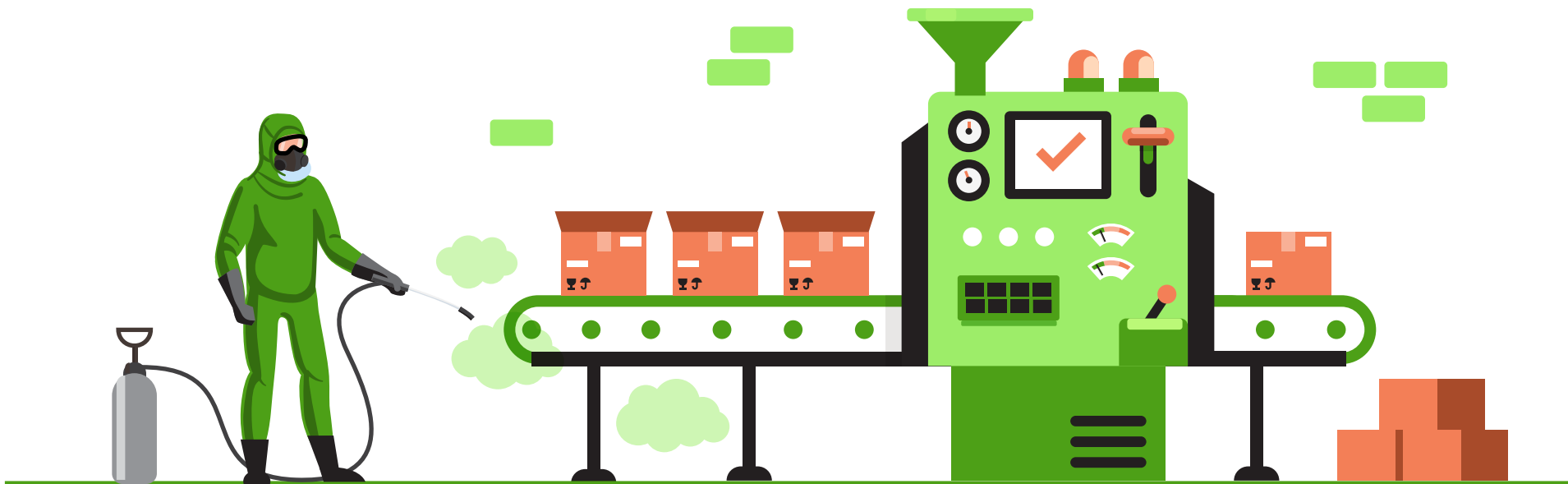


When the outbreak began in March 2020, PFSweb leadership rapidly formed a COVID-19 Task Force comprised of team members from across the globe and its two key business units, PFS and LiveArea. The Task Force met daily to monitor the situation, coordinate our response efforts and business continuity plans, and ensure communication alignment across the organization.

In an effort to ensure full transparency and accountability around the PFSweb response to COVID-19, the Task Force created a [webpage](#) where all the latest developments and PFSweb's ongoing response to the crisis can be reviewed.

EMPLOYEE SAFETY TAKES PRIORITY

Employee safety was the top priority for the Task Force and remains paramount. In fact, we strongly believe our success supporting client operations through this challenging year was a direct result of the new protocols and precautions put in place across operations early on.



DISTRIBUTION CENTER

All of PFS' distribution centers (DCs) were designated as "essential business facilities" and remained fully operational throughout 2020 – recording zero downtime. PFS implemented new standard operating procedures (SOPs) and protocols in alignment with guidelines and recommendations from local governments and the CDC, and in many areas went above and beyond the minimum requirements to ensure a safe work environment for all.

Key safety SOPs included:

- Only necessary employees allowed on-site. Staff who can perform duties remotely worked from home.
- Established temperature screening points at entrances.
- Required and provided face masks, as well as other forms of personal protective equipment (PPE) such as gloves and face shields.
- Strongly advocated social distancing and reinforced it through staggered breaks and lunches.
- Set up mobile cleaning and hand sanitizer stations with signage promoting handwashing.
- Enhanced cleaning regimen in all facilities, including nightly disinfectant fogging at some.



ZERO DOWNTIME

**PFS DCS EXPERIENCED ZERO DOWN
TIME IN 2020.**



2 WEEKS

SUCCESSFULLY TRANSITIONED CUSTOMER SERVICE OPERATIONS TO A WFH SOLUTION IN JUST 2 WEEKS IN Q2

CONTACT CENTER

At the onset of the pandemic, PFS quickly launched a work-from-home (WFH) solution that would ensure employees could continue supporting clients from the safety of their homes. In just two weeks, PFS transitioned 500 agents from on-site support to a WFH model.

The overwhelming success of this transition has resulted in a clear path forward with WFH customer care at PFS. This flexible solution has proven to be a success for both PFS employees and our clients, offering:

- Highly secure, PCI-compliant setup
- Enhanced agent morale (measured through agent satisfaction surveys)
- Increased productivity and reduced absenteeism rates
- Expanded hiring opportunities through increased candidate pool



HEADQUARTERS

Our corporate employees began working from home in March and continue to operate remotely. Our team members adapted quickly and expanded use of Microsoft Teams to maintain a collaborative atmosphere remotely. PFS implemented various improvements and protocols to support the transition:

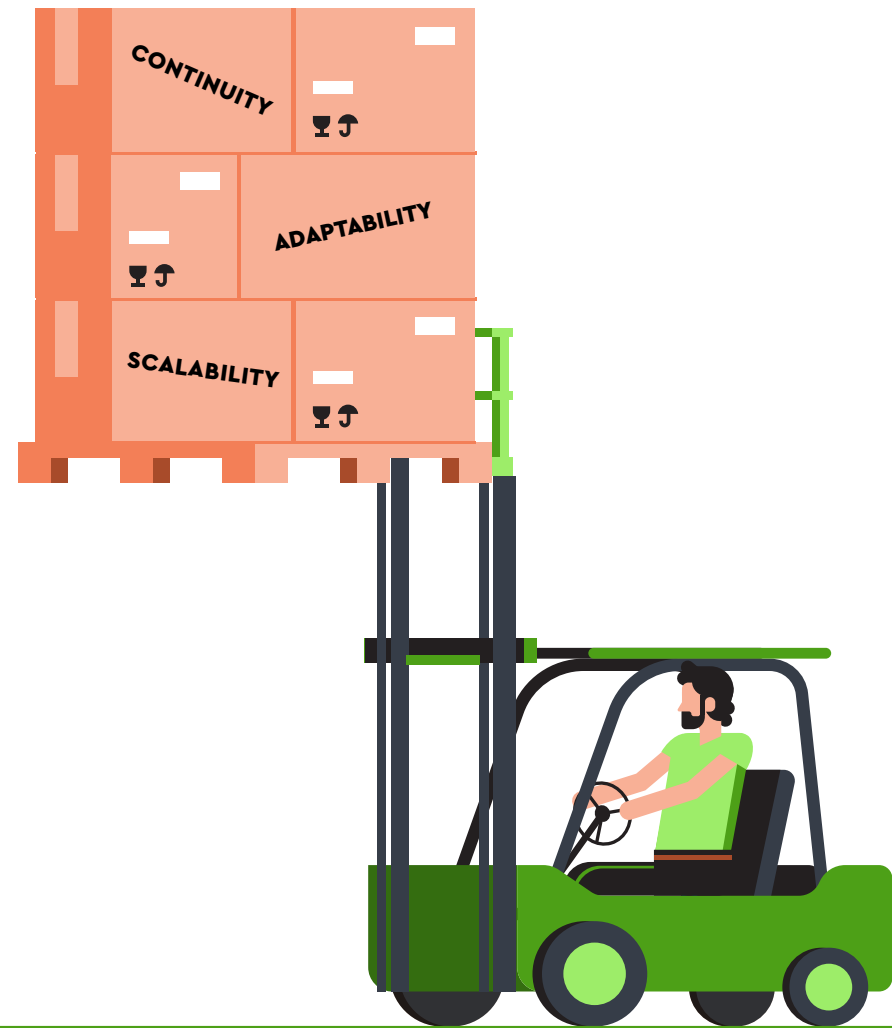
- Updates to VPN software have improved system security along with new quarterly security awareness training that is required.
- Human Resources provided WFH best practice resources to encourage mental and physical wellness in this new environment.
- Directors and managers check-in with team members weekly to ensure employee wellbeing through this challenging time.

PFS OPERATIONS RISE TO THE CHALLENGE

With employee safety protocols in place, PFS was able to focus on scaling operations in support of the extreme demand suddenly coming through online. Brands and retailers across verticals turned to PFS as the expert to help them navigate this tumultuous time – and **PFS delivered**.

A POWERFUL TRIFECTA

Leveraging a combination of solid **business continuity** practices, quick and effective **adaptability**, and near limitless **scalability**, PFS equipped clients to keep up with extreme demand while still providing the positive, branded experiences that encourage consumer loyalty.



BUSINESS CONTINUITY

PFS' business continuity plan went into effect at the beginning of Q2, when brick-and-mortar stores began shutting down and eCommerce volumes skyrocketed.

0 PFS REPORTED **ZERO** DOWNTIME DESPITE THE PANDEMIC



PROCESSED **>\$3 BILLION** IN GMV THROUGH FULFILLMENT ACTIVITY, PLUS **\$400 MILLION** FOR O2C-ONLY CLIENTS

New social distancing and personal protective equipment (PPE) guidelines were implemented at our DCs to ensure the safety of employees while we kept client orders moving.

60% PFS RAMPS SUPPORT **60% MORE THAN** PREVIOUS YEAR WITH REMOTE AGENTS



PFS proactively transitioned our global customer care operations to a WFH solution that went on to ramp support **60%** more than in 2019 – all remotely – in preparation for Q4 volumes.

These key proactive measures, among others, would be essential to keeping our operations going through the rest of the year. PFS never shut down or even slowed operations throughout this chaotic time period.

CLIENT SPOTLIGHT

bareMinerals

Bare Minerals relies on PFS to keep eCommerce operations going

When beauty brand Bare Minerals' DC was forced to shut down, PFS fast-tracked their implementation at our DC. We received and put away 5 truckloads of product in just two days and began fulfilling orders immediately. PFS ensured Bare Minerals was able to keep eCommerce operations going through the rest of the year, with no further operational disruptions.

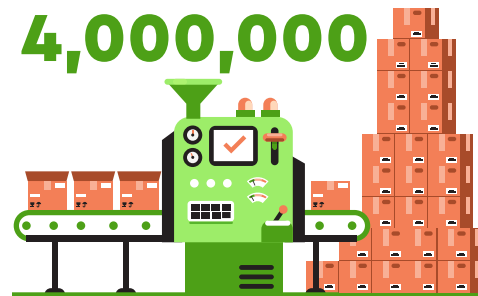


ADAPTABILITY

Many retailers who survived 2020 did simply that, survived. PFS made sure our clients could do more. Working quickly and smartly, we applied lessons learned from Q2 to create a solid plan for what we knew would be a unique Q4 peak season.



To support the anticipated increase in demand during Q4, PFS opened **two new fulfillment centers** and made it possible for brands to expand their DC footprint without expensive upfront costs or long-term commitments.



ORDERS PROCESSED DURING NOVEMBER AND DECEMBER EXCEEDED **4,000,000** EACH MONTH

PFS monitored consumer trends and provided best practice recommendations that helped clients avoid potential pitfalls. E.g., encouraging clients to start Q4 promotions earlier to flatten the demand curve and ensure an optimal experience for consumers.

RETAILCONNECT TECHNOLOGY SUPPORTED **150%** GROWTH IN STORE FULFILLMENT VOLUME FOR PILOT CLIENT



PFS' RetailConnect store fulfillment solution and distributed order management (DOM) technology helped brands leverage omnichannel capabilities such as curbside pickup and BOPIS to optimize inventory across channels in support of extreme demand.

CLIENT SPOTLIGHT

PANDORA

Pandora initiates new promotions approach on PFS recommendation

In response to PFS' recommendation to start promotions earlier to spread out peak season demand and minimize carrier surcharges, Pandora, one of the world's largest jewelry brands, initiated the "Black Friday Every Friday" promotion for the month of November. This series of weekly flash sales was critical to the overall success of Pandora's peak season operations.



SCALABILITY

PFS went into "Peak mode" beginning in Q2 and did not slow down through the rest of 2020. Despite the challenges the year presented, our operations repeatedly scaled to support huge demand surges throughout the year.

FULFILLED **11,000,000**
ORDERS IN Q4, AN **88%**
INCREASE OVER 2019



PFS expanded DC footprint by opening new facilities in Dallas, TX and Liège to support the drastic increase in eCommerce volume, in the end increasing fulfillment volume for the quarter by **88%** over 2019.



MORE THAN **1,000,000**
CUSTOMER SERVICE CONTACTS
WERE MADE DURING Q4

Despite demand repeatedly exceeding client forecasts by as much as **200%**, PFS maintained customer service SLAs across clients in the new WFH environment.



A combination of a safe work environment and consistently high volumes meant PFS was able to effectively staff operations and keep orders moving, in the end shipping **84% more** orders YoY.

CLIENT SPOTLIGHT



KENDRA SCOTT

PFS expands support for Kendra Scott's DTC Fulfillment

Before the pandemic, PFS supported roughly 30% of Kendra Scott's DTC volume. When their in-house DC was temporarily closed due to the pandemic, PFS took on 100% of the volume for several weeks. Even after re-opening their DC, Kendra Scott decided to transition the majority of their DTC operation to PFS permanently due to the overwhelming increase in online order volume. Today, PFS handles 90% of Kendra Scott's DTC order volume and has expanded the operation to include a second DC and increased security for their fine jewelry selection.



LOOKING AHEAD

Did you struggle to keep up with demand in 2020?

It is vital that you adjust operations to ensure you have the business continuity, scalability and adaptability in place to support positive customer experiences in 2021 and beyond.

PFS can help! [Contact us today.](#)

ABOUT PFS

PFS is a tested-and-proven Global Commerce Operations Partner with solutions spanning branded fulfillment services, high-touch customer care and proven O2C services and technologies.

PFS supports B2B and B2C clients with technology, personalization and fulfillment expertise gained through 20+ years as an industry leader. PFS' innovative solutions deliver intelligent commerce operations and shape brand experiences for the digital age.

