



SPS COMMERCE

COUPANG SUCCESS STORY

E-COMMERCE
MOUNTAIN VIEW, CA

Online sales for Coupang were accelerating and the e-commerce retailer recognized the need to automate. A change was needed.

The answer was to partner with full-service EDI provider SPS Commerce. Within a few months, the e-commerce retailer had deployed SPS Commerce Fulfillment, integrated with their Oracle NetSuite ERP, and the SPS team was rapidly onboarding hundreds of their suppliers.

Coupang outlined three goals for the SPS partnership, all of which would directly impact their ability to scale and support the growing e-commerce business:

1. Process 80% of sales via EDI using SPS Fulfillment (hands-free)
2. Increase order confirmation rates by 50% in six months
3. Improve supplier order response time by 50%



AT A GLANCE



THE INTERVIEWEE

Joe Castelli
Sr. Manager, Inventory Planning & Operations
Coupang



THE CHALLENGE

Automate the order management process to scale the business and provide inventory visibility



THE SOLUTION

Deployed the full-service EDI software solution from SPS, integrated with Oracle NetSuite.



THE RESULTS

89 percent of total sales volume is managed handsfree with EDI-capable vendors

“Our goals for our SPS partnership were clear, and aggressive but achievable,” said Joe Castelli, Sr. Manager, Inventory Planning & Operations, Coupang. “To date we’ve met and exceeded each one by relying on the expertise and integrity of SPS Commerce. 89 percent of our sales volume are EDI orders managed hands-free, and we’ve onboarded hundreds of vendors, giving us additional visibility into inbound order statuses and improved supplier management. After only a few months, we are still unleashing the potential of the SPS partnership and see tremendous up-side.”



MANAGING A DIVERSE SUPPLIER BASE

Launched in 2014, Coupang is an end-to-end e-commerce and logistics network featuring products in fashion, home, pets and much more. The online retailer already has millions of products on their site, ranging from multi-national brands to entrepreneurs.

“Our large suppliers wanted to do EDI with Coupang, just as they did with their other retail customers,” said Joe Castelli, Sr. Manager, Inventory Planning & Operations at Coupang. “We knew the efficiencies and accuracies EDI would bring to our business as well, but we would need to connect with our entire vendor community to fully benefit from EDI. This became our goal.”



RELYING ON THE EXPERTISE AND STAFF FROM SPS

Before partnering with SPS, five Coupang associates would manage and distribute orders from a centralized inbox. The process was overwhelming. Coupang and their vendors all wanted a more efficient solution using EDI.

In mid-2020, Coupang partnered with SPS Commerce to launch their EDI program.

“We selected SPS Commerce Fulfillment for NetSuite as our internal EDI solution and relied on the SPS experts to onboard our vendors as well,” said Castelli. “Coupang and SPS launched the program to our vendors in October and we were live by mid-January, with more than 89% of our total sales volumes managed via EDI.”

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Coufang is a small team, and they want to stay that way. Their staff was busy growing the business and didn't have the bandwidth to take on an EDI project as well. Instead, they brought in the experts at SPS who had proven best practices and the staff to take on the vendor communications. The SPS team outlined a program tailored to Coufang's needs, including a compelling business case and communications that clearly conveyed the win-win strategy to their vendors.

“With SPS, new vendors quickly comply with our trading requirements, often with a day or two. Today we are able to start selling a supplier's items in three weeks or less, and by shortening the time for EDI setup has been a big help in achieving this goal.”

Joe Castelli
Inventory Planning & Operations
Coufang

“SPS provided the expertise to approach our suppliers with the answers they each required to move ahead, and a full team of experts to personally guide each supplier through the process,” said Castelli. “Our SPS team understood the components of our EDI implementation and our onboarding program, as well as the needs of our suppliers. They set realistic deadlines and expectations, all of which we met.”

Today the automated process has freed up its staff to focus on other things, such as launching new products, item enrichment and more. Only two staff members still manage orders, and then only by exception.



ONBOARDING SUPPLIERS QUICKLY

Suppliers of all sizes are now trading with Coufang using EDI. “When we bring on a new vendor, there are many steps to getting them onto our online store,” said Castelli. “With SPS, new vendors quickly comply with our trading requirements, often with a day or two. Today we are able to start selling a supplier's items in three weeks or less, and by shortening the time for EDI setup has been a big help in achieving this goal.”



ACQUISITION BRINGS HIGHER ORDER VOLUMES

Coufang wanted better visibility of their inventory at the company's fulfillment center and their inbound orders. Like most retailers, Coufang couldn't be confident of when an order was arriving and if it would be complete. SPS advised Coufang to deploy the Advance Ship Notice (ASN) EDI transaction to address this issue. Suppliers can now effectively communicate when an order is on the way using the ASN, when it will arrive, if it is complete and how it is packaged.

“With the ASN, we have visibility to our on-hand and inbound inventories, giving us an accurate count,” said Castelli. “This is important so we can replenish as needed, avoid over or under stocking of items and ready our receiving teams for deliveries.”

Looking ahead, Coufang is focused on continuing to grow its US business, improve labor productivity and automate more of the processes deployed during the chaos of the pandemic. With their SPS partnership and their EDI-enabled vendor community, they are well on their way.

Learn more about [SPS Fulfillment](#) online or call us at 866-245-8100.



SPS COMMERCE

SPS Commerce powers over 350,000 trading partnerships between retailers, distributors, grocers, suppliers and 3PLs.