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Royal Mail Strikes - Small Businesses Need To Plan Ahead

04/11/2009

By Lea Pachta

Shipwire, the e-commerce order fulfillment company, is advising **small businesses** to learn a valuable lesson from the **Royal Mail strikes**. As reports of Christmas disruptions and weeks of backlogs continue to populate the UK media and the threat of additional strikes looming, the crisis is by no means over. Shipwire believes that this will not be the last **strike** that **small businesses** will encounter and that they should heed the warning to avoid impact in the future.

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"UK small businesses have been, in the most part, slow to act in the face of the crisis. Royal Mail is well known for a history of industrial action and it's surprising that many more businesses have not planned ahead. The direct impact has been severe, from sliding consumer confidence to the huge increase in customer service costs," says Damon Schechter, founder and CEO of Shipwire, and author of *Delivering the Goods: The Art of Managing Your Supply Chain* (Wiley, 2002).

John Ellen CEO of NetDirectDeals.co.uk comments, *"The industrial action from Royal Mail no doubt has caused major inconveniences to the day to day running of our business. We have a greater amount of support tickets from concerned customers we have to deal with, as well as the threat of negative feedback for delays in deliveries being posted to our Amazon® or eBay® selling profiles. We are starting to use other independent couriers for larger items and no doubt we will use these more frequently in the future if more industrial action follows. As a mail order business, we cannot be at the mercy of Royal Mail; we need to use alternative carriers where possible to avoid delayed deliveries."*

In an already difficult market, Shipwire believes that businesses need to [b]limit the damage of... [continued on page two >](#)

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...postal strikes[/b] and implement a **delivery crisis plan** that should safeguard them in the future. While businesses should look at all options available, Shipwire recommends considering the following tips:

1. Seek alternative carriers

The strike should see the emergence of more companies looking to target dissatisfied **Royal Mail** customers. Look for smaller and local carriers that are providing an alternative to **Royal Mail**. Work with your existing fulfillment and drop shipping vendors to ensure you have reasonable alternate carriers available as needed.

2. Be location smart

Businesses should place goods close to their customers. This will save shipping costs and ensure that the business is not reliant on any one region. This is especially important for merchants that sell overseas. Placing product in the local market can insulate against future **Royal Mail strikes** and significantly cut your shipping costs by eliminating cross-border international shipments. Global payment services like PayPal® allow you to take credit cards internationally and can be automated with your local distribution center.

3. Speak to your customers

Businesses should clearly communicate alternative available options to customers and make them aware of any additional measures that they are taking to protect them. This is especially important for orders acquired through marketplaces with active buyer feedback such as eBay or Amazon.

4. Avoid mispriced shipping rates

Businesses that don't have alternate delivery methods built into their shopping cart checkout may be mispricing delivery rates, leading to costs that their businesses will have to absorb.

5. Outsource product fulfillment

By outsourcing product distribution you will gain the expertise of a company who can manage and advise you throughout a crisis and provide alternatives, allowing you to focus on building your business, instead of watching the news page.

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