IS YOUR OMS HINDERING YOUR ABILITY TO GROW?

How to Eradicate the Challenges of Order Management

Presented by

Freestyle solutions ™

CUSTOMERS THAT INTERACT WITH YOUR BRAND DO SO BECAUSE THEY ARE INTERESTED IN WHAT YOU SELL, PLAIN AND SIMPLE.

Therefore, the most important element of your business is driving profitable revenue, using the tactics that have been most successful for your business.

Businesses today continue to gravitate towards the tried and true methods they have successfully used to attract and serve their customers, such as deploying a sophisticated promotions strategy, expedited shipping, or easy-to-manage returns.

That said, a poor experience in the buying cycle can impact future sales and short term profitability due to inefficient processes when handling, fulfilling and servicing an order. This has resulted in endless hours and countless dollars being spent on the Omnichannel issue.

Since the Omnichannel conundrum does not start until an order is placed, businesses need to look more deeply at their order process to determine whether it is helping or hurting sales channel unification. That is, whether they offer a true omnichannel approach or one that's a mockery.

Order management is no stranger to supporting channel unification initiatives. In many cases, the order management system (OMS) currently serves as the system of record for order and inventory information throughout the organization, but is it worth the investment?

Since orders are tied to customers and inventory is matched with product, you are now looking at back office systems going well beyond the order. With the anywhere, anytime consumer expectations underlying omnichannel practices, there is a growing need for effective order and inventory management solutions.

"**71% of consumers expect to view in-store inventory online, while 50% expect to buy online and pick up in-store.**"

-Forrester

Today, only a third of businesses have moved ahead to offer in-store pickup, cross-channel inventory visibility and store-based fulfillment, according to Forrester.

And, 39% of consumers are unlikely to visit a store if the physical store inventory information is not provided online.

This eBook addresses the benefits an order management solution can provide to support the growing need of omnichannel requirements and an ideal shopping experience.

The goal of this eBook is to help you find ways to leverage an OMS to drive sales, while building customer loyalty for repeat business. We'll explore...

- **Getting Ready to Implement an OMS**– best practices for getting your business ready to manage orders.

- **Adopting Automation for Efficiency** – effectively managing the retail supply chain, from the point of purchase to the inventory management process and delivery, has reached a point where it requires automation.

- **Capabilities to Consider When Choosing an OMS** – take a look at your business today and carefully evaluate the tools you have in place based on key criteria to meet future growth requirements.

- **Tight Integration with the eCommerce Platform is Critical** – having specific channel integrations within an OMS are vital to keep track of incoming orders relative to available inventory stock items.

- **Exceptional Customer Service is a Key Differentiator** – providing a superior customer experience starts with having the means to offer immediate access to address every one of the customer's requests from taking an order to handling a return.

Continue reading to learn how to improve business processes with an order and inventory management solution, increase efficiencies across multiple sales channels, control costs and support omnichannel business processes to provide a unique customer experience for shoppers.

Getting Ready to Implement an OMS

Viewing orders and inventory across all sales channels is the foundation of a comprehensive OMS. As a result, you need to start with this premise if you plan to roll-out an effective phased OMS implementation plan.

Accounting for basic capabilities such as managing stock items, organizing credit card charges, and supporting shipping are just a subset of features from a long list that will need to go into phase one of your implementation.

Look at key performance indicators such as time savings, order accuracy, and inventory turn to determine your goals throughout the process.

Get your house in order – data, processes and people – to ensure success.

If a business is processing more than 50 orders a day, the necessity of an order management system greatly increases.

Managing orders with excel spreadsheets or manually can, and usually will, create errors in your shipping and sales processes.

When reconciling orders from multiple eCommerce sources, streamlining the process through an automated OMS helps to fulfill orders through a single unified workflow.

Below is the checklist you should use when implementing an OMS:

☐ Determine clear goals for areas in need of improvement

☐ Establish how you plan to measure the improvement

☐ Review the capabilities of current systems in place: ecommerce platform, ERP, WMS, Payment

☐ Access your competition to ensure differentiation

☐ Understand your customer's needs and consider them in light of a solution to meet these requirements

☐ Build a phased approach implementation plan; don't bite off more than you can chew

☐ Access integration with other systems to ensure clean data flow

☐ Build a testing plan to ensure quality

☐ Create a training plan for employees who will be using the OMS

The current business environment is vastly different from even a few years ago.

Consumers have an abundance of information at their fingertips, especially now with the widespread proliferation of mobile devices, and expect to interact with businesses consistently through channels that are most convenient for their personal needs.

As a result, it is necessary to make operating an eCommerce business across multiple sales channels highly efficient, while finding new ways to differentiate from the competition.
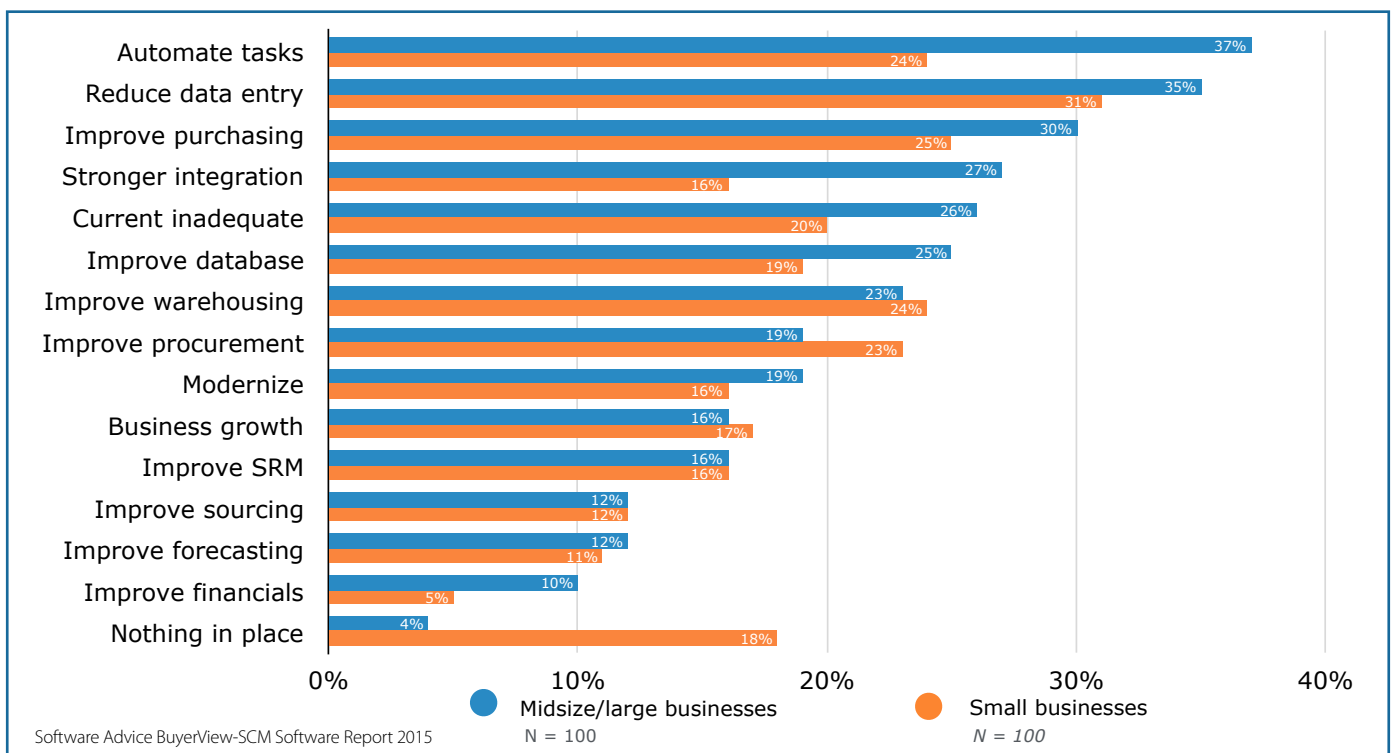
More and more mid-sized to large businesses are now using an automated order management system to address these needs.

Adopting Automation for Efficiency

Managing the retail supply chain from the point of purchase to the inventory management process and delivery, has reached a point where automation is necessary to function in this data-driven world.

As retailers begin to recognize where these processes line up, it becomes easier to understand how the business is affected by even small changes in processes and practices.

The chart below underscores the need that midsize to large businesses have for automation of tasks, reduced data entry, and improved purchasing, to name a few.

Category	Midsize/large businesses	Small businesses
Automate tasks	37%	24%
Reduce data entry	35%	31%
Improve purchasing	30%	25%
Stronger integration	27%	16%
Current inadequate	26%	20%
Improve database	25%	19%
Improve warehousing	23%	24%
Improve procurement	19%	23%
Modernize	19%	16%
Business growth	16%	17%
Improve SRM	16%	16%
Improve sourcing	12%	12%
Improve forecasting	12%	11%
Improve financials	10%	5%
Nothing in place	4%	18%

Midsize/large businesses   N = 100
Small businesses   N = 100

Software Advice BuyerView-SCM Software Report 2015

Capabilities to Consider When Choosing an OMS

Much like their larger counterparts, small businesses are searching for reduced data entry, improved purchasing, as well as improved warehousing.

The Software Advice BuyerView report highlights that 18% of the small businesses surveyed completely lack process automation with no systems in place whatsoever.

Small businesses often feel they do not need automated processes, mainly because they are not handling the same capacity of orders as larger businesses. Although this may be true, automation can be just as important for small businesses, due to the likelihood of errors that can come up throughout the order and delivery process.

This is why 35% of small businesses are also searching for reduced data entry. Eliminating the number of times to add an order can drastically improve your order processes and streamline efficiency. This is also an extremely important function for midsize to large businesses, as 31% recognize the need.

Reduced data entry also goes hand-in-hand with an improved purchasing method, where 30% of midsize to large businesses and 25% of small businesses identify with this growing requirement.

There are many details associated with implementing an effective purchasing method, including payment terms, delivery dates, item specifications, quantities, shipping terms and other relevant terms and conditions.

With an automated purchasing process, businesses can easily manage orders and inventory, as this is a crucial step to the financial health of the business.

Stronger systems integrations is another aspect to focus on, as it is more important for larger businesses. This is partly because they tend to implement automation tools for critical supply chain functions.

According to the Software Advice SCM BuyerView report, **"27% of larger businesses cite the need for stronger integration as a reason for _seeking new software_, compared to just 16% of small businesses."**

This could also be aligned with specific business goals, as larger businesses tend to see a greater need to address a larger audience.

Tight Integrations With eCommerce Platforms is Critical

Having specific channel integrations within an OMS are vital to keep track of incoming orders relative to available inventory stock items. This will ensure products are available to sell and customers receive the products they ordered as quickly as possible.

A strong API is another necessity for many businesses looking to get the most out of their channel integrations.

An API provides high-level business-based transaction functions to interface with major areas of an OMS, including order, customer, stock and inventory.

To efficiently manage a multichannel sales strategy, below is a checklist of systems that will need to be integrated with the OMS.

☐ eCommerce platform for product and order information

☐ ERP for product, inventory, warehouse management and financials

☐ Payment for authorization, settlement, fraud and tax

☐ CRM for customer data

"Consumers don't distinguish between channels. They are channel blind, therefore they expect the same service, products, offers, and pricing online as they do in-store and on mobile. This is why merchants need to make sure that their retail propositions are consistent across all channels."

- Miya Knights, Senior Research Analyst at the International Data Corporation (IDC)

When building out your integrations, you should be looking to streamline business operations across all sales channels into a single workflow, from the point of purchase through to the point of delivery.

It will be crucial that you maintain inventory visibility across sales channels to be in a position to sell the entire inventory or just a small sample through online channels or in store.

Here are a few more features and benefits you should be looking for in an OMS that is tightly integrated with other systems.

☐ Manage suppliers, issue purchase orders based on low inventory alerts, and automatically sync available to sell levels upon reconciling the order

☐ Take advantage of integrated shipping for accuracy & control to verify addresses, print shipping labels, access tracking information, as well as manage drop ship items. Integrated shipping offers easy tracking and management through a variety of standard shipping carriers and methods

☐ Connect with popular eCommerce platforms, payment providers, shipping providers and more through system integrations

With automated order, inventory and customer management, businesses can process more orders through more channels, with fewer resources.

You should consider automatically downloading new orders, publishing product information, and synchronizing inventory items.

Having tightly integrated systems supporting the channels for sales and delivery operations can be a differentiator for many businesses, but the most important aspect of the omnichannel model that you must keep in mind is the customer experience.

Exceptional Customer Service is a Key Differentiator

Providing superior customer experience starts with having the means to offer immediate access to address each and every one of the customer's requests.

Depending on the specific OMS needs of the business, there are several capabilities to support quality customer service.

Customer service staff should be able to enter and review orders, view the list of products purchased, record payments, manage contacts and update customer demographics, all within a single screen.

Notifications would be sent and alerts received every time a customer makes a purchase, and/or requests information, whether via phone call or email.

With efficient customer management, businesses can:

Look Up Customers Quickly & Accurately

A relational database containing the entire customer file could be queried in seconds, with options to search by name, email, phone, etc.

Reward Good Customers & Create Loyal Shoppers

With a points and rewards program, customers gain more points as they purchase, and can spend on their next order.

Focusing on the customer experience will give your business the ability to succeed in an omnichannel world. Even a thriving business feels the pressures and frustrations associated with customer service as orders from multiple sales channels increase. Having the ability to reward loyal customers will give you the gratification of supporting them and seeing higher customer retention rates.

Recapping the Benefits of Automating the Order Process

Automating the order and inventory management requirements associated with an omnichannel customer experience makes the process increasingly complex. An OMS not only assists with customer management and tighter integrations, but also streamlines the processes that support the entire supply chain.

Retail is a highly competitive sector and those that adapt to an omnichannel world possess unique characteristics, selling strategies and customer service practices. Omnichannel retailers must be experts in following consumer trends when it comes to spending and buyer behavior.

Putting technology to work to capture, integrate and utilize data across the entire operation will help you understand and respond to consumer demands. Immediate access to this data helps retailers streamline operations, take control of the business and gain a competitive edge.

Sources: Forrester Consulting Report: 2014 | Software Advice: BuyerView | International Data Corporation (IDC)

About Freestyle Solutions

So why trust **Freestyle Solutions** with your back office operation? With over 25 years of expertise in the industry, we have been molding our innovative software to fit the needs of thousands of customers currently using our suite of products. Freestyle's clients engage over a million shoppers daily, generating nearly 10 million in gross merchandise sales every day.

With the option of choosing an on premise or cloud-based solution, we aim to help clients achieve the success they crave with a definitive guide to inventory, order and customer management.

Freestyle Solutions was originally started by retailers and has since thrived as an industry standard to provide retailers the tools they need to grow, eliminating the hassle of manual processing.

For more information, visit www.freestylesolutions.com and follow us on Twitter @freestyleOMS.

"With the help of Freestyle Commerce, we were able to improve our business processes and position ourselves for future growth. The improved visibility allows us to accurately manage inventory, issue and track purchase orders, as well as forecast sales."

- CEO, Online Retailer