Increase inventory turnover rate

Improve NPS score

Decrease shipping costs

Reduce canceled order rate

EBOOK

39 KPIs: How to measure ROI of an Order Management System

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How to measure the ROI (Return on Investment) of an OMS (Order Management System) and the cost of doing nothing

What's the best way to get a project across the line when budgets are tight? Show the ROI (Return on Investment). And not years from now, but weeks. It's critical, or during tough times the project gets thrown out the window.

Want to guarantee success? Find a project that covers many KPIs. Not just one department, but as many as possible where it can make a difference. Have confidence the project you're choosing will have the greatest impact.

So, what single solution can impact 30+ KPIs across your business? So many it makes building a business case a no-brainer. Yet many are overlooked. You need to cast the net wide. And keep all of these in mind:

Fulfillment & Logistics	Inventory	Customer Service	eCommerce	Store	Technical
1. Canceled order rate	8. Inventory turnover rate	15. Call volume	22. Add to cart rate	27. Click and collect / Buy Online Pickup In-Store	33. Implementation time
2. Order fill rate	9. Inventory carrying costs	16. Call resolution time	23. Order completion rate	28. Store Traffic	34. Webpage latency / speed
3. On-time-in-full rate	10. Cost of discounts/ markdowns	17. Customer Satisfaction Score (CSAT)	24. Conversion rate	29. Second Basket	35. System uptime (during peak periods & flashes)
4. Order processing time	11. Inventory processing time	18. Net Promoter Score (NPS)	25. Cart abandonment rate	30. Ship from store	36. Roll-out speed (brands, countries, extensions)
5. Cost to fulfill / Delivery cost per order	12. In-stock rate	19. Cost of appeasements	26. Sales (digital and physical)	31. Orders fulfilled from store	37. Maintenance costs
6. Cost of returns	13. Out-of-stock rate / Backorder rate	20. First call resolution		32. Rejection rate	38. Security & compliance
7. Split shipments	14. Weeks/ Days of supply	21. Average call handling time			39. Order failure rate

For Fulfillment & Logistics Teams

Key Fulfillment & Logistics KPIs:

1. **Canceled order rate**
2. **Order fill rate**
3. **On-time-in-full rate**
4. **Order processing time**
5. **Cost to fulfill / Delivery cost per order**
6. **Cost of returns**
7. **Split shipments**

Fulfillment and Logistics track the majority of an OMS's impact. Fulfillment becomes complex, fast. For example, are split shipments costing you? Take a look at what your delivery complexity score might be here. Fluent Order Management enables you to create granular rules so you're fulfilling, splitting, and processing orders from the most profitable location.

## Real World Fulfillment and Logistics Results
From Fluent Order Management customers in their own words:

Apparel, Footwear, Accessories
- [33% decrease](#) in average time to delivery
- [93% reduction](#) in short shipments
- [50% reduction](#) in split shipments

Electronics / Toys / Games
- Reduced average delivery time from 5-7 days to 2.94 days

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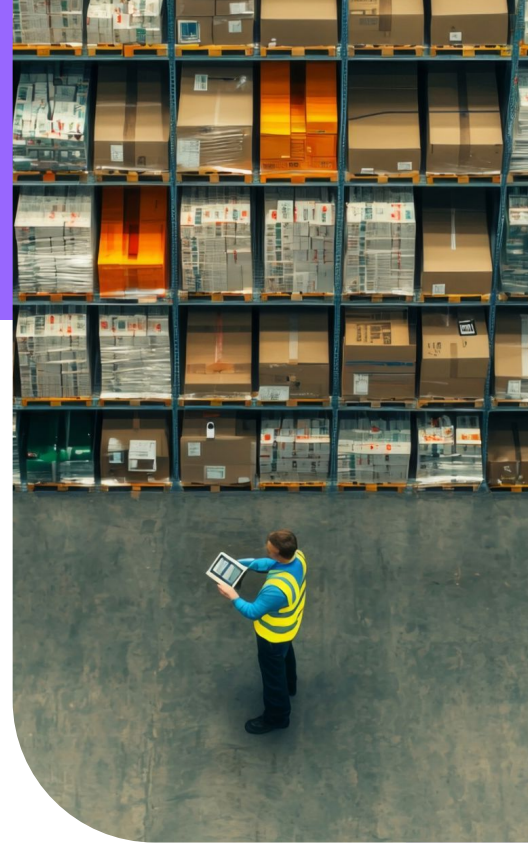
Food & Beverage

- [50-75% reduction](#) in order processing time
- 50% Reduction in shipping costs

Home / DIY / Outdoors

- [32% decrease](#) in shipping dispatch time
- 113k reduction in monthly freight costs
- 400 in costs savings per delivery driver per month
- [85% decrease](#) in order cancellations
- [12x increase](#) in fulfillment locations
- 4% increase in On Time In Full (OTIF) rate
- 49% decrease in order processing time

Mass Merchant

- 99% decrease in order processing time (from 2 hrs to 1 min)
- Personal / Beauty Care
- 98% orders delivered in 24 hours (on time in full)

Personal / Beauty Care

- 98% orders delivered in 24 hours (on time in full)

Number of locations

100

Maximum Shipments

2

Your Delivery Complexity Score

4,950
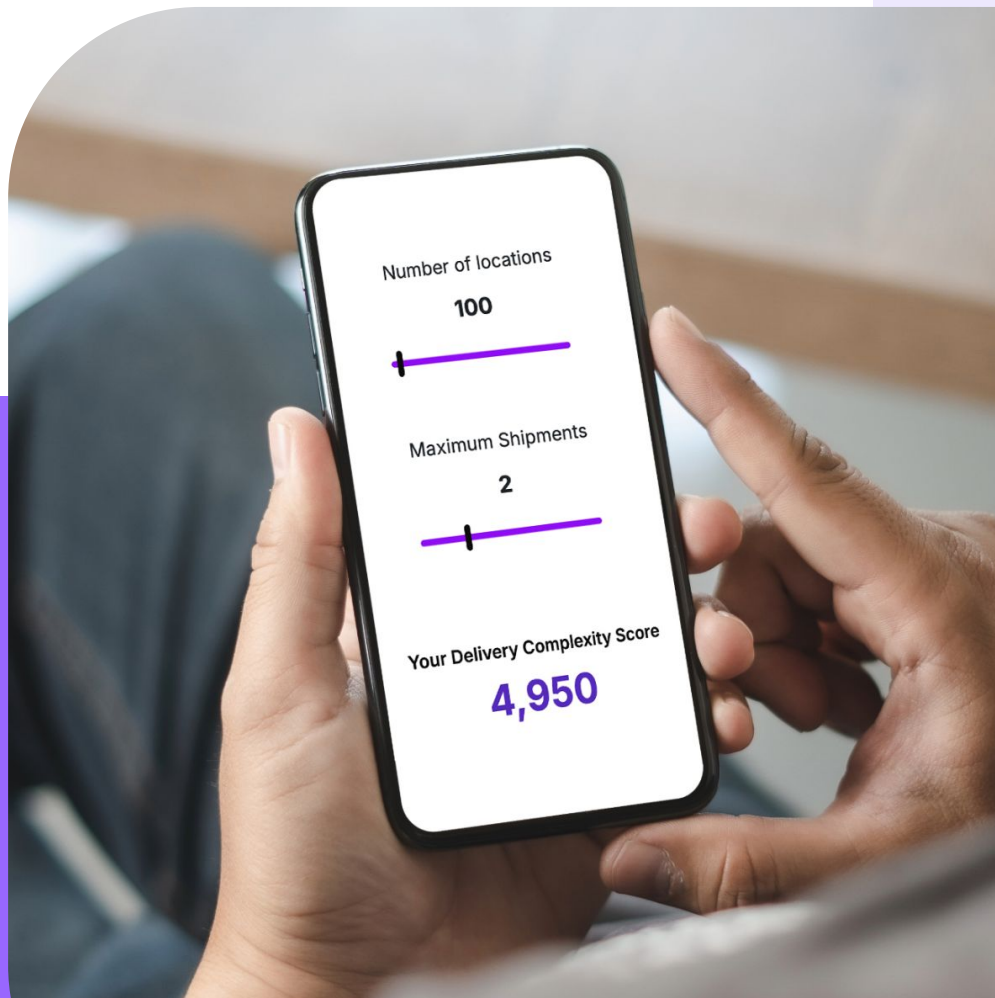
For Inventory Teams

Key Inventory KPIs:

8. **Inventory turnover rate**
9. **Inventory carrying costs**
10. **Cost of discounts/markdowns**
11. **Inventory processing time**
12. **In-stock rate**
13. **Out-of-stock rate / Backorder rate**
14. **Weeks/Days of supply**

The inventory KPIs may not seem like many, but the impacts of accurate inventory run deep. Inventory availability has a waterfall effect on many other KPIs. Canceled order rate might fall under fulfillment and logistics, but what's at the root of it? Orders are canceled when inaccurate inventory is shown to the customer, they make a purchase, and you have to cancel. Or you show an inaccurate delivery estimate that changes after purchase because you thought you had inventory closer to the customer than was true. Then the customer cancels the order. In both canceled order scenarios inaccurate inventory was at the core. Fluent Order Management provides a unified real-time view of inventory availability so you show your customers what you have and have the delivery estimates to match.

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Real World Fulfillment and Logistics Results

From Fluent Order Management customers in their own words:

Home / DIY / Outdoors
- 30% increase in excess inventory
- 40% decrease in replenishment
- [10x increase](#) in in-stock positions
- 8% increase in stock sell through rate

Mass Merchants
- Batch processing went from every 30 minutes to instant with event-driven architecture

PURPLE SUNGLASSES
$79.99
− 1 +

For Customer Service Teams

Key Customer Service KPIs:

15. **Call volume**
16. **Call resolution time**
17. **Customer Satisfaction Score (CSAT)**
18. **Net Promoter Score (NPS)**
19. **Cost of appeasements**
20. **First call resolution**
21. **Average call handling time**

The majority of these KPIs have an impact on customer experience. Instead of showing up as a measurable KPI, sometimes it's seen in customer reviews. Back to our canceled order example. This is a terrible customer experience. What if that customer then goes and writes a review about it? Good and bad reviews can make or break your business. Unexpected KPIs that can tie back into this? Customer Acquisition Cost (CAC) and bounce rate. Think about it, if that negative review is seen, you've not only lost that customer but the next one who reads it. Impossible to track, but easy to avoid. Fluent Order Management enables you to remove customer friction and pain points. From showing them accurate inventory and delivery estimates which increases conversions. To setting up notifications for order tracking to reduce WISMO (Where Is My Order) calls, which reduces costs. The little things make customer experience.

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Real World Fulfillment and Logistics Results

From Fluent Order Management customers in their own words:

Electronics / Toys / Games
- Net Promoter Score (NPS) hit a company record (case study)

Food & Beverage
- 66% reduction in customer service inquiries (case study)

Home / DIY / Outdoors
- NPS > 88.8%
- 99% reduction in contact center calls (from 100/day/region to 6/day globally)

Medical / Health / Pet
- 35% increase in customers
- 40% increase in subscriber base

For eCommerce Teams

Key eCommerce KPIs:

22. **Add to cart rate**
23. **Order completion rate**
24. **Conversion rate**
25. **Cart abandonment rate**
26. **Sales (digital and physical)**

The ecommerce team tracks a lot of KPIs. These are just a few where OMS can play a part. Let's look at conversion rates. There are many elements of a PDP (Product Details Page) that can impact whether a customer clicks 'add to cart.' Videos, reviews, and more. But, what's the fastest way to make them bounce? Not showing what they can get and when. It's the foundation of a PDP that converts. That's where an order management system makes its move. Fluent Order Management enables you to display accurate inventory availability and delivery estimates in real-time, without cached data. Not only on the PDP but also the PLP (Product Listings Page) and search.

Real World Fulfillment and Logistics Results

From Fluent Order Management customers in their own words:

Apparel, Footwear, Accessories
- 170% increase in digital sales in the first 6 months
- 151% in conversion rates
- 182% increase in website traffic

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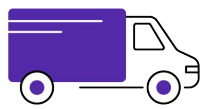
Home / DIY / Outdoors
- 60% repeat customer rate

Luxury
- [20% increase](#) in sales within 3 months of going live
- 2x Increase in online revenue (150 to 300 M) in 2 years
- 50% increase in cross-channel purchases
- 60% faster checkout, leading to 15% more shopping completing checkout
- 15% increase in online revenue

Mass Merchant
- 11% increase in online sales

Your order is on its way.

Track package

For Store Teams

Key Store KPIs:

27. **Click and collect /
    Buy Online Pickup In-Store**

28. **Store Traffic**

29. **Second Basket**

30. **Ship from store**

31. **Orders fulfilled from store**

32. **Rejection rate**

Click and collect and ship from store are already table stakes for some. But, can you offer 30 minute click and collect? Or even, 1 minute? Fluent Order Management customers are. And have you ever thought about how fulfilling from store can enable growth? This can't be summed up in one KPI. Fluent Order Management customers have been able to test out and expand into new regions thanks to Fluent Order Management making it possible to set up their stores as fulfillment centers. This saves the cost of cross-border fulfillment and of a regional warehouse or distribution center.

Real World Fulfillment and Logistics Results

From Fluent Order Management customers in their own words:

Apparel, Footwear, Accessories
- 95% of orders now fulfilled from stores

Electronics / Toys / Games
- Rolled out 30 minute pickup with a 97% On Time In Full (OTIF) rate

Home / DIY / Outdoors
- 2x click and collect rate
- Showing accurate inventory increased orders picked up from stores by 200%

Mass Merchant
- Pickup orders generated 40-50% in 'add on' purchases while in store in the first 6 months (second basket)
- 26% Increase in total stores (from 86 to 117)
- 20% of click and collect customers are buying more in store

Personal / Beauty Care
- 366% increase in click and collect orders
- 2% increase in total revenue due to click and collect
- 30 min pickup in store represents 20% of click & collect orders and 10% of total orders (previously 0%)

Click and Collect available

For Technical Teams

Key Technical KPIs:

33. **Implementation time**

34. **Webpage latency / speed**

35. **System uptime (especially during peak periods)**

36. **Roll-out speed (brands, countries, extensions)**

37. **Maintenance costs**

38. **Security and compliance**

39. **Order failure rate**

The technical teams can't always measure the benefits like other teams do, they feel them. Their day to day is drastically different depending on the technology stack they have in front of them. IT teams can either 1) struggle to maintain, upgrade, and customize dated tools. Or 2) be empowered by modern secure solutions. Some businesses view this as buy vs build but the secret sauce is when you combine the two. Fluent Order Management provides foundation capabilities, plus a platform for innovation. Extend in a little as 15 minutes to make unique use cases easy.

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Real World Fulfillment and Logistics Results

From Fluent Order Management customers in their own words:

Businesses of all sizes
- 100% uptime on Black Friday and other peak sales events
- 6 week implementation
- 8 week implementation
- 16 week implementation
- 22 week implementation
- 24 week implementation

Home / DIY / Outdoors
- 95% less system maintenance
- 40 countries rolled out in 20 months

Mass Merchant
- Improved average latency for ATP by 60% from 1110.78 ms to 441.59 ms
- 80M SKUs (cakes) sold in 48 hours over national holiday
- Batch processing went from every 30 minutes to instant with event-driven architecture

Medical / Health / Pet
- TikTok Influencer campaign - Dynamic scaling to show accurate availability to 30-80k customers in 15 minutes
- During sale event, sold 300k units of stock in 6 minute

Of course, many of these KPIs can impact revenue, but let's see by how much for the Fluent Order Management customers that shared:

Apparel, Footwear, Accessories
- 30% increase in incremental revenue

Home / DIY / Outdoors
- 2M increase in monthly revenue via new sales channel
- 2.5x increase in revenue

Luxury
- 3.8 M increase in revenue in the first year
- 2x Increase in revenue
- 29% increase in revenue since implementation
- 500 M increase in revenue in 2 yrs

Mass Merchant
- 16% increase in revenue

Medical / Health / Pet
- 24% Increase in revenue in the first year
- 13.25% Increase in revenue YOY

The impacts of getting your inventory and data right spread far and wide. The '+' in 27+ is to indicate how many more exist. You probably didn't think the marketing team could be impacted by an OMS… Have you ever seen an ad for inventory that is out of stock? How much ad spend is wasted at your business because your ad platform isn't inventory aware? See more unexpected systems that could benefit from being inventory aware.

The cost of doing nothing

Maybe you don't think you need an OMS. You've extended your ERP solution to cover some capabilities, and it's good enough. Or you have a commerce solution that has a few OMS capabilities, and that works for now. The outdated legacy system is just 'too long' a project, it's not worth it. But what does 'doing nothing' cost?

Let's calculate your Total Cost of Ownership (TCO) of 'doing nothing':

First, what falls into TCO?

Total Cost of Ownership (TCO)

Maintenance & Support Costs
- In-house IT personnel maintaining outdated code
- Expensive third-party support for legacy systems
- Patches and temporary fixes

Technical Debt
- Cost of not upgrading (e.g., fragile architecture)
- Slower time-to-market due to poor scalability
- Cost of delayed integrations with modern tools

Operational Inefficiencies
- Manual workarounds due to lack of automation
- Higher order processing time
- More order errors & returns (human error)

Security & Compliance Risks
- Increased cybersecurity vulnerabilities
- Regulatory non-compliance (e.g., GDPR, PCI-DSS)

Indirect Costs
- Higher employee turnover (working on outdated tech)
- Training new hires on legacy tools

Opportunity Cost
- Inability to support omnichannel or new sales models
- Lost revenue from poor customer experience
- Inflexibility to respond to market changes

But what will those numbers look like? The averages below are based on a combination of data from leading analyst reports, case studies, and public projects. Here are the industry averages for TCO using an ERP + Custom Tools instead of a modern OMS.

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Total Cost of Ownership (TCO)
TCO for ERPs + Custom Tools instead of a modern OMS

Category	Industry Benchmark (Annual)	Notes / Rationale
Internal IT Support (Dev/Ops)	$500,000–$1.2M	Custom middleware + ERP interfaces require constant maintenance; 5–10 FTEs typical
3rd-Party Legacy Vendor Support	$100,000–$250,000	ERPs or older integration vendors charge heavily for API support, upgrades
Manual Process Labor Costs	$300,000–$800,000	Includes teams doing EDI, manual routing, order edits, and reconciliation
Lost Revenue from Order Errors	$1M–$5M/year (0.5–1% of total order value)	Errors, returns, re-shipments due to poor validation, duplicate orders, latency
Security & Compliance Incidents	$200,000–$2M/year (risk-weighted)	Older ERP stacks often lack API-level security; audit/reporting is manual
Opportunity Costs (growth delays)	$5M–$15M/year (estimated market loss)	Delayed omnichannel, weak personalization, long rollout cycles = revenue loss
Potential Total:	**$13,975,000**	

Total Cost of Ownership (TCO)
TCO for legacy OMS instead of a modern OMS

Category	Industry Benchmark (Annual)	Notes / Rationale
Internal IT Support (Dev/Ops)	$600,000–$1.5M	Legacy OMS typically requires 6–12 FTEs for upkeep, patching, performance tuning
3rd-Party Legacy Vendor Support	$150,000–$400,000	High licensing, service fees, and SLA costs with vendors like IBM, Oracle
Manual Process Labor Costs	$400,000–$1M	Due to poor automation, custom scripts, or batch-based processing
Lost Revenue from Order Errors	$2M–$6M (1–2% of GMV/order value)	Frequent stock-outs, cancellations, routing errors due to latency or rules rigidity
Security & Compliance Incidents	$250,000–$3M	Legacy systems often lack modern audit trails, real-time access control, or encryption
Opportunity Costs (growth delays)	$8M–$20M+	Limits agile fulfillment models (e.g., BOPIS, same-day delivery, multi-node inventory)
Potential Total:	**$19,000,000**	

Doing nothing looks expensive. Especially when compared to the potential ROI–achievable in weeks of doing something.

The single solution that impacts all 27+ KPIs? And decreases the TCO of outdated systems? A distributed order management system. The unsung hero of your ecommerce operations. That benefits so many departments, only the CFO can truly appreciate the impact. When you add it all up, that impact is undeniable.

For more information on how Fluent Order Management can **improve your distribution operations,** schedule a demo today.

Get a Demo

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