

7 critical features you should expect from a Modern Order Management System

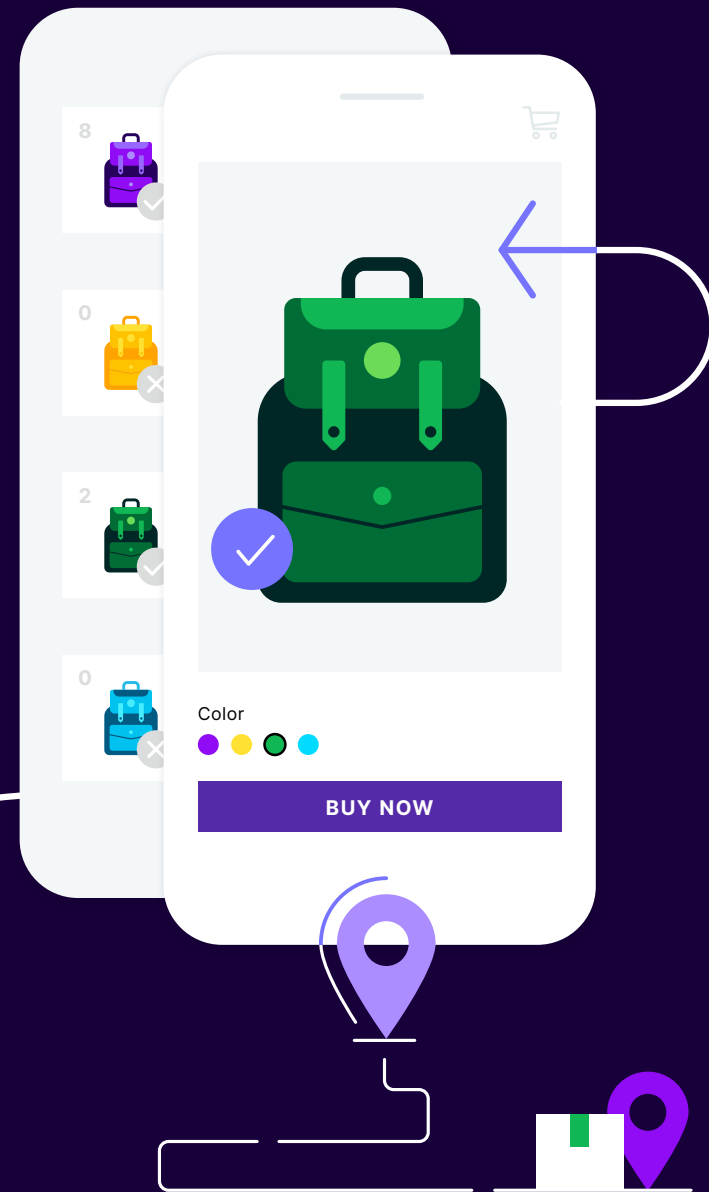
Today's API-first OMS is a critical component for composable commerce



Modern consumers demand seamless shopping experiences, fast and accurate delivery, and easy returns.

This means online omnichannel merchants need a flexible and powerful Order Management System (OMS). One that lets them adapt to changes in demand without long expensive IT projects.

Order management systems have evolved in the short history of ecommerce. Early OMSs were monolithic, rigid, and expensive to maintain. Modern Order Management Systems need to be



flexible and scalable. As a result, today's OMSs use an API-first approach so they're easy to connect with your other commerce apps. Below are 7 features you should expect from a modern Order Management System.

First: A brief history of Order Management

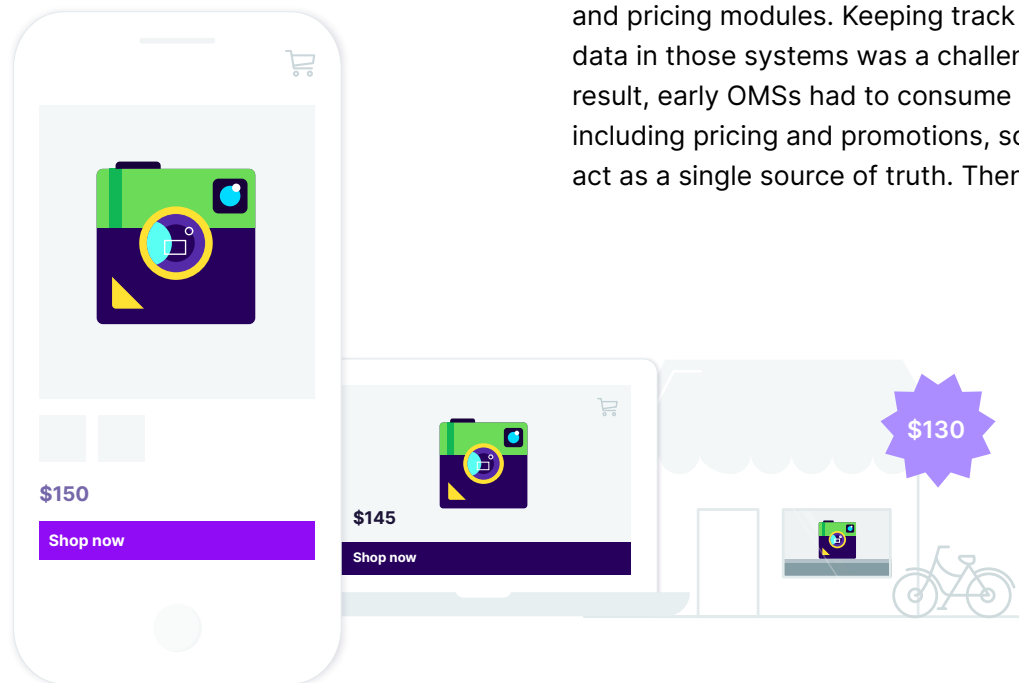
In the early days of ecommerce, every front-end system was a point solution.

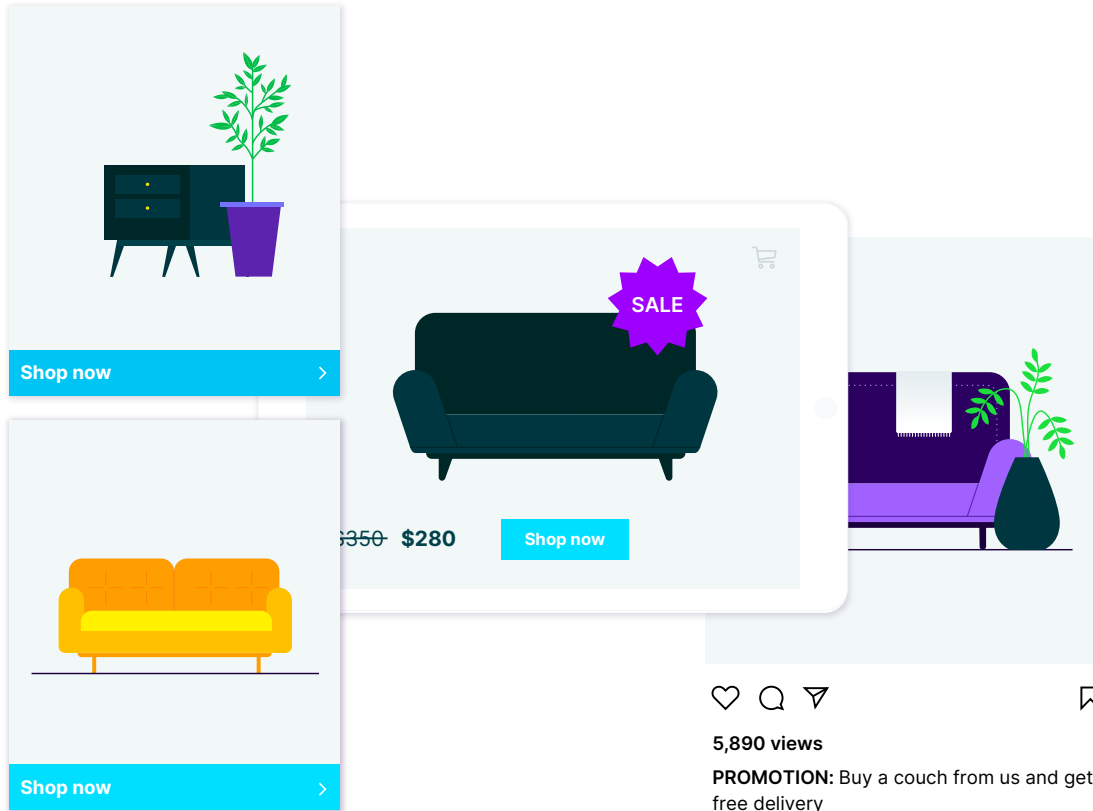
Retailers had a separate web store, mobile store, kiosk, etc. and each one had its own product and pricing modules. Keeping track of all the data in those systems was a challenge. As a result, early OMSs had to consume that data, including pricing and promotions, so they could act as a single source of truth. Then came the

'all in one suite' solutions. Some vendors of ERPs, Warehouse Management or CRM systems built complementary solutions.

This included Distributed Order Management. Others augmented their offering through acquisitions and packaged them up as suites. The promise?

Reduce the pain of integration by offering pre-connected solutions that (ostensibly) worked seamlessly together out of the box. The reality? Acquired suites were often poorly integrated. Some required separate logins and data wasn't





freely exchanged between the systems. Meanwhile, the home-grown suites often lacked the robust feature set of a best-in-class solution. If you chose a suite, there was always a tradeoff between integration and capabilities.

But there's good news: the evolution of web APIs means you no longer have to sacrifice one for the other.

Rise of the API-first approach

Today, a single, headless commerce platform can serve up a shopping experience across any user interface, be it web, mobile, kiosk, third party marketplaces or social sites.

Product information has been unified — sometimes in the commerce platform, other times in a dedicated Product Information Management (PIM) system. Pricing and promotions engines in ecommerce platforms have also evolved. They are far more robust than before and can serve as their own source of truth across customer touch-points. Further, more sophisticated organizations

now use dedicated pricing, promotion, and recommendation engines. Gone are the days when pricing and promotions lived in an OMS.

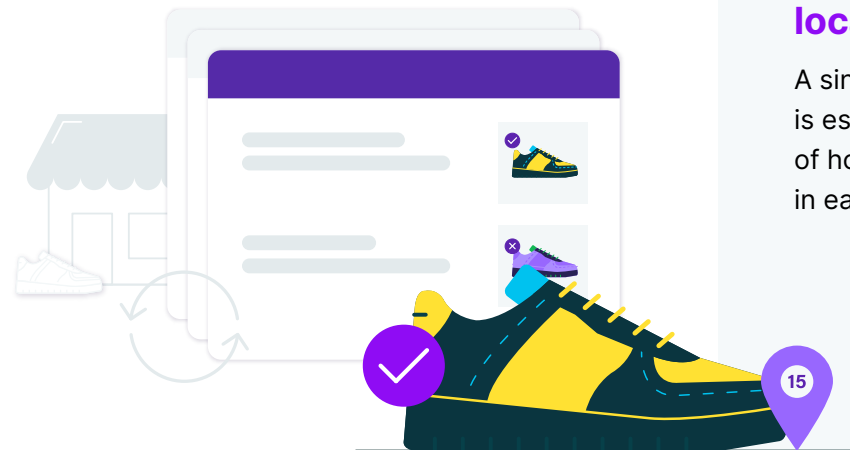
The Availability Master

An order management system is not the inventory master—it's not a financial system of record—your ERP does that. And it's not a Product Master—that's the job of your Product Information Management (PIM) system. Instead, it's your Availability Master. Your OMS tracks the inventory you have Available to Promise (ATP) in each market or channel in near real-time.

What should a modern Order Management System actually do?

For multichannel merchants to keep up, a new breed of Order Management System is needed. One that can orchestrate end-to-end distribution across an interconnected ecosystem. It needs to consume data, apply business logic, then trigger events in other systems and track the order at every step in the process. Automation is key.

So let's look at a list of the core capabilities you should look for in a modern Order Management System.



01. API-first architecture that lets you connect systems quickly

An OMS sits at the heart of your fulfillment operations and needs to connect with many other systems. This includes your ecommerce engine, POS, WMS, PIM, ERP, Payment gateway, Notifications and Carrier solutions, just to name a few. APIs let you connect these systems quickly for a faster rollout.

02. Keep your inventory in sync across all systems and locations

A single, accurate view of all your inventory is essential. Your OMS needs to keep track of how many units of each SKU you have in each location, or inbound. What's more,

it needs to do it in near real-time, and prioritize updates for your highest selling SKUs.

03. Help you control what stock you sell where

What if you want to test a product category in a new market? Apply different buffer or safety stock levels to DSV stock? Or control what you sell in each channel? Think web, mobile, kiosk, marketplaces, social sites...the list keeps growing. Your OMS should give you complete control over the stock you make Available to Promise.

04. Manage sourcing rules so you can optimize fulfillment

Oftentimes sourcing rules can be a competitive differentiator. Luxury brands may want to prioritize the in-store shopping experience or have

special sourcing rules for high-value customers. A hardware chain may want to ship from hub stores over regional stores. Or a brand may want to route orders to stores based on fulfillment turnaround time, store capacity, or other store performance metrics. Your OMS should let you configure the business rules that best fit your business. That way you can maximize the margin on every order.

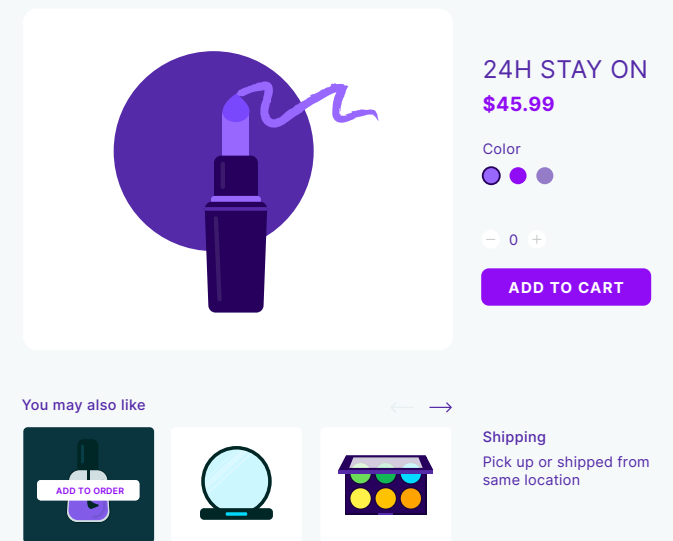
05. Use product availability data to optimize recommendations

All retailers want to increase their Average Order Value (AOV). But they also want to keep their split shipment rate down. What if you could do both? A modern OMS should help you recommend items that are in stock at the same location as the other items your customer is shopping.

This might include recommendations on the:

- [Product Details Page \(PDP\)](#)
- [Order Confirmation Page](#)
- [Order Confirmation Email](#)

For example, you could show 'you may also like' items that can be picked up or shipped from the same location as the primary item. This can



increase conversions on pickup orders, or reduce split shipments.

06.

Manage manual processes for greater efficiency

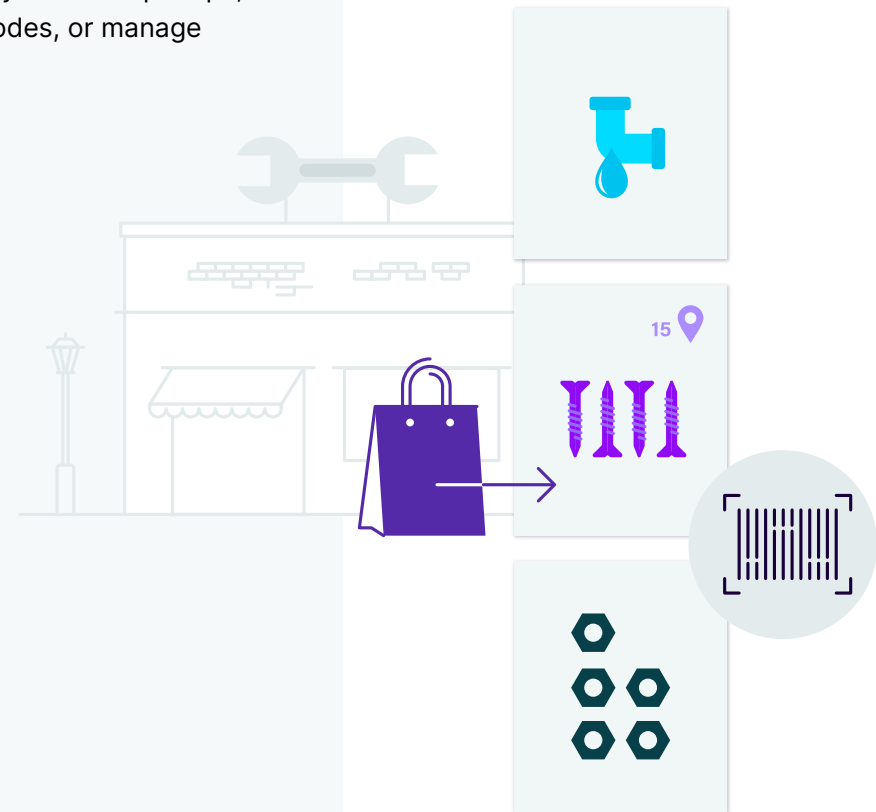
Not all processes can be automated. Think manual fraud checks, quality checks on returns, and value-added services. So a modern OMS should give you a way to manage them. This includes sending alerts to staff, triggering events in other systems, and receiving notifications from other systems. It might also include auto-escalation.

07.

Support your in-store pick and pack strategy

What's the best in-store pick and pack process? It really depends on your business. A fast-fashion retailer wants to get stock off the sales floor fast and worry about short picks later. On the other

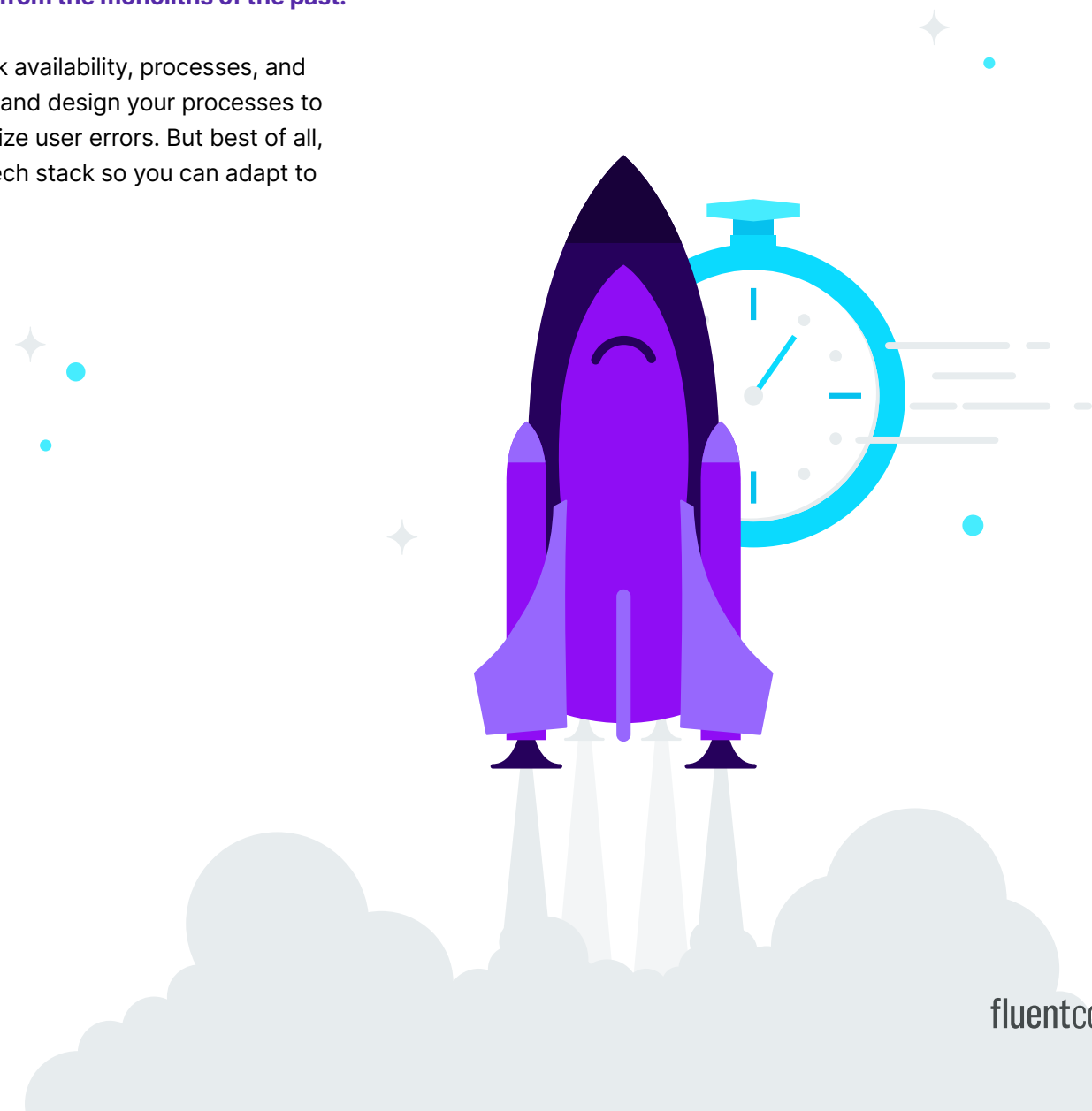
hand, a hardware retailer may want to scan-to-pick to reduce errors. Think nuts, bolts, plumbing fittings, or anything else with lots of items that look similar. Larger stores may want to pick by location, item or category, while small stores may just want to pick by order. A modern OMS should give you flexibility. That way you can skip steps, add steps, capture reason codes, or manage Value Added Services.



Summary

Modern Order Management Systems are a far cry from the monoliths of the past.

They now give you complete control over your stock availability, processes, and staff experience. This means you can rollout faster, and design your processes to increase efficiency, reduce training time, and minimize user errors. But best of all, a modern OMS should help you future-proof your tech stack so you can adapt to change in the future... fast.



Create a profitable omnichannel strategy with a modern order management system

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