

7 Reasons to use a Best-in-Class Order Management System



Sell Anywhere, Fulfil from Anywhere, Return Anywhere...

and provide a customer centric
Order Management Experience

The order management experience dilemma

Front-end commerce platforms provide tools to manage digital orders, but they weren't designed for omnichannel retail. They were built for merchandising and cross promotions. Their goal is to increase order size and reduce card abandonment. It's what they're good at.

But after the order is placed, they only offer simple routing. If you have multiple Distribution Centers (DCs), 3PLs, or stores, you'll reach their limits quickly. The same holds true for ERPs.

ERPs are transactional systems. Very rigid, precise, and good at what they do. But from an

order management perspective they're built only for basic fulfillment and replenishment orders. They're not designed to provide a customer-centric omnichannel order management experience. Yet that's what today's retailers must do, because the post-purchase customer experience is really important if you want to build brand loyalty and repeat sales.

A best-in-class Order Management System (OMS) on the other hand, was designed with the full order management experience in mind. From showing customers what's in stock at their local store, through convenient delivery to returns. It's a flexible system that lets you customize and differentiate the fulfillment experience for your



customers. In short, it can create a competitive advantage. So let's take a look at seven reasons to use a best-in-class OMS to help you provide a better order management experience for your customers.

01. Store Fulfillment

Customers expect faster delivery. Top retailers like Amazon have trained them to expect it. But unless you have a DC near your customers' homes the cost can be high. Meanwhile, retailers need new ways to make their inventory work harder. And the use of store stock to fill online orders is a great way to do it. But without the right tools, it's not easy.

Store fulfillment rollouts can be tough. Your store staff, whose number one goal is sales, can be resistant. They have to learn new systems, new processes, potentially grasp a new compensation model—and still hit their sales targets. But if done well, it can be a huge win.

Click and Collect

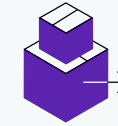
When customers come to collect an online order the process is simple. Just scan a barcode. As a result, the wait is short, so customers won't feel stressed. Better yet, they'll have more time to keep shopping. But there's another benefit too. Your store associates won't resent the time away from the sales floor because the process is quick and easy.

Ship from Store

A dedicated Distributed Order Management System provides user-friendly, mobile-enabled tools that guide store staff through the pick, pack, and ship process. This reduces the time it takes to train your staff because they are prompted throughout the process. From the first order notification, through the printing of shipping labels, it provides them with a good experience. But more importantly, those same tools let them provide a great order management experience to your customers.

In addition, the OMS lets retailers adjust the flow of orders sent to each store. That way, no one store becomes overburdened. And if an order is unable to be fulfilled at any given store, it is

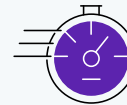
Benefits



Move more inventory



Ship faster



Don't lose sales because of out of stocks



Increase foot traffic in your stores

automatically rerouted. Whether it's simple Click and Collect, or the more complex Ship from Store, your OMS is key to a successful store fulfillment program that provides a premium order management experience.

02. Complex Order Routing

The ability to ship from anywhere means lots of delivery options, and lots of priorities to consider—far more than a person can process. But just like a calculator makes light work of number crunching, an OMS is designed to figure out the best way to deliver each order, based on your business objectives. Even though the routing is complex, you provide a seamless order management experience to your customers. Let's look at how an order management system can help you with three complex use cases: Order Splitting, Optimal Routing, and Automatic Re-Routing.

Order Splitting

Let's say a customer places an order for two items. One is in stock at your DC. The other is only in

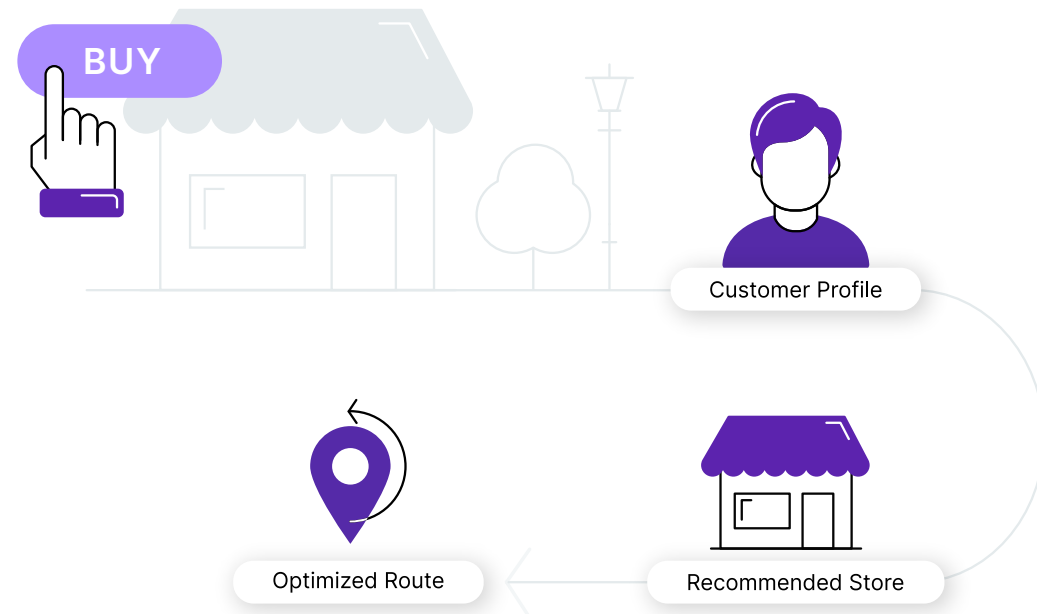
stock at a store or 3PL. And the customer wants their items fast. There's no time to transfer one of the items so they can be sent as a single parcel. What do you do?

With a Distributed Order Management system you can split the order. But what's most important, is that the customer still sees just one order number. There's no need to create a separate order for each item; you just split the order into two shipments. This way, it's less confusing for the

customer, provides a better order management experience, and simplifies customer service process. But the big benefit? You deliver on-time.

Optimal Order Routing

An order is received. It's in stock at your DC, and at three stores. What's the best place to ship from? How can you keep the highest margin? And which shipment option best fits your brand's delivery experience strategy? Let's look at some scenarios.





Store with the biggest markdowns

It's the end of the season. Coats need to be sold to make way for shorts and t-shirts, and fast, so prices drop weekly. But you can often sell a late season item at a higher price online than in a store. So when that full-price online order comes in, where do you want to ship from? Your DC? Or the store with the biggest markdowns?



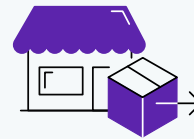
Store with the most stock

Ship from Store is great, but you also want to protect the in-store experience. You don't want to disappoint your walk-in customers if you can help it. So when that online order comes in, you may want it sent to the store with the most stock on hand.



Fastest Delivery

One of the biggest benefits of Ship from Store is the ability to reach your customer faster. An order sent from a local store may get delivered within a day or two. No expedited shipping required. And that's valuable. It lets you provide the kind of premium delivery experience that delights customers and gets them talking.



Store with the lowest throughput

Some stores move stock faster. They're in high traffic areas. So it makes sense to preserve their inventory. If you ship online orders from your mid-tier stores—the ones with lower stock turnover and higher markdowns—you'll keep a greater margin overall.



Automatic Rerouting

Sometimes an order can't be fulfilled from a particular store or DC. Inventory is damaged or just can't be located. Whatever the reason, you need to shift to plan B fast. You don't want to deliver late.

Luckily your OMS can help. Store staff can quickly flag any item that can't be fulfilled. At that point, you might have a rule in place that reroutes the entire order to another store. Or you may have them complete a partial shipment, and just reroute the missing item. But there's another scenario too.

What if the order wasn't picked because a store was too busy? It can happen, especially during peak season or sales. But with an OMS, you can define rules that automatically reroute an order after a certain period of time. Even if one store can't ship it, it will be sent to another that can. That way you avoid customer disappointment and maintain a positive order management experience.

03. Enhanced safety stock with inventory pools

For retailers who carry 'thin inventory,' Ship from Store can be a challenge. How do you set safety stock if each store only carries one or two units of any given SKU? That's where inventory pools can help. Rather than setting a safety stock level for each item at each store, the safety stock level is set across a pool of stores, usually from the same geographic area. How does that work? Say you have eight stores in your pool, each

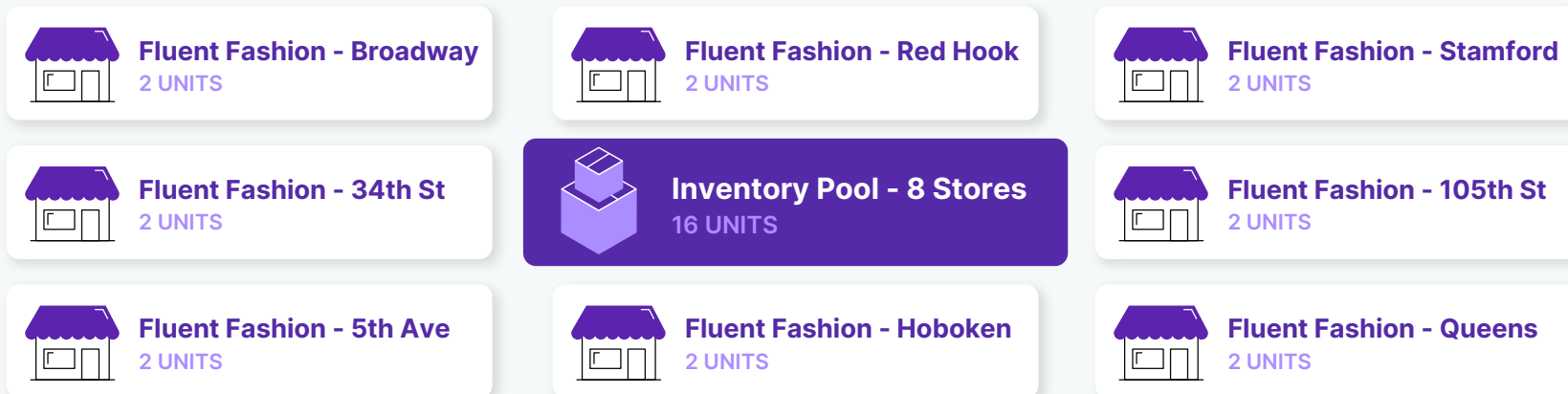
carrying two units. Your inventory pool is 8×2 which equals 16 units—a much bigger number. Now, you set a safety stock level of five across all 16 units.

This way, you can confidently route orders to one of the stores in the pool. Even if one of the stores is out-of-stock you'll know that another local store from the pool will have the item and you'll still be able to meet your promised delivery date. But if the inventory level across all stores in the pool dips below five units, no orders will be sent to any of the stores. That way you'll avoid both canceled orders and disappointed customers.

04. Better inventory update management

What's the biggest challenge for any retailer? For most it's inventory visibility. Knowing what you have Available to Sell. Traditional commerce platforms are not designed to take inventory feeds from multiple systems. Nor do they provide tools to fine-tune which inventory should be updated and when.

While real-time inventory visibility is always desirable, for large retailers there can be limits. Many legacy systems can't handle real-time data



feeds, or the retailer may lack the processing power to update large data sets. This means a more strategic approach is required. For slower moving inventory, batch updates may be enough. But what about more popular items? They may need updates every few hours or minutes. And hot SKUs? You'll want those updates as close to realtime as possible to avoid canceled orders.

Fortunately, a best-in-class OMS provides a smarter way to update inventory. Even better, cloud-native scaling lets you update more inventory positions faster. And you can create rules to manage how often inventory is updated, even at the category or SKU level. Which is key for customers.

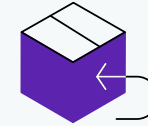
Why? Because it's a downer when you place an order and get excited about it, only to have it canceled because an item isn't in stock. With a more accurate view of inventory, you can provide a better order management experience and eliminate customer frustration.

05. **Appeasements, refunds and exchanges**

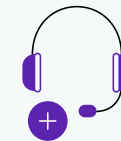
Sometimes orders go wrong. It could be a late delivery, wrong item, broken item, or one that simply didn't fit. No matter the cause, your customer is disappointed. Do you offer self-service returns? Or do your customer service reps have the tools they need to fix the problem? Can they convert a disgruntled customer into a loyal fan?

There is no more important time for things to go right than after they've gone wrong. With a best-in-class OMS you can extend the seamless shopping experience to appeasements, refunds and exchanges.

For example, you can:



Empower your customers to start their own returns process by generating a self service Return Merchandise Authorization



Give customer service reps the ability to apply appeasements at the order or line item level, or other parts of the order, like a shipping refund



Offer both percentage and fixed amount discounts

And what's more, reps can apply appeasements or process refunds and exchanges from anywhere. So online orders can easily be returned in-store.

06. No order status black holes

Have you ever called a retailer about the status of your order? Did they give you an answer quickly? Or did it take a long time?

If the latter, they probably had to log into multiple systems (ERP, eCommerce, carrier systems) to track down your order and get the latest update, which results in a poor customer experience. But there's something worse: when they really have no idea about when your order will arrive because it's 'in-between' statuses and they simply can't see what's going on.

A best-in-class OMS provides an end-to-end view of each order. So there's no need to log in to multiple systems. What's more, it provides full visibility into the pick and pack status of the order. This means customer service reps can provide accurate up-to-date order status to customers quickly and easily—with no black spots—which means shorter call times and happier customers.

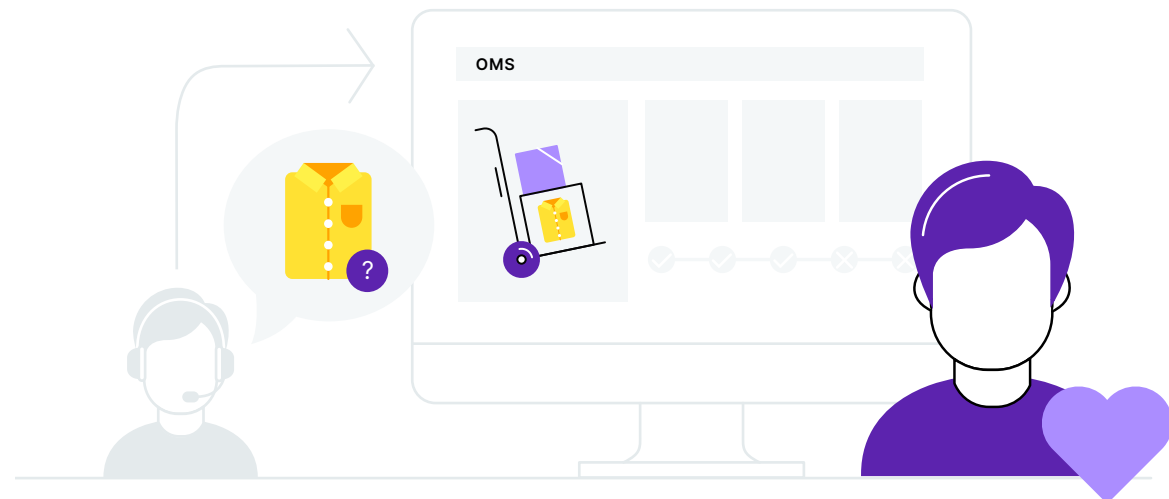
07. Faster iteration of service offerings

Imagine you want to offer Click and Collect in just two hours instead of four. Think about all the checks and balances that need to be in place. Many fulfillment processes and event triggers will need to be adjusted. And what if you want to test two-hour pickup at just a few stores to make sure you've got it right? Can you do it without breaking your fulfillment logic?

A single system for fulfillment logic

Ever been too scared to make a change to a system for fear something might break? At many retailers, the rules that govern how orders are fulfilled are stored in multiple systems, not just one. What's more, some of those systems are old and difficult to change, which means IT resources are required. The fear of 'breaking something' is real.

As a result, innovation stops. But with an order management system, all that logic is united in one location. No need to worry that a change made in one system will break another, because



you can see all your fulfillment processes in one place.

Business user friendly

If you need IT help to update your services, change can be slow. It's hard to make it to the top of the development priority list. But an OMS that includes a workflow modeler puts the power of fulfillment logic in the hands of the business. New fulfillment processes can be created quickly. Better yet, any issues can be fixed as they arise—no lengthy IT delays.

This means you can create, test and rollout new service offerings much faster than before. And in a world where customer expectations change rapidly and competition is fierce, it can be a key differentiator.

Conclusion

In summary, order management involves a lot of data, logic and processing. Far more than a commerce platform was designed to handle. What's

more, there are a lot of customer touchpoints involved, and many potential points of failure. Miss just one of them and the result is a poor order management experience. Is that something you can afford to risk?

Even if you don't need to support all the edge cases that a best-in-class order management platform can provide, there is another hidden benefit. By moving order processing to a dedicated system, you'll decrease the load on your commerce platform. The result? You'll increase your website performance. That means faster page loads, less customer frustration, and ultimately fewer abandoned carts.

About Fluent Commerce

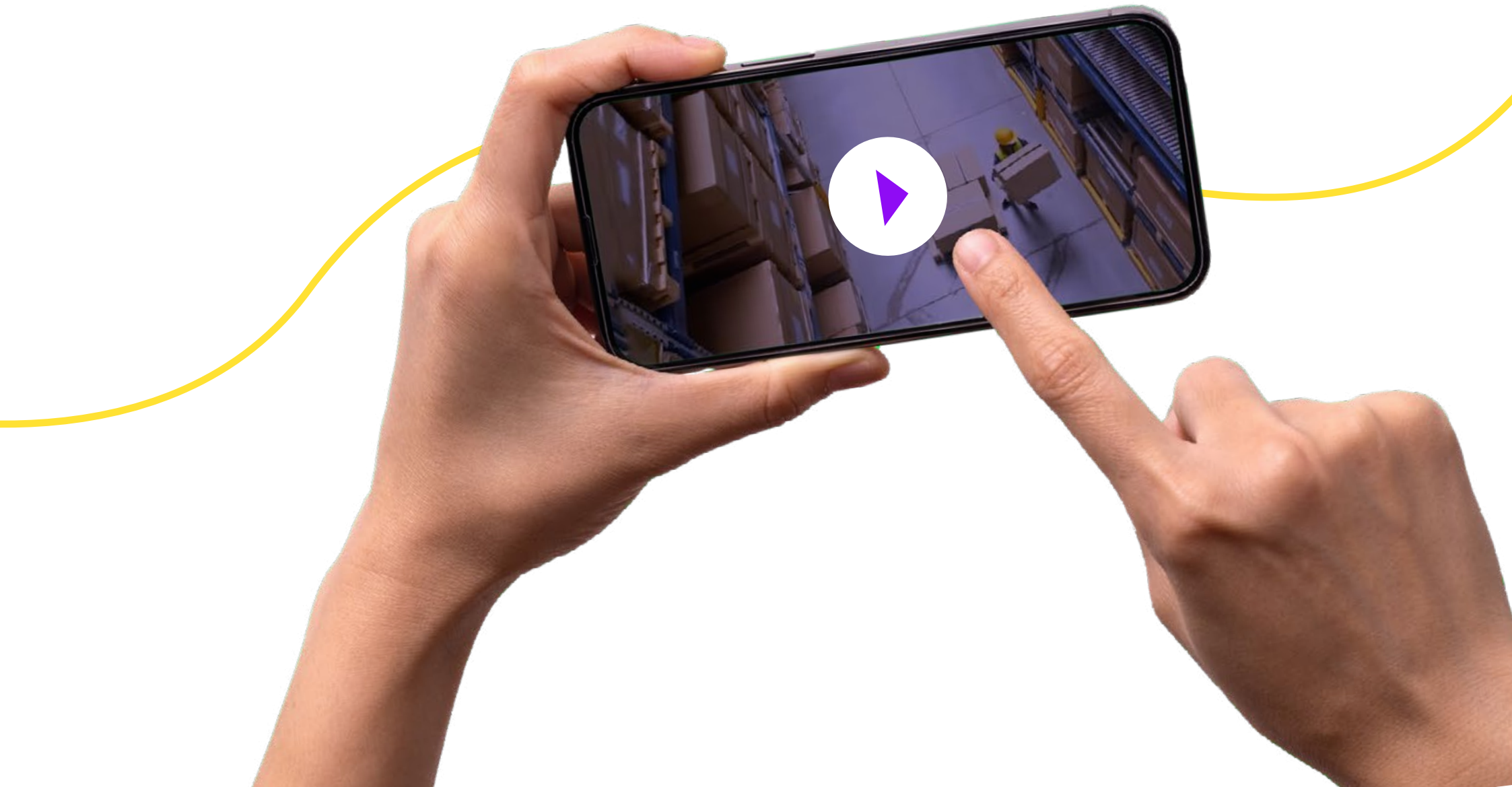
The world of commerce is changing rapidly. To offer a premium customer experience, Retailers need to adapt quickly and challenge the status quo. But their old systems can't support this new reality. That's why we exist.

Fluent Commerce is the leading provider of fully customizable cloud order management to merchants and brands who want to provide a premium omnichannel fulfillment experience, profitably.

Fluent Order Management lets merchants offer Click and Collect, Ship from Store, and other advanced omnichannel offerings. Its flexible APIs and cloud-native architecture, enable retailers and brands to roll out quickly and scale as needed, anywhere around the globe.

For more information, visit fluentcommerce.com

3 ways your Fulfillment Customer Experience can build or break customer trust



Create a profitable omnichannel strategy with a best-in-class order management system

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