HEMA

HEMA redefines business processes and systems with Fluent Order Management

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order management. accelerated.

Legacy systems meant legacy processes. The HEMA team knew it was time to modernize. They focused on what capabilities should exist in what systems. The results? Happy customers, a smooth peak period, and technology that could scale. Read the full story.

Key Results:

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

- 80M SKUs (cakes) sold in 48 hours over national holiday

- 60% improvement in average latency for ATP inventory (from 1110.78 ms to 441.59 ms)

- 99% decrease in order processing time (from 2 hrs to 1 min)

Company Background

HEMA was established in 1926 and believes in the traditional Dutch success formula of "exceptional simplicity"; great quality and design should be available to everyone at a great price. They offer a wide range of products all HEMA branded and developed in-house.

Since its foundation, HEMA developed into an international retail organization currently active in 6 European countries, via partnerships in the Middle East, plus an online and offline presence in Mexico. HEMA designs, markets, sells and distributes products through its directly owned stores, as well as a network of branded franchise stores and eCommerce platforms (including apps). Today HEMA has 750 stores, with 19,000 employees serving over six million visitors every week.

Challenge

The search for a new OMS (Order Management System) began after a major disturbance during peak. The old order management system had delays that could be up to 10 hours for processing orders. This was technically disruptive and the issues waterfalled:

1. Batch processing created delays

2. Stock figures shown to customers were inaccurate

3. Customers continued placing orders

4. Business had to cancel orders

5. Unhappy customers called customer service

6. Customers and/or sales lost

"You are selling inventory you do not have. Then the batch grows bigger and the delays longer," said Floor S.L. Schade, Product Owner OMS

The lack of real-time data meant ATP latency, further impacting the customer experience, so HEMA could not meet customer promises to the full extent they strived for.

It was time for change. A technical foundation for future growth was critical.

Solution

"We didn't just replace and replicate the functionality of the old OMS with a new one. We re-evaluated the purpose of an OMS. We defined what the core capabilities and function should be in what we call the order management ecosystem," commented Floor.

This meant finding technology that fit this definition and their needs. Not adapting to rigid technology. They defined these core capabilities as:

1. ATP (Available to Promise)

2. Order Orchestration

3. Allocation Logic

The project team at HEMA were very clear on their requirements and the three pillars of an Order Management System. It required reeducation internally. Some areas of the business had become used to the legacy OMS owning areas it shouldn't. For the new Order Management project plan, the team made sure the OMS did the core capabilities really well rather than do all kinds of stuff and be poor at everything.

Fluent Order Management was the perfect foundation for scale.

Grid Dynamics, an experienced partner of Fluent Commerce, led the implementation of Fluent Order Management alongside Hema, to ensure the project went live successfully.

Results

The HEMA team eliminated the "negative spiral" of batch processing with Fluent Order Management. "Now our processing is instant, it is fully event-driven with Fluent OMS," noted Floor. They created a positive spiral that looks like this:

1. Real-time event driven inventory processing

2. Accurate stock figures shown to customers (improved page latency)

3. Customers placing orders (increased revenue)
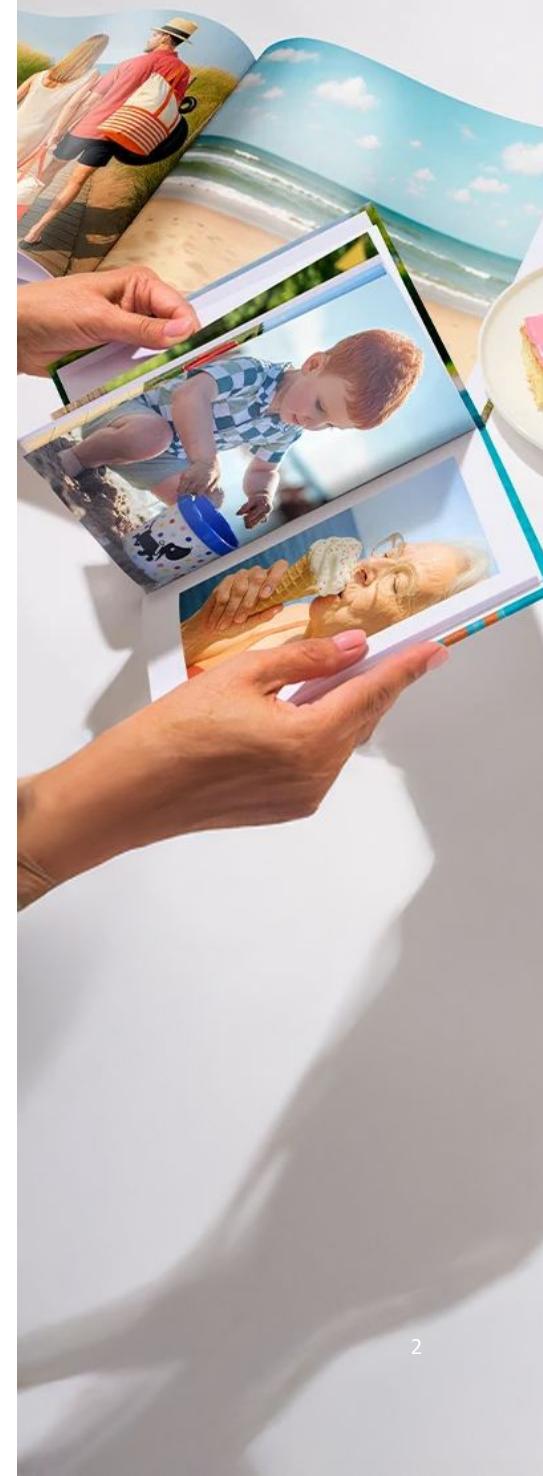
4. Delivering on their customer promise (reduced canceled order rate)

5. Happy customers receive orders (decrease in call center volume and call time)

6. Customers return for more!

"My life has been easy with Fluent," said Floor. What's more? HEMA has seen the value of true extensibility and flexibility with Fluent Order Management. A few unique use cases include:

- King's Day is a national holiday in the Netherlands. It is tradition to have a cake, "oranje tompouce." HEMA needed a special fulfillment method for these cakes that could handle releasing items to the supplier two days before scheduled pickup. On the Wednesday night before Kings Day 14k orders were released. On Thursday night another 16k orders were released. All without issue and only two months after initial go live with Fluent Order Management.

- Fulfilling the customer promise was a major goal. The HEMA team wanted to make sure they had an additional mechanism for checking on a customers' order status. They created a special notification for when an order is in a specific status for too long. This enables them to spot and fix any delays that may arise and notify the customer accordingly.

HEMA redefined order management within their organization and created real results in doing so. And this is just the beginning.
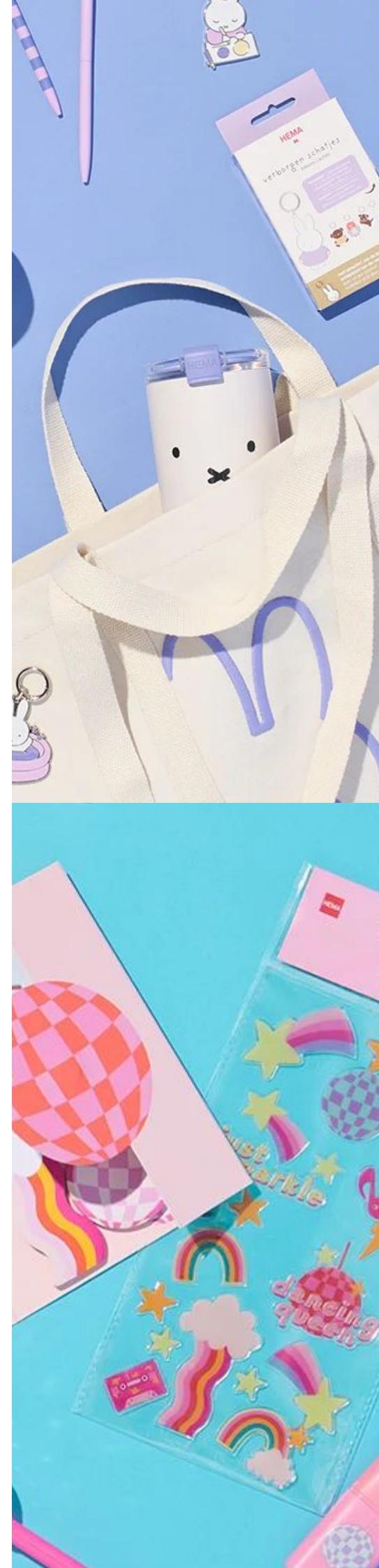
"The business has forgotten order processing was ever an issue thanks to Fluent Order Management"

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"Fluent Order Management is the first composable best of breed solution we have added to our tech stack. Due to its success we plan to continue on this composable pathway for the rest of our technology projects," ended Floor.

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

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