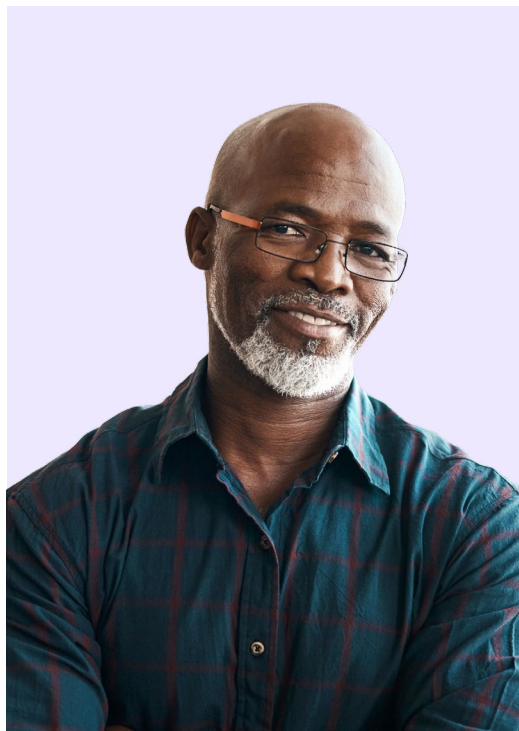# Order Management System RFPs

7 essential stakeholders

fluentcommerce.
order management. accelerated.

In the age of multi-department funding, early stakeholder buy-in is essential.

There was a time when most software purchases were driven by IT departments. And the Chief Information Officer held the budget. But today business units are far more tech savvy. They know their problems. They are comfortable researching solutions. Meanwhile, C-Level executives want to fund projects that provide the biggest overall benefit to their business.

One way to measure the overall impact of spend, is to see how many departments will benefit. Hence the rise in multi-department funding— which means more stakeholders in every initiative. So if you're building a business case for an order management system, here are some key stakeholders to involve in your process— along with some questions to get them thinking about the benefits to their teams.
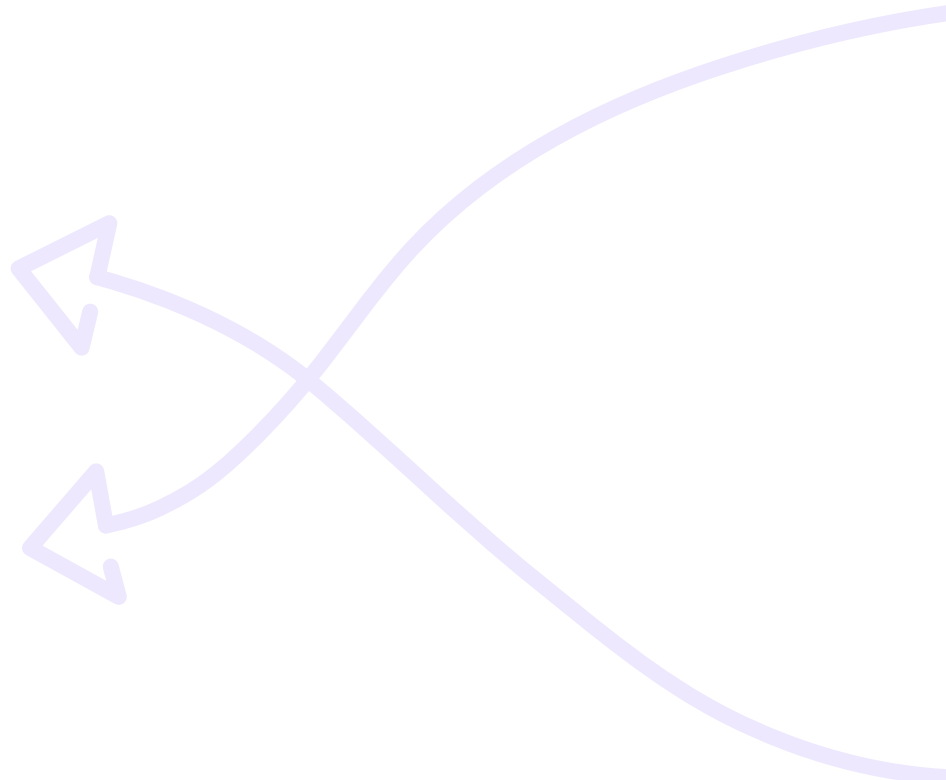
01. Chief Information Officer (CIO)

While the CIO is a main stakeholder, their biggest concerns will be different to other operational departments. For them it's less about the external customer experience, and more about how they can deliver value to the business faster and reduce costs. Here are some key questions to consider.

*Q1. How would it increase your **rate of innovation** if UI components and business logic could be independently updated and deployed, and reused?*

Why it matters

Traditional legacy software solutions that used a monolithic architecture were difficult to change. Often, customizations had to be hard coded and they typically weren't well documented. Over time, all these customizations would become difficult to manage. And if key resources left the organization, often their successors would be too afraid to touch the system for fear of breaking something. This would leave an organization paralyzed. Unable to innovate so they could meet the needs of their business. Modern cloud-native solutions are different.

Fluent Order Management uses a micro frontend architecture. This means every UI element is a
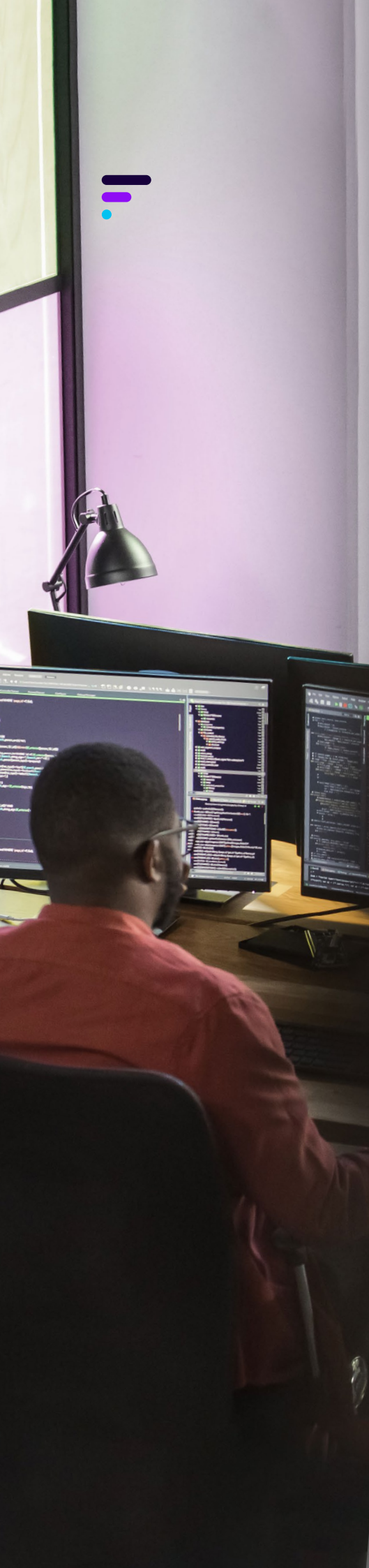
reusable component that can be independently updated and deployed. The same applies to fulfillment logic. Each workflow is made up of independent business rules that, once again, can be independently updated and deployed. This reduces interdependency and means teams can work on different parts of the solution in parallel, so they can provide more value to the business... faster.

> *Q2. How would a cloud-native scalable solution impact your* **Total Cost of Ownership?**

Why it matters

While faster innovation reduces costs, so does cloud-native scalability. In the days of managing your own servers, often IT teams would spend the two months before peak season adding additional servers to ensure they could support spikes in demand. Then after the busy period, they'd have to decommission them. This added costs to overall maintenance, and diverted resources away from innovation. What's more, even with many applications moving to the cloud, a 2020 Deloitte study found that 'The average IT department invests 55%+ of its technology budget on maintenance' What if you could decrease this and innovate more?

02. Head of Ecommerce

This is an obvious one, but there are lots of factors to consider. And the impact of accurate inventory availability data and lead times can make a big difference to overall sales. Consider these questions:

*Q1. How much would it impact online sales if you could **reduce overselling and underselling by 50%** or more by showing **accurate inventory data** on the **product details page?***

Why it matters

Have you ever placed an online order only to get a message several hours later (or worse, days) that reads: Sorry, your order has been canceled. Or gone online and seen that an item is out of stock, only to find it in your local store? Overselling and underselling is a huge issue. Both for the seller and their customers' experience. But with accurate inventory availability data provided by a modern order management system you can significantly reduce this problem.

*Q2. How would it impact your **conversion rate** if you could provide more **accurate lead times** on the **product details page**?*

Why it matters

Some purchases are time sensitive. It could be a gift. Something for an upcoming event, like a party, a big game, or a night out. Or trip, whether it be to the beach, skiing, camping, road trip, or the overseas vacation of a lifetime. So if you're not providing customers with an estimate of how quickly they can get the item, you risk losing the sale and potentially the customer, for good.

*Q3. How would it impact your customer experience if you could indicate if an item is **in stock** on the **product listing page**?*

Why it matters

This is especially important for sellers who offer lots of similar, potentially interchangeable, products. No customer wants to click into every product details page just to see if an item is in stock. While this data is often cached in a commerce platform to reduce page load speed, providing customers with an early indicator of what's in stock reduces one more point of friction in the buying process. According to Forrester, 77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized experience. That includes showing what's in stock, close to them, and accurate lead times.

03. Head of Logistics / Distribution

The key metrics for any head of logistics is Fill Rate—the percentage of orders shipped on time, and in full on the first attempt. And the leading indicator for a low fill rate is a high rejection rate. So that's a key topic to cover with your logistics department. But there may be more strategic benefits too.

Store fulfillment can reduce the average distance over which an order was shipped. Not only can this drive down delivery costs, but reduce your carbon footprint too. Especially if you engage local 'green' delivery services such as by bicycle or electric vehicle. This can help to meet your sustainability goals. And it's worth considering the impact on your capital expenditures as well. Here are key questions to consider.

*Q1. What is your **rejection rate** - or the average number of times an order has to be rerouted to another location?*

Why it matters

A high rejection rate is typically caused by one of three things:

1. Inaccurate inventory data

2. Not enough labor capacity

3. Low store staff engagement (in the case of store fulfillment)

And an order management system can impact all three.

1. Inaccurate Inventory Data

While it's called an order management system, one of its most important jobs is to serve as the inventory availability master. This means it consumes inventory position updates from all your other systems to provide an accurate, unified, cross system view of all your inventory data. When inventory accuracy goes up, your rejection rate goes down. Which also boosts your fill rate.

2. Not enough labor capacity

In addition, an order management system lets you consider store capacity in your sourcing logic. For example, you might set a maximum number of orders per day for each location. Or a maximum number of open orders per day. This is particularly important for store fulfillment. That way, store staff don't get overwhelmed.

3. Low store staff engagement

While low store staff engagement for the fulfillment of online orders can be attributed to many factors, including incentive models, one of them has to do with inventory data. Say you work in a store that receives online orders. But 3 times in a row when you go to find the item, it's not actually on the shelf. Your data is out of sync. Then next time an order comes in, how motivated would you feel to actually look for the item? Or would it feel easier just to hit the 'Reject' button so you can focus on in-store customers? The negative impacts of inaccurate inventory data can reach deep into your organization.

Now let's look at the next question, which is a bit more strategic.

*Q2. How soon will we need a **new distribution center** based on ecommerce demand projections?*

Why it matters

In 2023, ecommerce sales are expected to account for [20.8% of retail sales worldwide](#). As ecommerce demand increases, so does your need for fulfillment capacity. But some organizations have successfully pushed out this capital expense by 5 years or more. How? By focusing on their store fulfillment operations to make them more efficient, thereby increasing capacity. To do this it's important to provide store staff with better tools that are easier to use and let you optimize your pick and pack strategy.

04. Head of Customer Service

How would an order management system impact your customer service team? Could the benefits help fund your project? Here are some questions to ask.

> Q1. How many **calls per month** are due to **canceled orders?**

Why it matters

If your canceled order rate is high, it might be generating more inquiries than you think. Say you receive 1,000 inbound inquiries per month related to canceled orders, and your average cost per inquiry is $4. Let's look at a simple equation.

$$\underset{\text{Inquiries per month}}{1000} \quad X \quad \underset{\text{Per inquiry}}{4} \quad = \quad \underset{\text{Per year}}{\$48{,}000}$$

That's $48,000 in contact center costs you could potentially save using an order management system to reduce overselling.

*Q2. How many **calls per month** are due to
‘**where is my order**’ inquiries?*

Why it matters

In the same way that an order management system
can help reduce ‘canceled order’ calls, it can also help
reduce ‘where is my order’ calls. How? By providing
workflows that let you trigger notifications to the
customer at any point in the order lifecycle. That way
customers stay informed. What’s more, using APIs
you can expose order status data into your commerce
platform, or another other customer facing system, to
support self service updates.

*Q3. Can Customer Service Reps (CSRs) get a
detailed view of order status today? Can
they see where an order is being fulfilled
from? If they could, how would that impact
call resolution time?*

Why it matters

Even with lots of notifications in place, sometimes
customers still reach out. And if your CSRs have to
access multiple applications to look up order status,
or worse, don’t have visibility at all, that can have a big
impact. By using an order management system to show
CSRs detailed order status you can improve both your
call resolution time, and your customers’ experience.

05. Head of Store Operations

Covid drove a massive uptick in Buy Online Pickup in Store (BOPIS)—sometimes known as Click and Collect—and Ship from Store. One that is here to stay and is important to get right. It also put a lot of pressure on store staff which has made hiring difficult and retention essential.

*Q1. How would accurate inventory data and modern tools increase **labor productivity** and **employee engagement**, and reduce your **turnover rate**?*

Why it matters

While there are always exceptions, most people who work in retail have an innate desire to make customers happy and do their jobs well. But if we don't provide them with the right data and tools to do their job, it not only impacts the customer's experience, but employee engagement too.

Let's look at the two ways a modern order management system can help.

1. Accurate Inventory Data
2. Modern Tools

1. Accurate Inventory Data

- **Overselling**
  A customer places an order online and it's routed to your store. Your team member goes to pick it, only to find it's out of stock. They reject the order. This wastes their time and impacts labor productivity. What's more, if it happens too often, after a while staff will be more likely to just reject orders without even looking for an item. So it negatively impacts both employee engagement and your store rejection rate.

- **In stock online / Out of stock in store**
  If customers come in looking for an item that's actually out of stock, it's often the store associate that has to deliver the disappointing news: "Sorry, our online inventory isn't always accurate." Once again, if staff had to do this repeatedly, it's not good for morale, and provides a poor customer experience.

2. Modern Tools

- **Give staff more time to sell**
  When you don't empower staff with the technology that is easy to use, they spend too much time on admin tasks. This time could be better used increasing in-store sales.

- **Give staff a sense of urgency**
  Modern solutions can be configured to trigger alerts and notifications that inspire prompt action when orders come in.

- **Support the pick/pack strategy that fits your business**
  A modern, responsive UI, with flexible business logic can be configured and extended to fit your unique business needs and ensure maximum efficiency.

- **Create a company culture to keep staff with you**
  A retail store associate is rated the worst job in the U.S. right now. Businesses are having to get creative with gamification, incentives, and easy technology to keep staff around.

06. Chief Marketing Officer (CMO)

How many CMOs are thinking about the impact of inventory data accuracy on their programs? Probably not many. But if your organization does a lot of digital advertising, it's worth considering the impact to this key stakeholder.

Q1. How would accurate inventory data increase your **Return on Advertising Spend?**

Why it matters

Digital advertising is growing and the number of digital channels to engage with is increasing. But is your advertising inventory data aware? Or are you, like most organizations, potentially running ads for items that are out of stock? Consider two use cases:

- **Out of Stock online:** A customer sees your ad. They click. But the item is out of stock. They're disappointed. The experience is poor. And your spend? Wasted.

- **In stock online, order canceled:** A customer sees your ad, clicks, and places an order. But later they receive the dreaded 'Your order has been canceled' message. Which means you've wasted ad spend AND broken a promise to a customer. How likely are they to buy again? What does that do to your overall **Customer Acquisition Cost?**

07. Procurement Manager

Last but not least, talk to your procurement manager. Every organization has different procurement processes. So it's important to understand yours early. What is the process? How can you gather data to support or accelerate the process? Who needs to be involved? Are there additional stakeholders and approval processes you need to consider? Does procurement have any KPIs (like sustainability goals) that this initiative could contribute to?

What's more, as you're doing your research think about how you would answer the following:

- What use cases do you need a solution to support that should be included in the RFP?

- What suppliers should be included in an RFP?

- How are you going to evaluate the responses?

- Who should be included in the evaluation process? And where are they in your journey?

That way you'll be prepared. And it will help accelerate your overall timeline.

Engage with stakeholders early

Remember, if you're the primary champion for an order management project, you'll need support. Get all your internal stakeholders involved and aligned early in the process. Have discussions. Send them content to support your business case. Ask them about the use cases they need a system to support. That way, when you reach out to procurement you'll have a huge head start on the process.

Summary

CIO
Benefits

Innovate faster
The micro frontend architecture, and rules-based workflows let teams work in parallel so you can deliver business value faster.

Reduce maintenance effort and cost
A cloud-native microservices architecture lets you maintain less, innovate quickly, and reduce your total cost of ownership

Integrate quickly
Support for multiple API patterns (REST, GraphQL, Webhooks, synchronous, asynchronous, etc.) provides the flexibility you need to integrate faster.

Head of Ecommerce
Benefits

Reduce out of stocks and canceled orders
Keep inventory in sync in near real time to reduce customer disappointment.

Roll out new offerings faster
Add new digital channels, new fulfillment offerings, more fulfillment locations, or expand to new regions... faster.

Improve your customer experience
Show customers an accurate view of what's in stock and how and when they can get it.

Head of Logistics
Benefits

Improve your fill rate
Keep inventory in sync in near real time to increase your on-time in full delivery rate.

Reduce delivery costs
Optimize fulfillment logic to reduce transportation costs.

Optimize fulfillment
Use advanced sourcing logic to continually optimize fulfillment operations.

Head of Customer Service Benefits

Reduce call volumes
Increased inventory accuracy means less canceled orders and associated support calls.

Resolve calls faster
Empower your team with detailed order status information so they can resolve support calls faster.

Minimize applications
With headless integration (optional) your team can manage orders from within your existing systems to reduce training and call resolution time.

Head of Store Ops Benefits

Drive store traffic
Show customers what's in stock, and provide the online order pickup options that increase store visits and revenue.

Pick and pack efficiently
Craft the pick and pack strategy that best fits your store footprint, and reduce printing needs.

Manage store capacity
Control how many orders are sent to each store to prevent bottlenecks and customer disappointment.

CMO Benefits

Increase brand trust
Get accurate inventory to help reduce out of stocks, and increase trust in your stock availability.
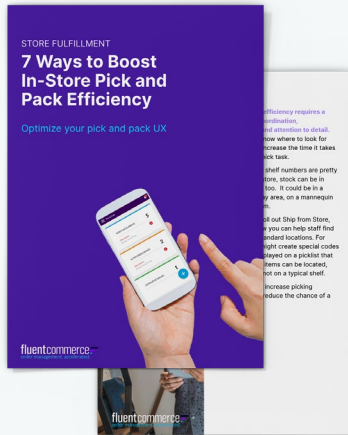
Boost your NPS
Reduce canceled orders and customer disappointment.

Increase your ROAS
Integrate accurate inventory with your ad platform to reduce wasted spend on ads for products that aren't in stock.
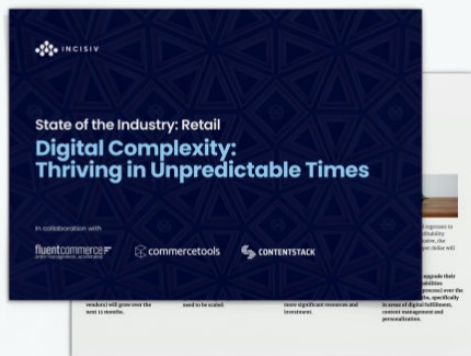
You might also like...

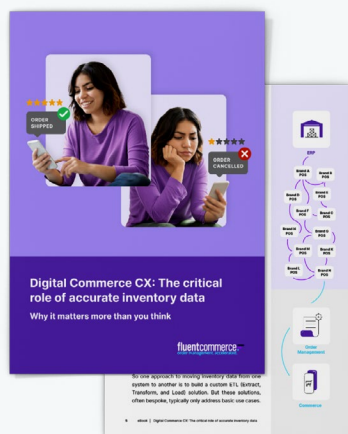**7 Ways to Boost In-Store Pick and Pack Efficiency**

Optimize your pick and pack UX

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Digital Complexity: Thriving in Unpredictable Times

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Digital Commerce CX

The critical role of accurate inventory data

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Invite your key stakeholders

Ready to find out more?

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