

SOLVE FOR X.

OMS 101:

Why Order Management Is
Key to Optimal Omni-Channel
Execution and Fulfillment

Presented by:

Jim Barnes

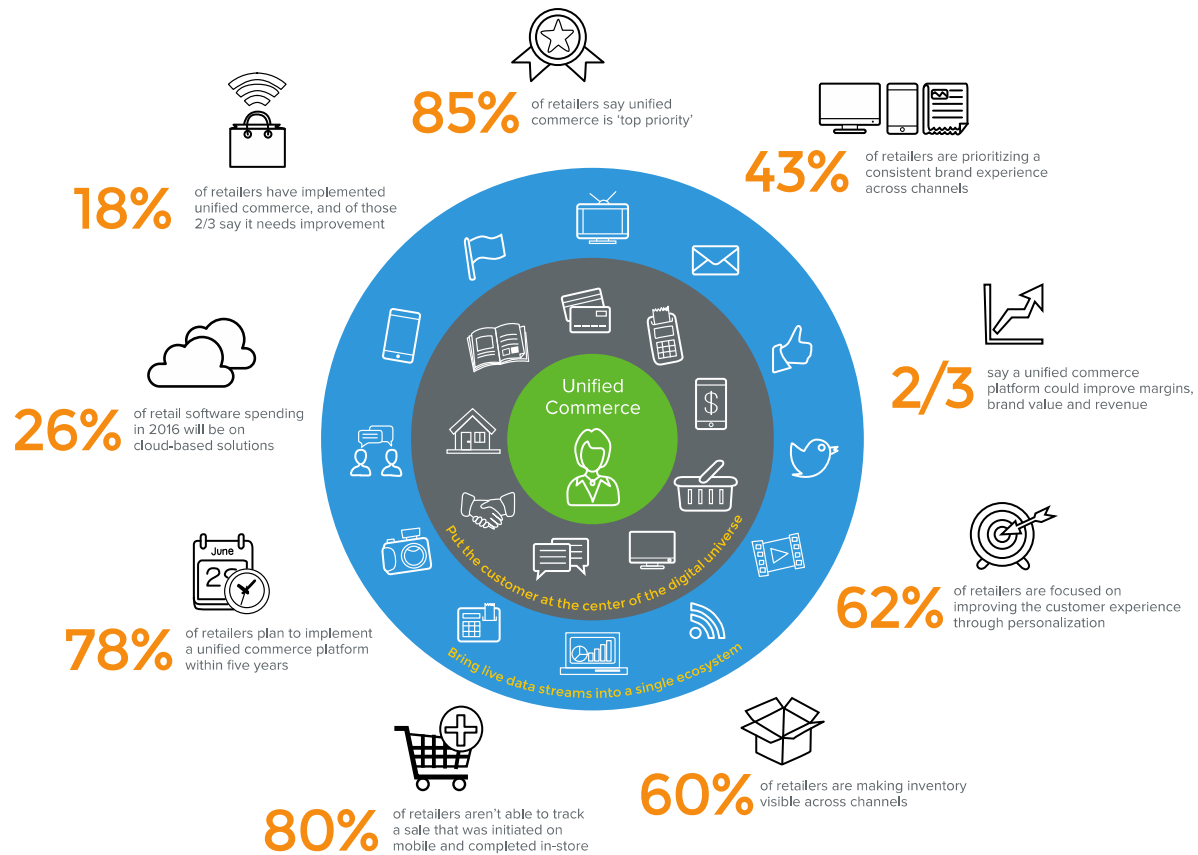


Dear Retailer:

I'd like this item, with these attributes, available in this channel and in my hands when I need it, exactly how I ordered it. Please make the entire process easy, seamless, convenient and fast regardless of channel, even if I want to return your item. I don't want to be treated like a transaction. I am not an order; I am a person. Communicate and interact with me accordingly. Know my preferences and order history and be able to locate an item for me, whether I am in the store, online or talking to your call center reps. I have lots of shopping options so every interaction counts. I want to feel like you see me and that I matter to you. Can you promise me you will deliver against my expectations? If you keep your promise, I will likely be back!

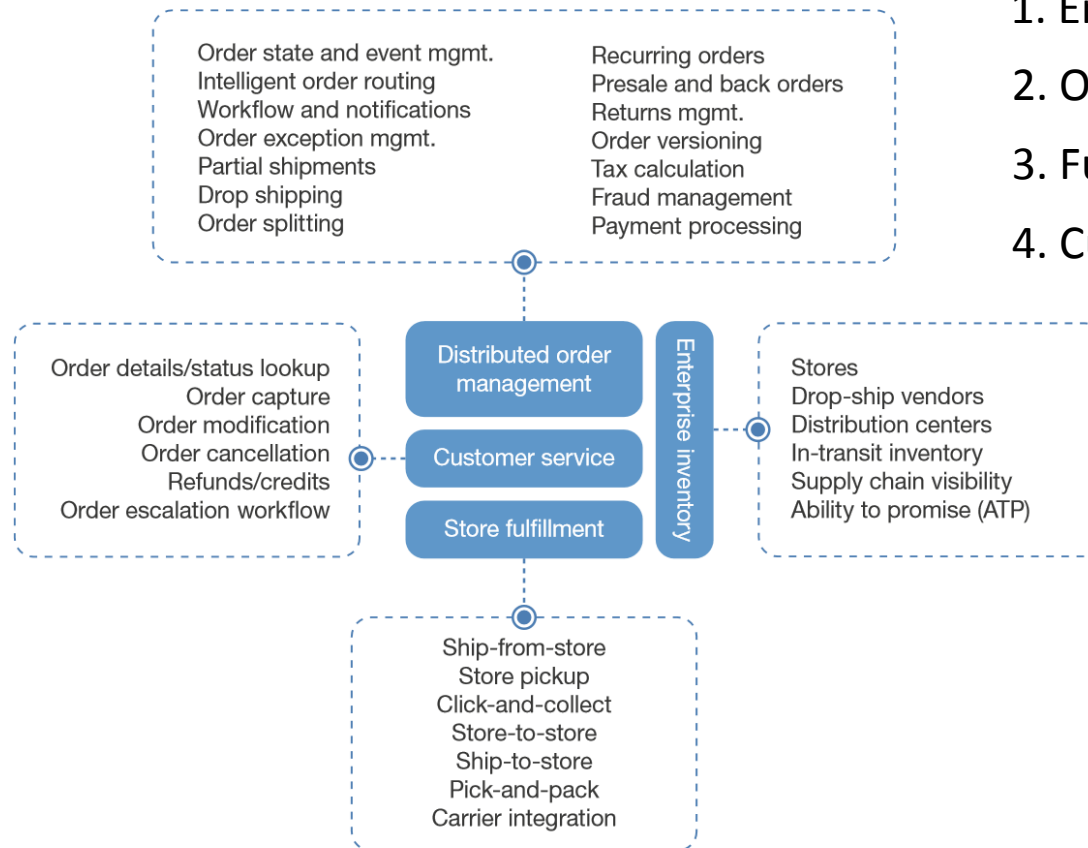
***Sincerely,
Your Customer***

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<http://risnews.edgIt.com/retail-insight-blog/Top-Tech-Trend-of-2016--Brave-New-World-of-Unified-Commerce104031>
<https://bostonretailpartners.com/2016-special-report-unified-commerce/>
<https://bostonretailpartners.com/2016-pos-survey/>
<https://bostonretailpartners.com/2016-e-commerce-survey/>
<https://evigo.com/19022-demandware-steps-towards-unified-commerce-platform/>

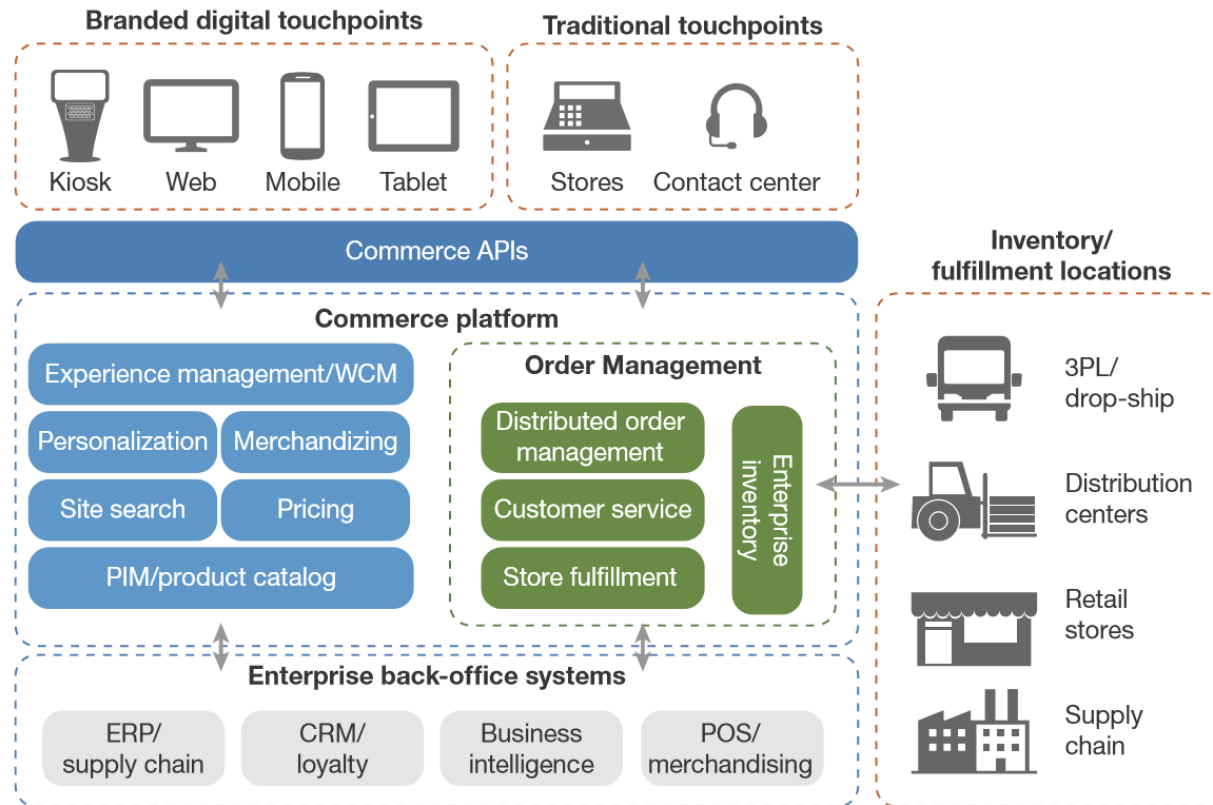
(4) Pillars of OMS



1. Enterprise Inventory
2. Order Routing
3. Fulfillment Execution
4. Customer Service

Source: Forrester Wave OMS Report 2014

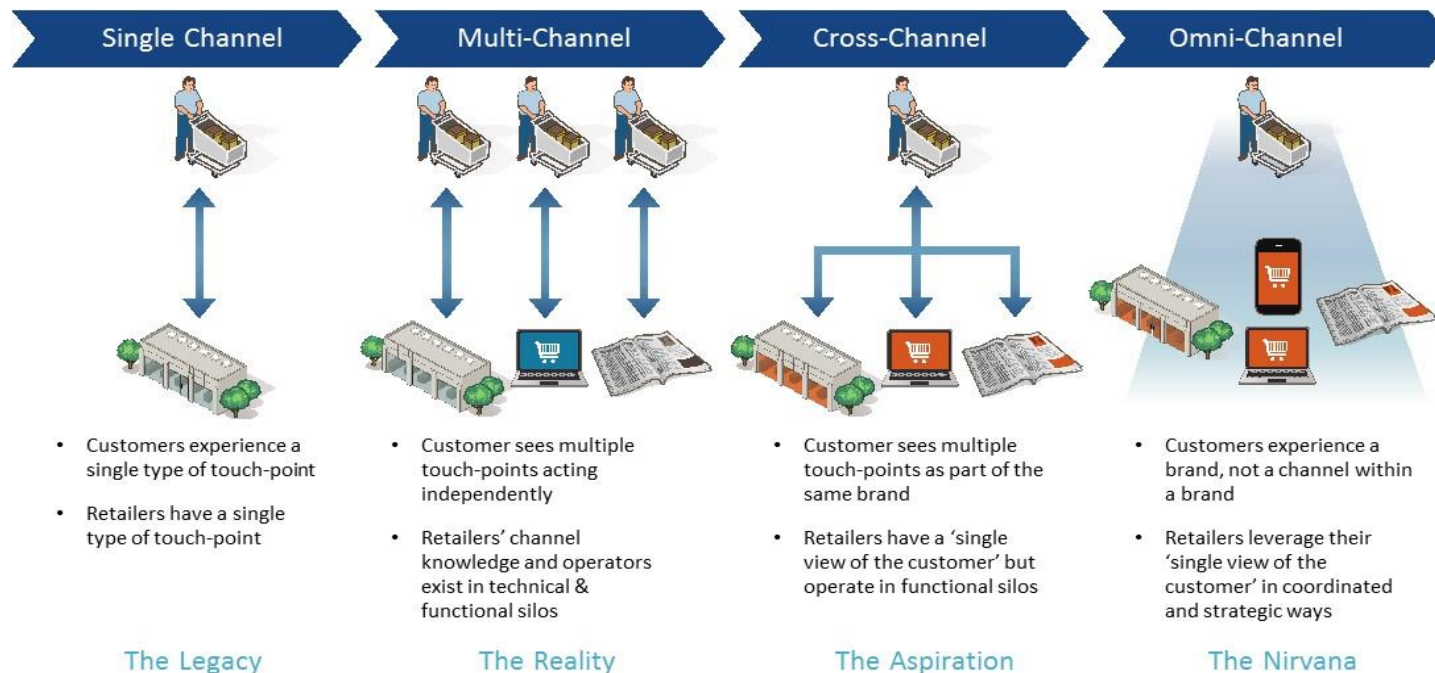
OMS Lies at the Heart of an Omni-Channel Commerce Architecture



Source: Forrester Wave OMS Report 2014

SOLVE FOR X.

- Discuss the age of the demanding consumer and consumer expectations
- Rise of omni-channel and the importance of user experience across channels



Physical vs. Digital Paths to Purchase



Source Enspire Commerce ©

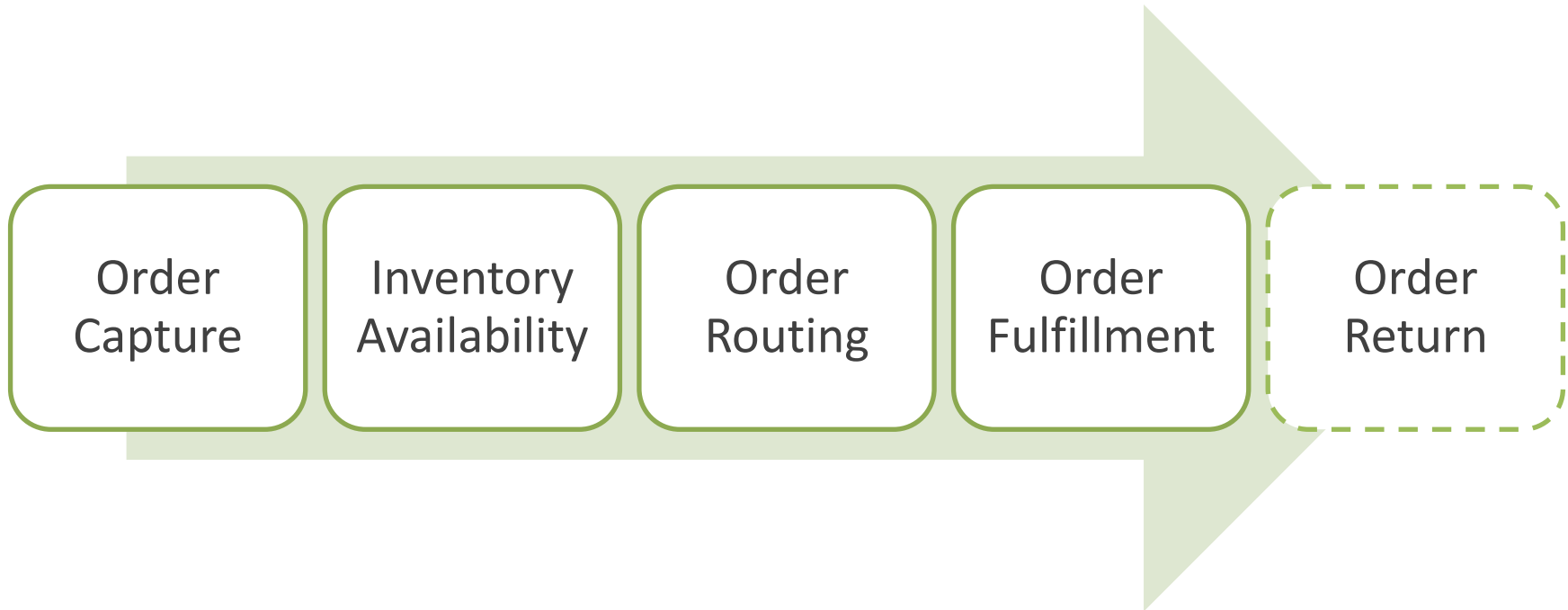
Impact of Not Having Unified Commerce

Each year, U.S. businesses alone lose more than \$41 billion in sales because of bad customer service.

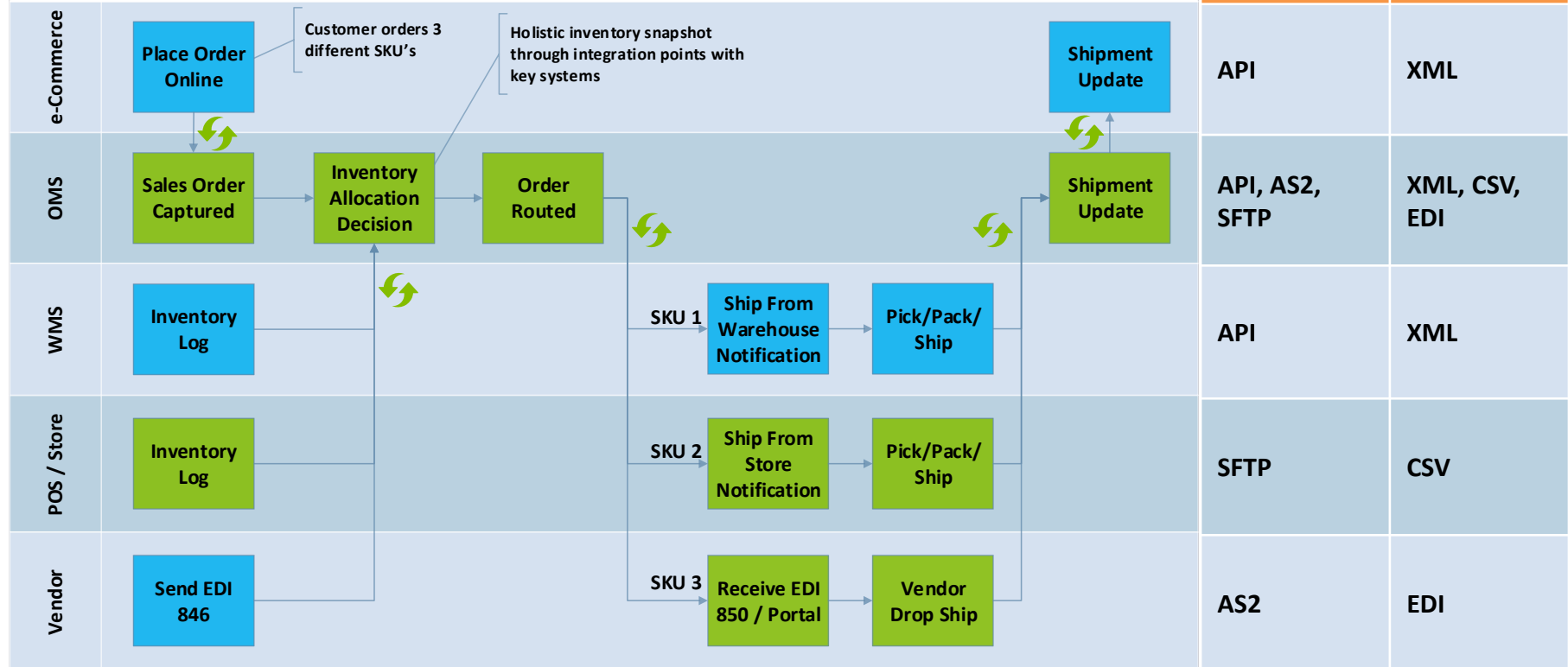
- After a positive customer experience, 69% of Americans would recommend that company to others
- Following a negative customer experience, 58% of Americans would never use that company again

Source (NewVoiceMedia)

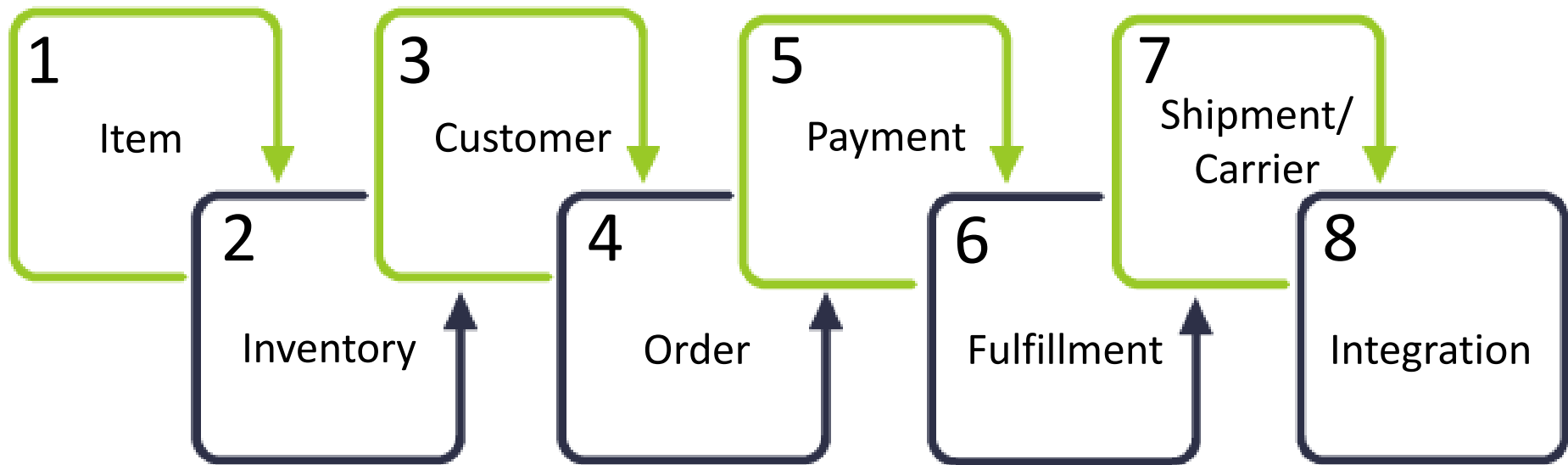
Order Life Cycle Management - 101



Omni-Channel Scenario – The Challenge



Order Life Cycle Management



The Need to Manage the Item

- Who owns the item: OMS or PIM, ERP or both...it depends
- Not uncommon that life cycle of the item lives in multiple disparate applications
- OMS can be used for item validation during sales order processing
- OMS can be used to extend attributes in order to optimize fulfillment execution

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The Need to Manage Inventory

INVENTORY MANAGEMENT > Inventory Lookup

Inventory management information.

SEARCH CRITERIA

☐ ONLY RETURN POOLS WITH ALL SKUS AVAILABLE
☐ EXCLUDE PRODUCTS WITH ALL ZERO QUANTITIES
☐ USE THRESHOLD
☐ EXCLUDE INACTIVE PRODUCTS

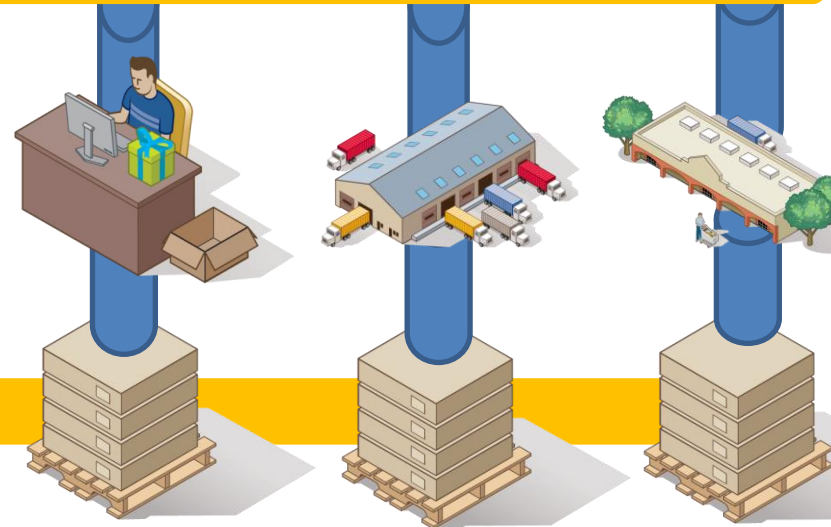
CHANNEL: Select Channel
SITE: Select Site
SKU: MTZZZZ
SKU: MTBBB
MIN QTY: 1
MIN QTY: 1
Add SKUs
Search

RESULTS

PRODUCT	SITE NAME	POOL	AVAILABLE	RESERVED	PO QTY	THRESHOLD
Battleship MTBBB	Toys Enspire DC 1 (Direct)	Toys Enspire DC 1 - Direct	84	10 (view)	0	10
Candy Land MTZZZZ	Dropship Vendor 1 (Direct)	Dropship Vendor 1 - Direct	96	1 (view)	0	0
Battleship MTBBB	Toys Enspire DC 2 (Direct)	Toys Enspire DC 2 - Direct	100	0	0	0

1 of 1 pages
3 results

Order Management



e-Com
Inventory

Wholesale
Inventory

Retail
Inventory

The Need to Manage Customer

- Who they are (all channels)
- Customer attributes
 - Loyalty/rewards
 - Channel
 - Promotions
 - VIP vs. non-VIP
 - Shipping notes
 - Call notes

The screenshot displays a customer profile for Chad Andrews. The profile includes a photo, name, address (11711 N Meridian St, Carmel, IN, USA), phone number (999-999-9999), email (candrews@enspirecommerce.com), and an ID (000000000007). The status is 'ACTIVE'. Below this, there are tabs for 'Retail', 'eCommerce', and 'Direct'. To the right, financial details are listed: Purchases (0), Account Balance (\$0.00), Open Receipt (\$0.00), Balance, Last Sale (Dec 26, 2016 10:59:14 AM), Credit Limit (1000), and Loyalty Level (N/A). The 'ATTRIBUTES' section contains 'CATEGORY CODES' (Category Code: AAA) and 'LOYALTY' (Loyalty: Bronze). The 'ORDER HISTORY' section shows a table with columns for STATUS, ORDERED, ORDER NUMBER, VENDOR, ITEMS, and TOTAL. It lists two orders: one 'OPEN' order from Dec 26, 2016, and one 'PARTIAL RELEASE' order from Dec 22, 2016. On the right side, there are 'NOTES' from an 'Admin User' and 'INTEGRATION INFORMATION'.

CHAD ANDREWS
11711 N Meridian St
Carmel, IN
USA
999-999-9999
candrews@enspirecommerce.com
000000000007
ACTIVE
Tags: Retail eCommerce Direct

Purchases: 0
Account Balance: \$0.00
Open Receipt: \$0.00
Balance:
Last Sale: Dec 26, 2016 10:59:14 AM
Credit Limit: 1000
Loyalty Level: N/A

ATTRIBUTES

CATEGORY CODES

Category Code: AAA

LOYALTY

Loyalty: Bronze

ORDER HISTORY ALTERNATE CONTACT INFORMATION

Search Order Number

1 of 1 pages
25 results

STATUS	ORDERED	ORDER NUMBER	VENDOR	ITEMS	TOTAL
OPEN	Dec 26, 2016	000000000457	ToysEnspire-Organization-	1	\$597.00
PARTIAL RELEASE	Dec 22, 2016	000000000456	ToysEnspire-Organization-	2	\$115.00

NOTES

Admin User
Please leave packages at side door.
Dec 8, 2016 1:17:05 PM

Admin User
Always try to upsell!
Dec 9, 2016 7:59:25 AM

INTEGRATION INFORMATION

Need to Manage the Order

- From multiple order capture points
 - e-Com
 - OMS
 - Market places (Amazon, eBay)
 - EDI (Wholesale)
 - POS (Point of Sale)
- Order routing
 - Cost vs. service
 - Inclusive vs. exclusive variables (tags/attributes)

It's All About Algorithms and Attributes

Algorithms

Warehouse Location In modeling distribution systems, decisions must be made about tradeoffs between transportation costs and costs for operating distribution centers. As an example, suppose that a manager must decide which of n warehouses to use for meeting the demands of m customers for a good. The decisions to be made are which warehouses to operate and how much to ship from any warehouse to any customer. Let

$$y_i = \begin{cases} 1 & \text{if warehouse } i \text{ is opened,} \\ 0 & \text{if warehouse } i \text{ is not opened;} \end{cases}$$

x_{ij} = Amount to be sent from warehouse i to customer j .

The relevant costs are:

f_i = Fixed operating cost for warehouse i , if opened (for example, a cost to lease the warehouse),

c_{ij} = Per-unit operating cost at warehouse i plus the transportation cost for shipping from warehouse i to customer j .

There are two types of constraints for the model:

- i) the demand d_j of each customer must be filled from the warehouses; and
- ii) goods can be shipped from a warehouse only if it is opened.

The model is:

$$\text{Minimize } \sum_{i=1}^m \sum_{j=1}^n c_{ij} x_{ij} + \sum_{i=1}^m f_i y_i, \quad (1)$$

subject to:

$$\sum_{i=1}^m x_{ij} = d_j \quad (j = 1, 2, \dots, n), \quad (2)$$

$$\sum_{j=1}^n x_{ij} - y_i \left(\sum_{j=1}^n d_j \right) \leq 0 \quad (i = 1, 2, \dots, m), \quad (3)$$

$$\begin{aligned} x_{ij} &\geq 0 & (i = 1, 2, \dots, m; j = 1, 2, \dots, n), \\ y_i &= 0 \text{ or } 1 & (i = 1, 2, \dots, m). \end{aligned}$$

Attributes

ATTRIBUTE MANAGEMENT > Set Management

ATTRIBUTE SETS

Search attribute sets

NAME

ORDER

Canadian Sales Tax	1
Category Codes	2
Loyalty	3

1 of 1 pages
3 results

CANADIAN SALES TAX

NAME *

Canadian Sales Tax

DISPLAY POSITION

1

SET TYPE *

Customer

ATTRIBUTES IN SET

Available Sets

Category Code

Loyalty

Select All

Chosen Sets

Goods and Services Tax

Harmonized Sales Tax

Provincial Sales Tax

Select All

Need to Manage Payment

- Who and where should authorization and settlement be completed?
- How about fraud detection?
- Tax?
- Very few merchant services/processors enable omni-channel payment life cycle
 - Order split settlement(s)
 - Returns and credits



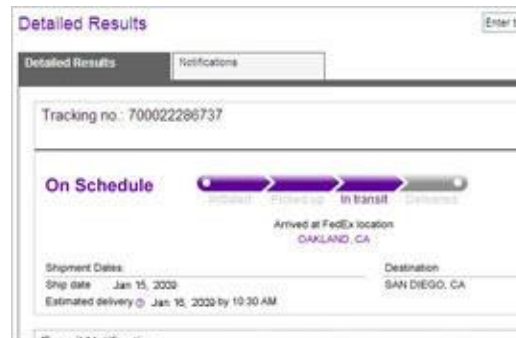
Need to Manage Fulfillment

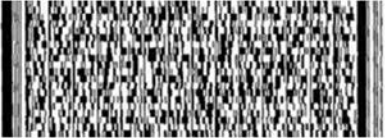

- Store fulfillment
 - Ship from store
 - BOPIS
 - Ship to store
- Vendor drop ship
 - Vendor portal
 - EDI connectivity
- Warehouse fulfillment
 - Integration framework



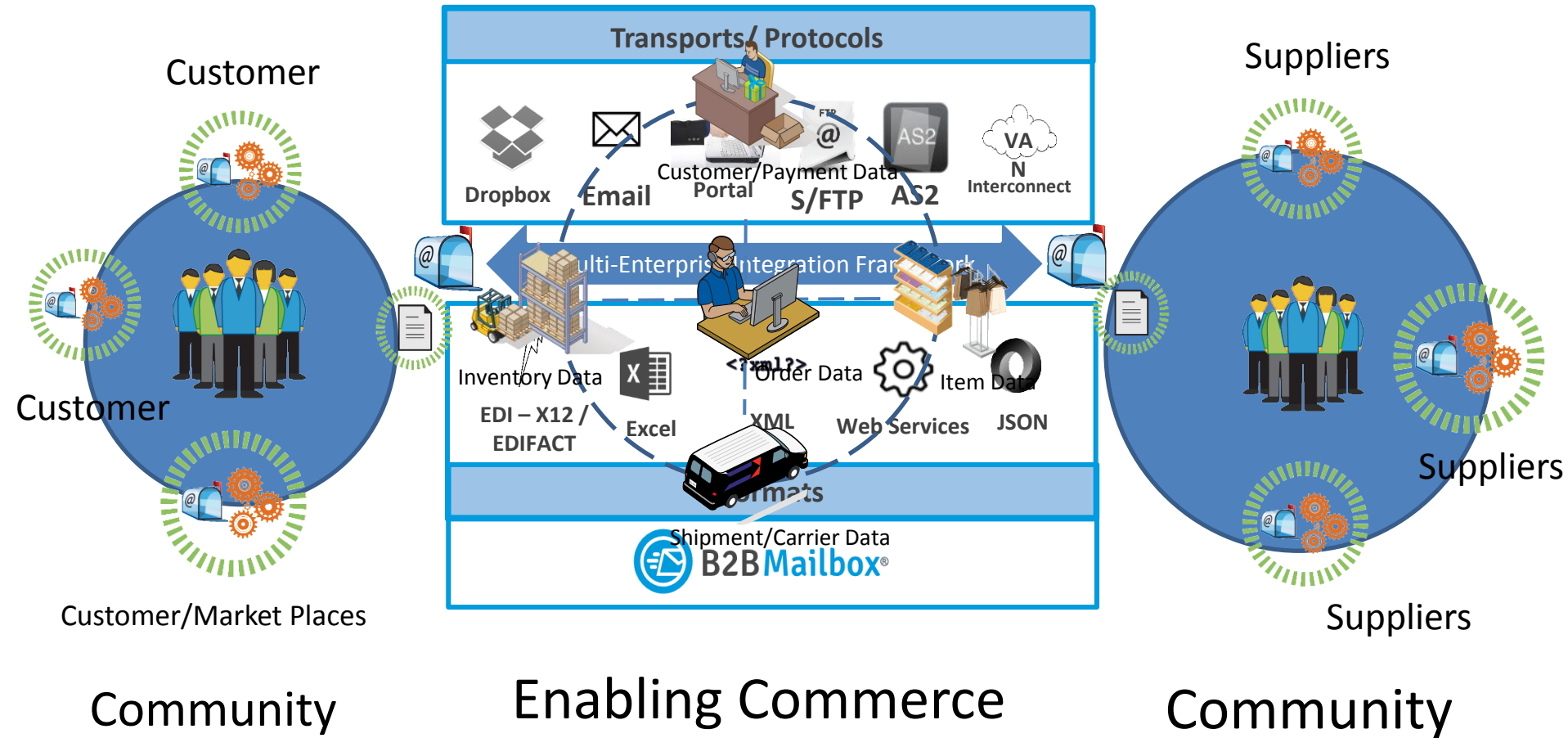
Need to Manage Shipment/Carrier

- Packing functionality
 - Carton level
 - Carton selection
- Integration for shipping/carrier labels
- Rate shopping
- Shipment tracking

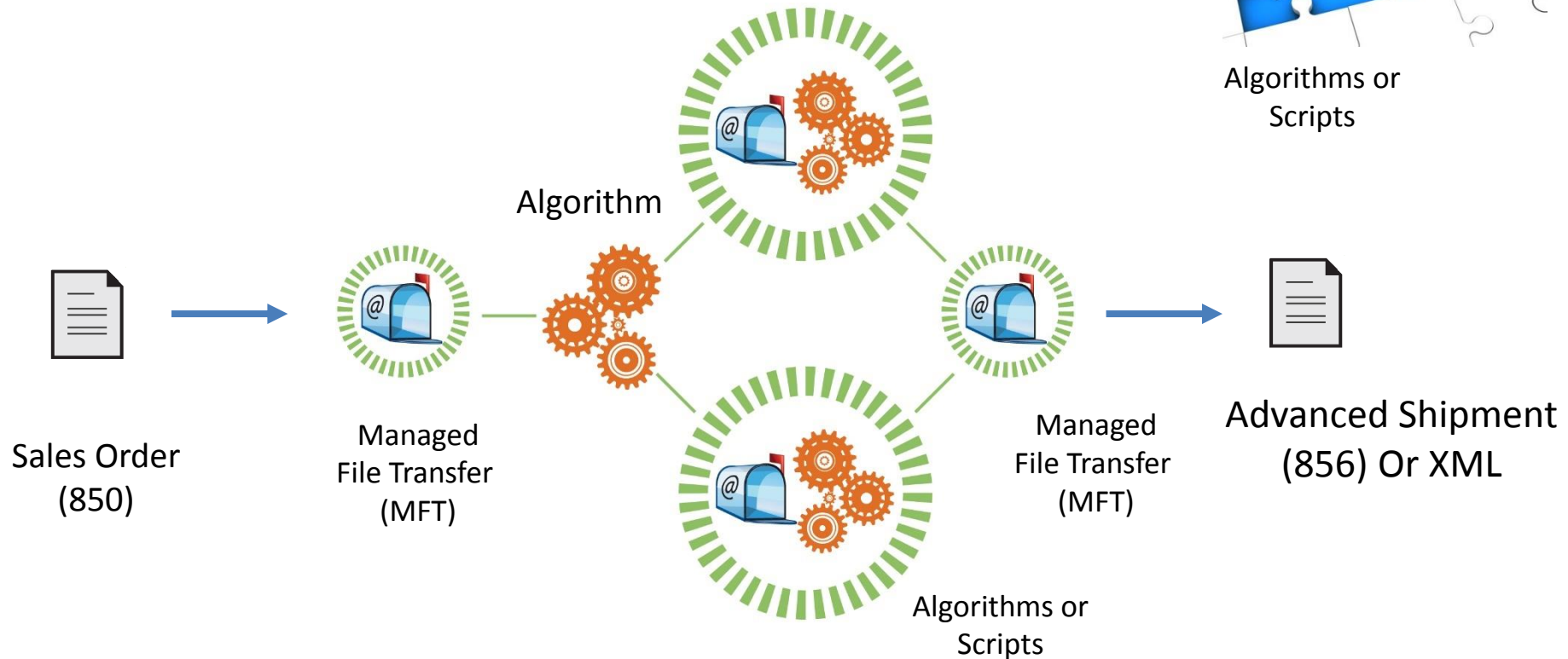


From: Person Name Company Name Street Line 1 Street Line 2 City, State or Province Code Postal Code (111) 222-3333		Ship Date: 02AUG06 Actual Wgt: 60 LB System#: 123456FXRS0761 Account: S 123456789	
To: Person Name Company Name Street Line 1 Street Line 2 City, State or Province Code Postal Code (CC)		(123) 123-1234 FedEx Ground G	
Ref#: Inv#: PO#:		Dec#:	
			
			
(1234567) 1234567 12345678			
Part # 150149-034 NRT 6-02 GND Prepaid			

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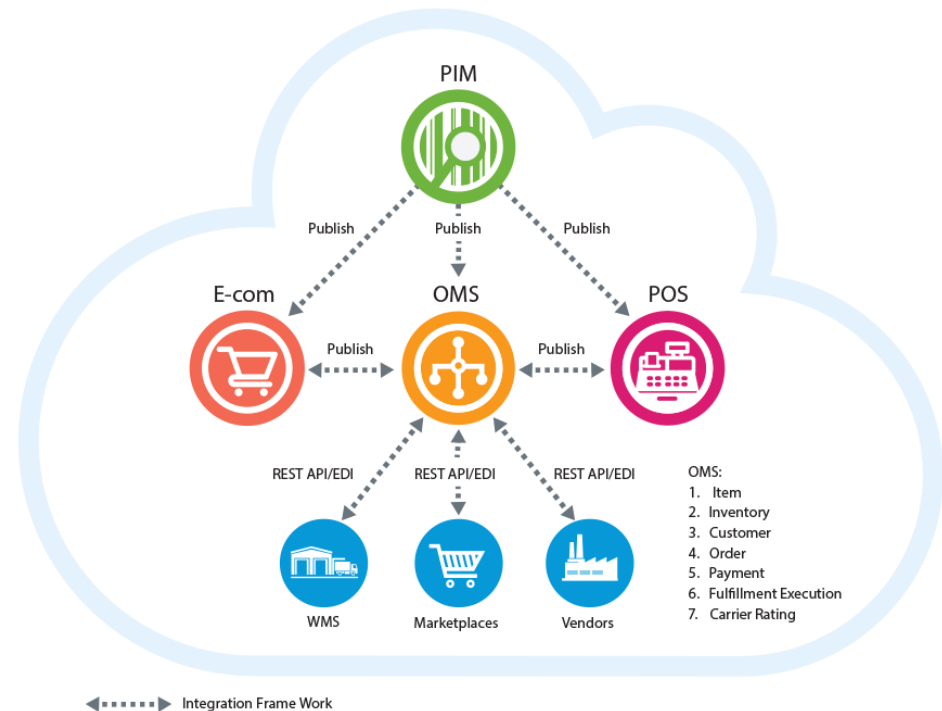
Need to Manage Integration(s)



Next Revolution of OMS

- Integrated
 - PIM
 - OMS
 - POS
 - e-Com
- Common data model
- Common UI
- Integration first approach

The Service Oriented Architecture (SOA) for Customer Engagement Platform



In Summary

- You want to ***keep the promises you make***, and an ***OMS is key*** in the world of Unified Commerce
- OMS basics:
 - Enterprise inventory visibility
 - Order routing
 - Fulfillment execution (Stores and Vendors)
 - Customer service
- ***Integration is KEY***. OMS is a large integration project.

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For More Information:

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Website: www.envistacorp.com

Or Visit ProMat Booth S3978