

# ***SOLVE FOR X.***

## ***How to Stay Ahead in the Era of Dynamic Fulfillment Supply Chain with DOM***

Presented by:

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## ➤ **What is Distributed Order Management (DOM)?**

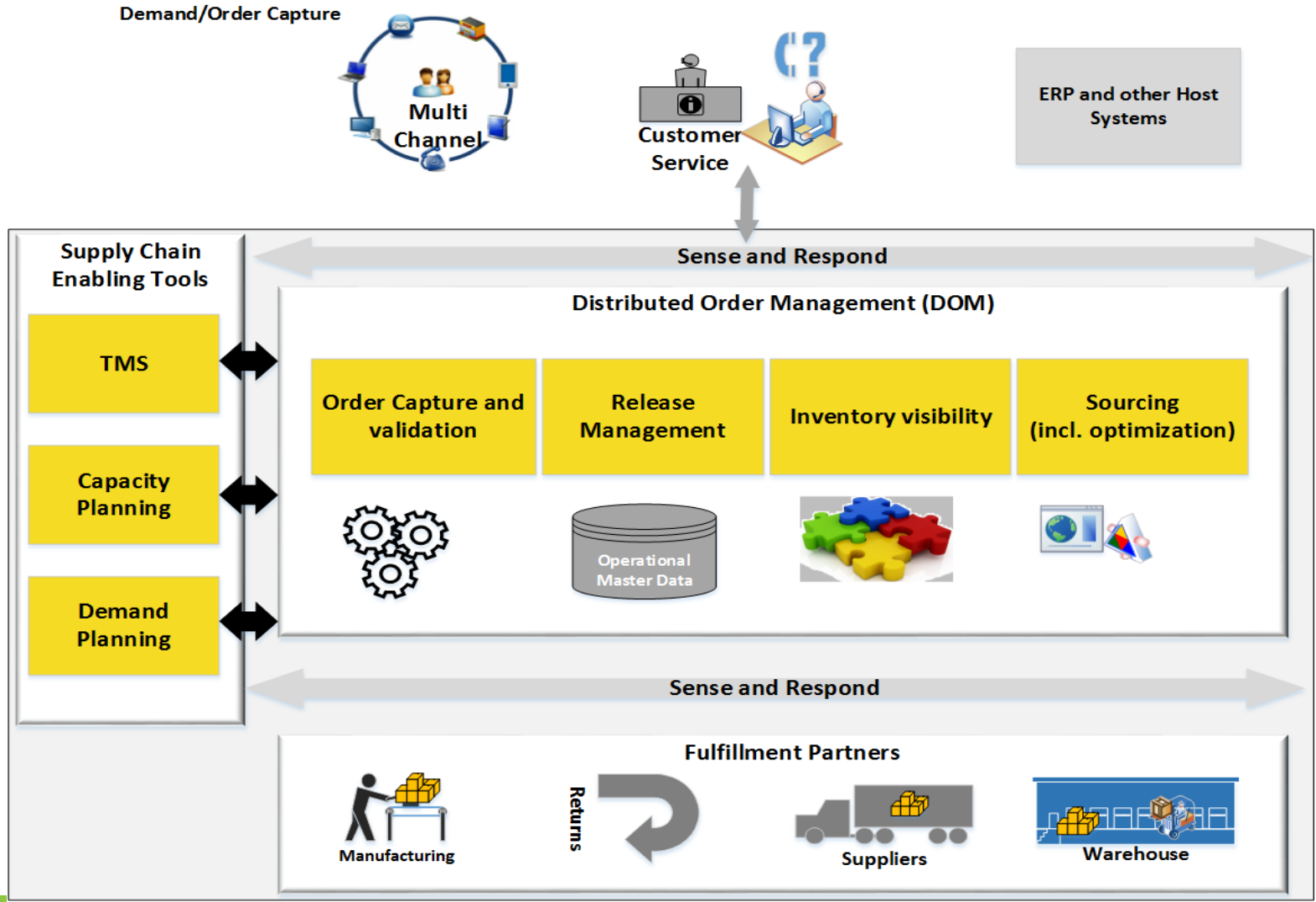
- Coined in late 90's as extension of traditional order management
- Order Orchestration for connecting to different nodes
- Inventory visibility across the nodes
- Capture multi channel orders and Channel Allocation

## ➤ **Evolution**

- In last 4-5 years 'Omni Channel' (r)evolution, dispersed Supply Chain ecosystem changed on how DOM is viewed
- DOM became intelligent Supply Chain component for retailers to keep up with ever changing consumer trends
- More and more other industries like 3PL, Manufacturing industries are thinking of using DOM for their industry requirements
- DOM became critical component for retailers who want to enable Omni Channel as time to market was 'yesterday'
- Majority of retailers have legacy or traditional Order Management Systems (OMS) where flexibility, extensibility, dynamic business rules are costly and time intensive exercise. Here time is the challenge
- DOM enables all those acronyms related to Omni Channel: Buy Online Pickup from Store (BOPS), Buy Online and Return In Store (BORIS), Buy Online and Ship to Store (BOSS), Buy Online and Deliver from Store (BODS)

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DOM Conceptual View



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## • Features

- One Integrated Softeon Platform with Procure to Pay (P2P) and Order to Cash (O2C) capabilities
- Global Channel Inventory availability view including Stores (if applicable), Returns, Suppliers
- Automated Subscription Services (Auto-Ship Plans)
- Includes Retailer/e-commerce shipping capabilities like Drop Ship and Last mile Delivery
- Captures and Aggregates Orders for optimized sourcing based on dynamic or preset business rules
  - Like Freight Cost, Inventory Availability, SLA, Capacity, and other Opportunities/Constraints
- Opportunistic Cross-Docking
- User defined rules-based workflow like -
  - Hold/Release, Order Scaling and Grouping
  - Fill-Kill Processor
  - Backorder Allocation

## • Benefits

- Seamless capture and fulfil from multiple channels creating One View of the Orders
- Global Inventory visibility including Stores, In-Transit, Returns; Unified Inventory View
- Increased on-time and complete deliveries
- Increase end-to-end order fulfillment quality
- Reduce order fulfillment costs and end-to-end cycle times
- Reduce inventory carrying costs
- Optimize total delivery costs

### Enables consumer driven dynamics such as:

- Buy Online Pickup from Store (BOPS)
- Buy Online and Return In Store (BORIS)
- Buy Online and Ship to Store (BOSS)
- Buy Online and Deliver from Store (BODS)



## Sourcing and Inventory Visibility

### ➤ Sourcing

- DOMS enables Supply Chain Orders to be sourced on user defined criteria including
  - Inventory availability (Orders or Order Line will be split to fulfill the demand)
  - Source Orders based on Geo Region (Country, State, Postal Code)
  - Capacity Constraints (Labor or Machines or Weather)
  - SLA includes optimized Shipping Cost, Carrier Service Level, Transit Time, and Customer Experience
  - Sourcing based on Promotion, Seasonal Activities

### ➤ Inventory (Enterprise Transparency)

- Allocation – inventory can be allocated by Channel (Retail, Wholesale, Drop Ship, ecommerce, etc.,)
- Inventory allocation based on user defined priority in case of network inventory doesn't meet the demand
- Allocate against In-Transit Inventory
- Reserve future Inventory for a Customer
- Drop-Ship Vendors

### ➤ Visibility (Unified View)

- All inventory buckets from across the nodes available in one place
- In-Transit and Expected Inventory visibility

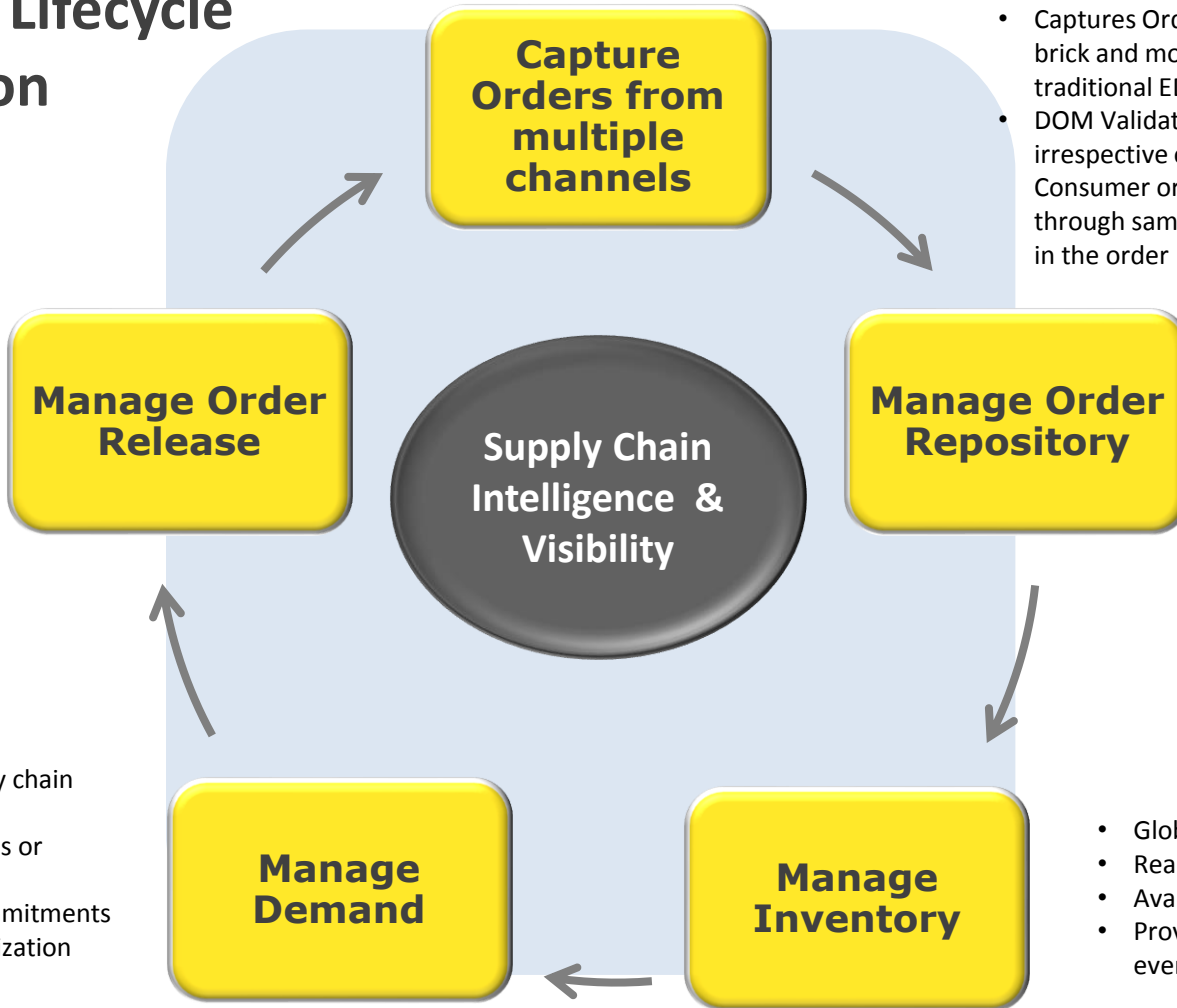
## Retail Dynamics and Distributed Order Management

- **Retail Dynamics** - Changing Consumer habits and pervasive adoption of technology require a level of organizational capability and agility that is unprecedented
  - Flexibility of the Supply Chain Network
  - Pressures on Inventory Carrying Costs
  - New channels and markets
  - Need to differentiate in an increasingly competitive and global market
  - Customer expectation of ubiquitous access - from browsing to placing orders to delivery
  - Ability to proactively respond to market, supply and demand dynamics
- **DOM** - Orchestrates complete Order Life Cycle management, while bridging Planning and Execution, Enables capability across the supply chain network
  - Order sourcing, Inventory balancing/rebalancing, Inventory visibility
  - Extends network flexibility – add new DC's, Stores, Channels, Vendors, Partners
  - Integrates easily with discrete planning and execution systems
  - Facilitates seamless collaboration with partners and customers

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## DOM Order Lifecycle Orchestration

- Processing Lead time
- Transportation lead times
- Priority, Capacity and Promised delivery date
- Process Orders to fulfilment locations



- Captures Orders from multiple Channels like brick and mortar stores, ecommerce, traditional EDI, ERP, etc.
- DOM Validation rules are invoked irrespective of Order Source. For e.g. Consumer ordering on a web site will go through same validations as CS person keying in the order

- Order Segmentation
- Global order pool visibility
- Order Orchestration
- Order prioritization
- Auto Fulfillment for Subscription Services

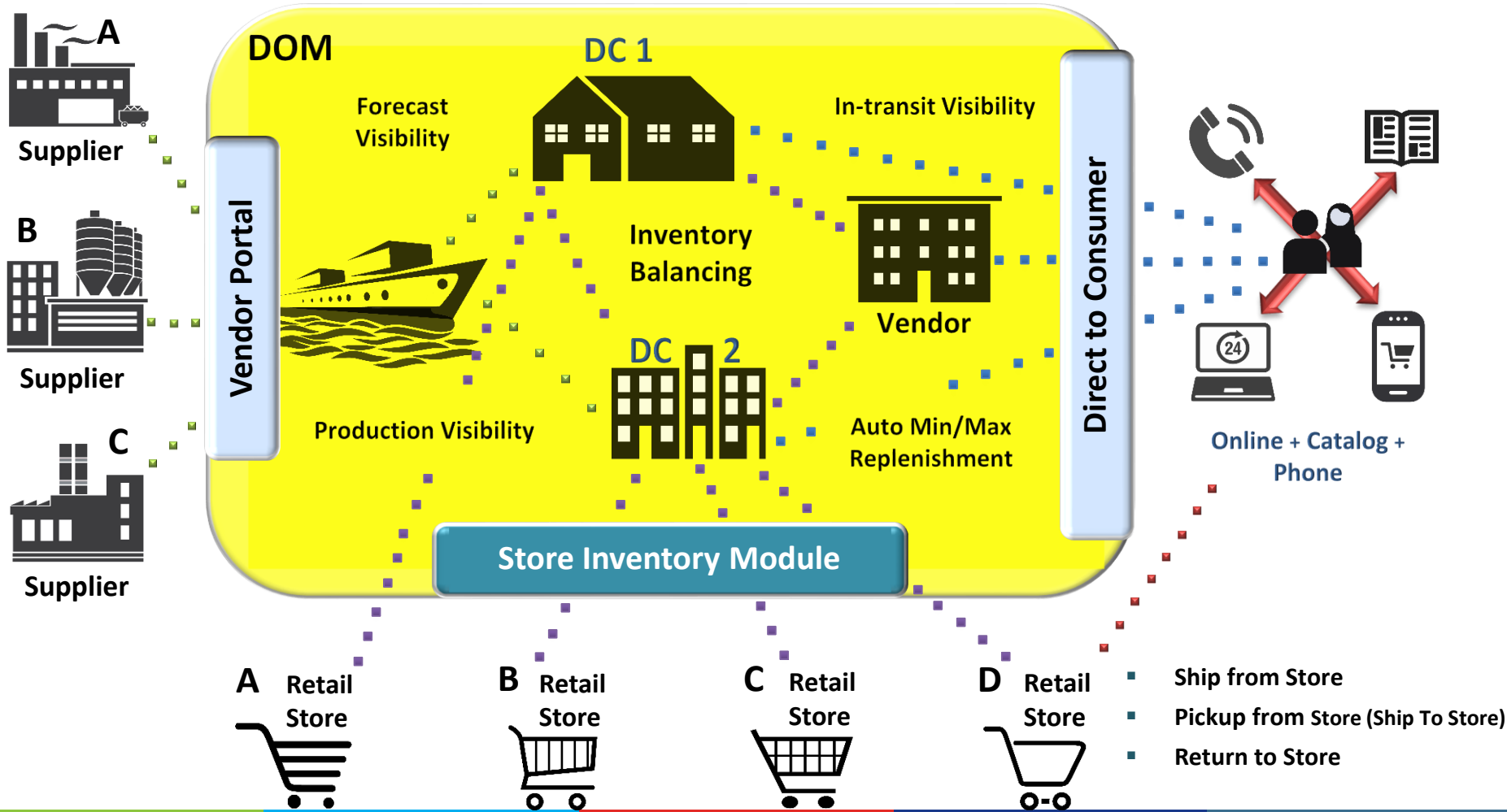
Source from multiple supply chain network nodes

- DCs, Cross Dock, Stores or Vendor-Sourced
- Channel Network Commitments
- Fulfilment Cost Optimization

- Global Network Visibility
- Real-time inventory for store fronts
- Available and potential (in-transit)
- Provide visibility to actionable events

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## Use Case: Omni Channel, Inventory Balancing enablement





## Client Case Study #1

- Enable Omni Channel for the company. Currently company has 13\* Retail Stores and 2 outlet stores. Majority of business volume is through e-commerce
- Getting closer to the Customer with capabilities of returning to Store, Pick Up from Store
- Bringing Suppliers into the network for up to date view of Production, collaboration, inventory reduction, time to market and increased Customer Service levels
- Vendor Portal also gives the visibility to Supplier for planned production
- Automatic Inventory Balance transfers to have right inventory at all the locations for better Customer experience
- Store Inventory Module where back room stock is visible as part of overall Network Inventory
- Channel allocation – inventory allocation by Channel – Retail, Reset, Consumer, Transfer, Outlet
- Freight Optimization – source from the fulfilment location which offers the best price
  
- **By Numbers:**
  - Channels – own ecommerce site, own stores, own catalogs
  - Dynamic Sourcing
  - 3 Distribution Centers
  - 15 Stores
  - 62k+ Orders on Cyber Monday
  - 50k+ Orders on Black Friday

## Client Case Study #2

- A leading conglomerate implemented integrated DOM platform along with WMS, Demand Planning to meet Retailer and e-commerce continuing evolving requirements/compliance
- Some of the capabilities implemented -
  - Sourcing based on Inventory availability
  - Drop Ship Orders and Back Order Management (8 different Fill/Kill rules)
  - Manufacturing on-demand (MOD) Orders
  - Direct to Retail Shipments from Manufacturing
  - Sourcing based on Freight Costs within defined SLA's
  - Integrated with multiple Suppliers and Distributors
  - DOM acts as Operations Master Data Hub which has 8 functional system subscribers like Billing, Returns, Demand Planning, Data Warehouse, etc.
  - **By Numbers:**
    - 43+ clients
    - 440+ interfaces
    - ~51 Million Orders with ~560 Order Lines

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## Q + A

# Thank you!

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