Need to Unify Commerce? Look to Order Management.

Why is OMS in the cloud the key to agile, profitable, customer-centric commerce

Presented by:

Jim Barnes, enVista
Steve Congro, Saddle Creek Logistics
Abstract:

To remain competitive and deliver a consistent, stellar brand experience, omni-channel organizations must rapidly enable agile, customer-centric commerce across the enterprise. A next-gen OMS on a unified commerce cloud platform is the lynchpin solution providing enterprise inventory visibility, optimal order orchestration and enabling your company to deliver personalized experiences and buy/fulfill/return anywhere commerce.
Agenda

• Introductions…
  • Omni-Channel to Unified Commerce…
  • What is an Order Management System (OMS)?
  • How does an OMS increase revenue?
  • How does an OMS increase profits?
  • How does an OMS improve the experience of the customer?
  • How does an OMS provide a single view of the customer?
Panelists

Steve Congro
Sr. Director of Omni-Channel Applications
Saddle Creek Logistics

Jim Barnes
enVista
CEO
Commerce is Rapidly Changing

- **Single Channel**
  - 2,000 Years

- **Multi-Channel**
  - Last 30 Years

- **Omni-Channel**
  - Last 15 Years

- **Unified Commerce**
  - Present

**POWERED BY POSSIBILITIES.**
What is an OMS

Order Management Systems defined:

A platform or application that brokers D2C or B2C orders to optimize cost of the order (profitability) and balances service (customer experience).
The Challenge = Opportunity

▪ “Omni” challenged
  • Increased Points of Interaction (POIs)
  • Increased Points of Fulfillment (POFs)
  • Synchronized pricing, promotions, inventory, etc. across channels
  • Competitiveness / Profitability

▪ Increasing customer expectations

▪ Lack of inventory visibility across enterprise
  • Retail store inventory
  • Endless aisle/expanded assortments/vendor drop ship

▪ Non-optimized order orchestration/routing for selecting best fulfillment source
▪ Complex integration requirements
▪ Limited order & fulfillment status visibility
▪ Lack of ability to manage by exception
▪ Manual intensive supplier collaboration
What does the OMS Solve?

1. Enterprise Wide Inventory Visibility
2. Best Ship Method & Distributed Order Management (Order Orchestration)
3. Store & Vendor Fulfillment Execution (& mobile)
4. Customer Care (Order Creation & Order Maintenance)
360 Degree of View the Customer

- Enterprise Inventory Visibility
- Omni-Channel Fulfillment
- Point of Engagement
- Product, Price, & Promotion

360 View of Customer

POWERED BY POSSIBILITIES.
Where does OMS Fit.....?
Captures orders from any demand source → Orchestrates orders → Fulfills from any inventory source

Integration Framework:
- Communication Protocols: AS2, SFTP, API, etc.
- File Formats: XML, JSON, EDI, CSV, etc.

Key Components:
- e-Commerce
- Marketplaces
- EDI
- Point of Sale
- Distribution Center
- 3PL Location
- Vendor Drop Ship
- Physical Store

Integration Services:
- Customer
- Item
- Inventory
- ERP
- Payment Processor
- Loyalty Solution
- Marketing Solution
- CRM
- Order
- Payment
- Fulfillment

Integration Points:
- Enterprise Inventory Visibility
- Call Center / Customer Care
- Store & Vendor Fulfillment
Hype or Necessary?

Integration First Approach

Leveraging an integration framework on the same Code Base to translate, route, Transform and validate data Between endpoints.....
Integration Platform as a Service

Communication Protocols: Via FTP, SFTP, AS2, REST or SOAP API, Web Services

Solutions:
• Integration Platform as a Service
• Customer Care & Call Center
• Distributed Order Management
• Point of Sale / mPOS
• Store Fulfillment
• Promotions Engine

*Move to a single Payment Gateway for better omni-channel payment/returns process with tokens

Cybersource / Cayan*

Centric8

WFM/HCM (Ceridian / UltiPro)

Email (Exact Target)
Loss Prevention (LPI)
CRM (AgileOne)
Tax (Avalara)
BI / Analytics (Cognos)

WMS

ERP

Consumer App (PredictSpring)
Need to Solve for both Order and Data Transformation/Translation
Key OMS Functions

• Multiple Sales Channel enablement
  • eCommerce, Call Center, Marketplaces, stores, Wholesale, etc.
  • Cross-channel order & fulfillment visibility

• Multiple Fulfillment Sources
  • Leverage inventory across multiple fulfillment sources
  • Warehouse(s), Retail Stores, Dropship Vendors, 3PLs

• Inventory Segmentation by single location and across one or many Sales Channels

• Intelligent Order Routing
• Distributed fulfillment across warehouse(s), store(s) and vendor(s)
  • Customer segmentation
  • Fulfillment prioritization

• Carrier rating integration (Best Ship Method)
Expectation Management
Pre-Shipment Expectation

DC Locations

<table>
<thead>
<tr>
<th>Sites</th>
<th>Product 1</th>
<th>Product 2</th>
<th>Product 3</th>
</tr>
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<tbody>
<tr>
<td>DC 1</td>
<td>23</td>
<td>61</td>
<td>5</td>
</tr>
<tr>
<td>Store 1</td>
<td>0</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Store 2</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Inventory Counts Per Location

CHECKOUT
1. Billing Information
2. Shipping Information
3. Shipping Method

MONDAY, 7/2/2018

Shipments:
1. Product 1: Shoes
   - Shipped from:
   - Distribution Center #1
   - 11505 N. Market St.
   - Carmel, IN 46032
   - Transit: 3 Business Days
   - Delivery Date: 7/5/2018
   - Shipping Cost: $163

2. Product 2: Socks
   - Shipped from:
   - Store #1
   - 100 W. 33rd St.
   - New York, NY 10030
   - Transit: 1 Business Day
   - Delivery Date: 7/2/2018
   - Shipping Cost: $9.95

4. Payment Information
5. Order Review

Best Ship Options Based on DC Locations and Inventory
The Future of Leveraging AI
Obvious Answer - Ship from Store 2, but using predictive analytics, the store is going to sell through the 2 on hand (walk in customer). Customer SLA is 3 days, ignore store 1 (4 day transit), no inventory in the DCs, look at store 2. High ST for SKU A, and on hand is high, ST for SKU B is low, but On Hand is low and most forecasted not To sell. Allocate order to store 3, vs 2. Although the trans cost may be higher From store 3, the mark down possibility is high.
# Post-Shipment Expectation

**Candy Shop**

<table>
<thead>
<tr>
<th>Actual Delivered Date</th>
<th>Delivery Status</th>
<th>Shipment History</th>
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<tbody>
<tr>
<td><strong>Tuesday</strong></td>
<td><strong>DELIVERED</strong></td>
<td></td>
</tr>
<tr>
<td><strong>July 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ENJOY YOUR ITEMS!</strong></td>
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</tr>
</tbody>
</table>

**Shipment History**

- Jul 2, 2019, 5:52 PM: Delivered in Acton, MA, US
- Jul 2, 2019, 2:52 AM: At local FedEx facility in BOYLSTON, MA, US
- Jul 1, 2019, 6:14 PM: Delivery exception in BOYLSTON, MA, US
- Jul 1, 2019, 4:45 AM: On FedEx vehicle for delivery in BOYLSTON, MA, US
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