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# 3 Reasons You Need an Order Management System

Higher Sales. Lower Costs. Better Experiences.

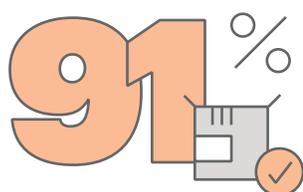
# One major key to a successful business is an accurate and complete picture of inventory across all possible channels and locations

Order management improves your inventory visibility so you always know where your stuff is: in your own warehouses, third-party logistics providers, franchisees, retail partners, drop shippers, or in physical stores locally and around the world.

Whether you have a physical store, or a web store, knowing where your stuff is empowers you to meet consumer expectations, drive sales, and manage fulfillment costs. That's why 73 percent of merchants plan to utilize an order management system (OMS) as their unified commerce platform within three years, according to a recent survey by BRP Digital Commerce.

## Consumer Expectations Are Growing

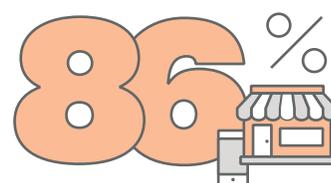
Consumers have high expectations when it comes to brand experiences. They want to buy what they want, when they want, how they want. In a recent study<sup>1</sup>, Forrester asked consumers "How important are the following capabilities while shopping online?" Not surprisingly, the majority of consumers said they expected "omnichannel" services. In other words, they don't care where your stuff is, as long as they can get it.



ETA for orders to store or home



View local store inventory online



Buy online and return to a store



Ship to a local store



Buy online & pick-up in store

Frost & Sullivan defines Omnichannel as: "Seamless and effortless, high-quality customer experiences that occur within and between contact channels, ensuring that data and context from the initial contact carries over to subsequent channels, reducing customer effort, improving the customer interaction, and enabling the business to tailor the customer journey."<sup>2</sup>

<sup>1</sup>Forrester Research, Web-Influenced Retail Sales Forecast 2012 to 2017 (US)

<sup>2</sup>Frost and Sullivan, Moving From Multi-Channel To Omni-Channel Customer Engagement: Intelligent Interaction Analytics, July 17, 2015



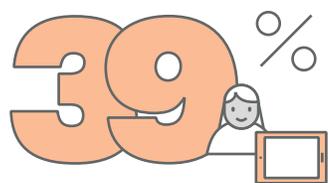
# 1. Never Lose a Sale

Once customers engage in the buying process, sales associates armed with accurate information can make a huge difference in total sales.

Order management systems consolidate information across multiple channels so sales associates can offer customers exactly what they want, regardless of where it is.

Dubbed the “endless aisle”, the concept extends shelf space to include a brand’s full product catalog, regardless of its physical location. Access to the endless aisle can increase retail store sales by up to 10 percent<sup>3</sup> by giving associates visibility to all inventory. Associates can find the right product and offer the customer options for how to get it: They can have it shipped home, ship to a store, or have it set aside for pick-up at another store.

Associates equipped with mobile devices remove friction when a customer can’t find exactly what they want. They can also drive incremental sales by offering complementary products. The customer experience is better and the revenue is higher thanks to the endless aisle approach enabled by order management systems.



*39% of US online shoppers say they are more likely to shop or interact with sales associates who are equipped with mobile devices.<sup>4</sup>*

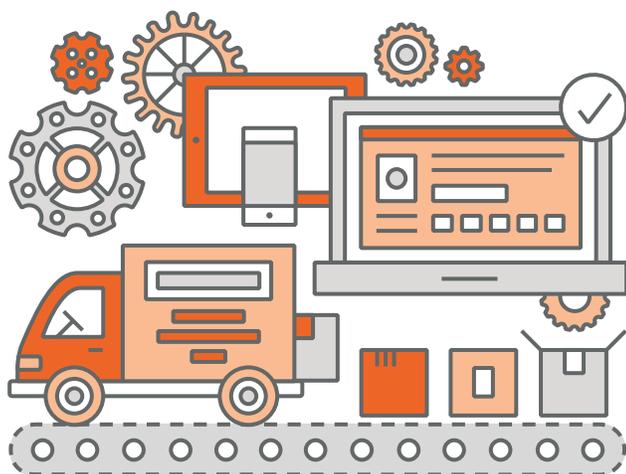
<sup>3</sup>Forrester, Drive Incremental Sales with Endless Aisle Capabilities, April 2015

<sup>4</sup>Forrester Research, North American Consumer Technographics Retail Online Benchmark Recontact Survey, 2015

## 2. Pick the Best Fulfillment Source

When you have a complete picture of your inventory, you can leverage business rules to efficiently fulfill demand and meet consumer expectations.

This requires looking for products across your entire supply chain (warehouses, drop shippers, and physical stores, etc.). You can select the “best” fulfillment source based on changing conditions like proximity to consumer, speed to delivery, or profitability based on shipping costs, inventory turns, number of split shipments, or product margin.



Don't have what the customer is looking for? Rather than sending the order to a distribution center across the country, why not route the order to the store across town that has the product? Offer to ship it to the customer, or have them pick up in store if that's more convenient. You can only do this if you know where your stuff is. The result is a better customer experience, higher sales and lower fulfillment costs. Isn't that the dream?

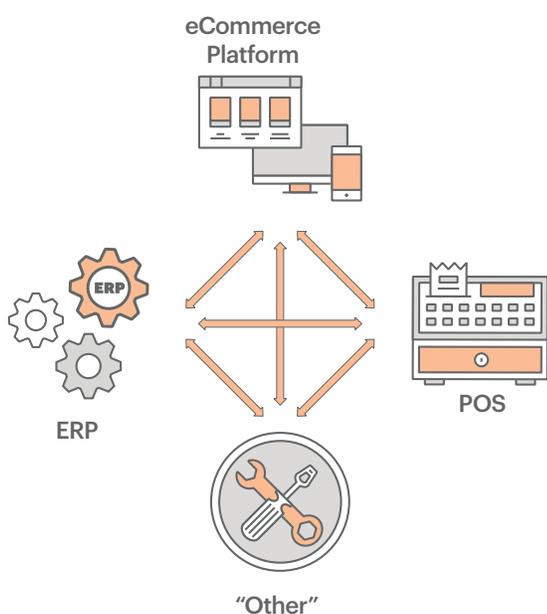
# 3. Your Existing System Can't Keep Up

You need to deliver on consumer expectations.

You need to provide a great, consistent consumer experience across the traditional and new channels/ touchpoints: geographies, social channels, marketplaces, the internet of things, customer service, etc.

According to a study by Multichannel Merchant, 77 percent of retailers rank inventory planning and visibility as top priorities. They also found that 75 percent of retailers have inaccurate inventory levels in-store.<sup>5</sup> That's because they are trying to connect an array of new touchpoints using old technology, and it just doesn't work.

Legacy infrastructures can't support how customers want to buy today. They were built in a different era for a different purpose, and can't keep up with changing needs.



- ERP systems: Forrester states “ERP platforms are ill-equipped to manage omnichannel orders that must transcend online and offline channels”.<sup>6</sup> They are inflexible, can't dynamically manage orders, inventory and sourcing across multiple channels.
- Webstore or POS: This is a single channel oriented model, that struggles to manage inventory across multiple sources and lacks the business rules to optimize fulfillment across those sources.
- Manual processes: We all know that manual process don't scale and are error-prone. When you have a company generating 100 orders per month it might work, but 100 orders per hour, or minute, is impossible to manage manually.

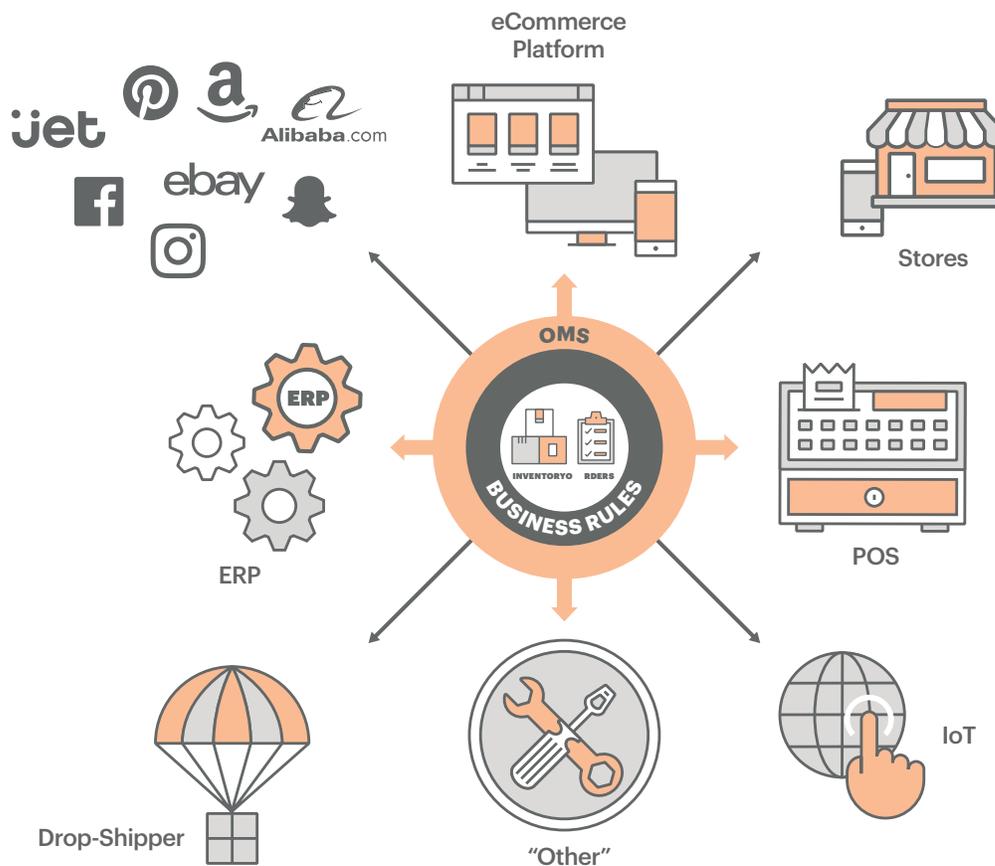
<sup>5</sup> Multichannel Merchant, Inventory Visibility: The Real Omnichannel Challenge, Oct 04, 2016

<sup>6</sup> Forrester Research, OMS Wave Study, 2016

# Magento Commerce Order Management

Customers' expectations are evolving. Your commerce strategy and infrastructure must evolve faster. The winners will make smart investments to adapt their commerce technology infrastructure to meet consumer expectations, not the reverse.

Magento Commerce Order Management coordinates your customers' experience across all sales and fulfillment channels. Rather than replacing existing systems, it works with them, gathering information from each touchpoint. It orchestrates and optimizes based on rules and processes. From capture to source, and ultimately fulfillment, the customer remains at the center of your operation at all times.



You get a rich feature set that includes distributed order management, omnichannel fulfillment, inventory management, Payments and Risk, and reporting and analytics. This modular based solution, pre-integrated with Magento 1.X and 2.X, gives you the flexibility to implement as a fully integrated solution or add modules as you grow.

With Magento Commerce Order Management you will have the systems and processes necessary to master this business fundamental – delivering better customer experiences, higher sales, and lower fulfillment costs.

# Learn More



## Questions?

We've got a team of friendly commerce experts ready to answer them! We don't bite, but we will help you grow your business.

✉ EMAIL US

☎ CALL US

▶ SEE A DEMO

## About Magento Commerce

**Trusted by more than 250,000 businesses worldwide, Magento Commerce is the leading provider of open omnichannel innovation to retailers, brands and branded manufacturers across retail B2C and B2B industries.** In addition to its flagship open source digital commerce platform, Magento Commerce boasts a strong portfolio of cloud-based omnichannel solutions empowering merchants to successfully integrate digital and physical shopping experiences.

With over \$50B in gross merchandise volume transacted on the platform annually, Magento Commerce is the foremost provider to the Internet Retailer Top 1000 and the Internet Retailer B2B 300, counting more than double the clients to the next closest competitor.

Magento Commerce is supported by a vast global network of solution and technology partners, a highly active global developer community and the largest eCommerce marketplace for extensions available for download on the Magento Marketplace. More information can be found at [magento.com](https://magento.com).