

A woman with her hair in a ponytail, wearing a red sweater, is seated at a wooden desk in a clothing store. She is looking at a laptop screen and writing in a notebook with a pencil. The desk also has a small mirror and a pair of glasses. In the background, there are racks of colorful clothing and shelves with handbags.

4 KEY BENEFITS OF OMNICHANNEL ORDER MANAGEMENT FOR RETAILERS



Grab a seat and enjoy.
Read Time: 3 minutes

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Efficiently and cost-effectively getting a shirt, hat and shoes delivered to a customer in Billings, Mont. when a retailer's stock spans warehouses from Burlington, Vt. to Bellevue, Wash. and a physical store in Baltimore is no small feat. Yet, for even the smallest retailers, it's imperative to balance customer expectations with profitability—whether the order is shipped from a warehouse, shipped from a store, drop shipped or picked up in store.

That's why optimizing [order management](#) is a crucial piece of a successful omnichannel strategy. Order management is now an art form. Businesses devote endless hours to improving order management because it is so critical to maintaining margins and keeping customers happy.

The lion's share of that burden falls on employees, who typically must comb through all the fulfillment options and choose the best one based on criteria like closest fulfillment location, lowest shipping costs, potential for splitting or bundling orders and maintaining safety stock. When handled manually, this quickly becomes a tedious, time-consuming process of looking through reports for actual and potential issues.

Automating that process and enabling employees to manage by exception can maximize opportunities and minimize mistakes to make fulfillment a strategic differentiator for your business.

Optimizing Fulfillment Across Channels

At its core, an order management system (OMS) will evaluate all channels and supply sources to find the best way to fulfill an order with intelligent and automated order sourcing and allocation.

In other words, an order management system should make complex fulfillment decisions much easier. For instance, if a complete order cannot be shipped from the closest warehouse or retail store, the system runs through the options of splitting shipments across warehouses by distance, splitting shipments without restrictions on fulfillment source or location and, if it makes sense, backordering to the closest warehouse. The

beauty of an OMS is that it finds the best method for that specific order without an employee touching it.

An OMS can also resolve a problem when something goes wrong with an order. If sufficient inventory is not actually available at the location where it was supposed to be, the system automatically reroutes it, choosing the next best location and shipping it from there.

Benefits for Retailers

Increased customer satisfaction

Using the closest possible fulfillment centers will get packages to customers faster. And by ensuring ecommerce and in-store channels can be utilized for fulfillment, retailers have an easier time solving customers' problems.

Initiative	Solution
Get packages to customers faster	Use fulfillment locations with closest proximity.
Optimize labor force	Utilize in-store labor instead of warehouse labor to fulfill orders.
Provided shoppers more options without decreasing utilization	Keep inventory in retail stores while allowing all channels to sell.
Reduce labor burden	Less man-hours needed per order.
Reduce shipping costs	Ship less packages over a shorter distance automatically.

Decreased labor costs

Reducing the amount of time and labor devoted to making sure the business is optimizing inventory movement will mean significant savings. Staff members previously devoted to order planning can spend time on more value-added tasks to generate additional revenue instead of routing orders. In addition, in-store staff can handle a greater portion of order fulfillment, reducing the load on warehouse employees and optimizing your labor force.

Decreased shipping costs

By optimizing fulfillment by closest location, items included in an order/available inventory and more, retailers can reduce shipping costs. The OMS will always find the cheapest way to get an order to a customer while still meeting their expectations.

Increased sales and margins

Offering shoppers additional delivery options will increase conversions. In-store pick-up, for example, is vital for someone who needs a product right away. Also, safety stock can be dramatically reduced—if not eliminated—with an order management system. Ensuring any order can be fulfilled regardless of channel means safety stock—which can become quite expensive—is no longer necessary. Retailers can keep inventory in retail stores while allowing all channels to sell.

Any omnichannel strategy simply isn't possible without a functionally rich, reliable order management system. It will help you deliver exceptional customer experiences at a lower, sustainable cost.

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