



Guide

Omni-Channel Order Management





Omni-Channel Order Management Guide

The retail industry is undergoing a phenomenal transformation. Technological advances and changes in the traditional shopping journey have retailers scrambling to keep up with the newest trends.

Today's consumers are more knowledgeable, connected, empowered and mobile. The internet and social networks provide easy access to product and price information, as well as reviews. Capabilities such as being able to shop on mobile devices empower consumers to interact with a brand when and where they want.

The consumer's shopping journey is now dynamic. Consumers are constantly evaluating their options and interacting with retailers across channels. The modern consumer researches online before making purchases in store, researches products and alternatives on their mobile device while shopping in store and even makes purchases online but visits a brick-and-mortar store to collect them. The shopping journey is an ongoing cycle because the digital touchpoints that consumers interact with are always on and accessible.

Omni-Channel Retailing

To respond to consumers' expectations of a seamless, personalized, and consistent experience with brands, retailers need to take an omni-channel approach. Operational processes should be synchronized between channels, and channels should be aligned to act as a single face to consumers. Even though a brand may have several channels, the consumer still views them as one, as a single company.

This concept also applies to the consumer. A customer is a single person and should be treated as such even if he/she shops both in the store and online. Customers demand exceptional service and personalized content and offers because they expect retailers to know their personal profiles, preferences and their past purchase history.

Obstacles to Omni-Channel Retailing

Several major obstacles to omni-channel retailing that retailers must overcome include:

Legacy Systems

Many retailers are still using retail technology and infrastructure that was developed before omni-channel commerce was mainstream. The systems simply cannot scale with the business nor support channel expansion, geographic diversification, the creation of a new brand, or the addition of a new business.

Disparate Systems

Many of the existing systems that retailers are currently using were initially designed for a single channel. Retrofitting these systems to support omni-channel commerce results in challenges, including added costs for maintenance, poor integration, risk of errors, and reduced productivity.

Inconsistent or Incomplete Customer Information

Lack of centralized and complete customer information opens the potential for inconsistent views of customer profile data, negatively impacting customer service.

Incomplete Inventory Visibility

Lack of real-time inventory visibility and availability reduces control and means that purchase and allocation decisions are not fully optimized.

Huge Data Volumes

Retailers must embrace big data analytics technologies to deliver insights from transactional, product and customer demographic, behavioral and social data. It is no longer feasible to manually collect and analyze.

Manual and Inefficient Processes

Many manual and pen-and-paper methods are still being used in stores, whether to manage customer orders or store receiving and transfers.



Omni-Channel Order Management

The success of a retail omni-channel strategy is dependent on three main technology pillars: the e-commerce platform, order management system (OMS) and POS.

1

E-COMMERCE PLATFORM

The e-commerce platform is at the core of all online channels and is the customer-facing component of the cross-channel shopping journey. It allows consumers to engage, research and make purchases on the web, tablets, mobile phones, and even through social media.

2

ORDER MANAGEMENT SYSTEM (OMS)

Today's order management systems must do more than simply manage orders to online-only sales or store-only sales. Retailers need a central repository for inventory and orders and require an OMS that can leverage fulfillment centers throughout the enterprise. Retailers need to use their OMS to move inventory and deliver it to the consumer based on his or her preferred method. In order for the e-commerce platform and POS to operate efficiently, only relevant information is synched from the OMS. The OMS must also equip retailers with the tools needed to provide exceptional customer service and a seamless customer experience across all channels.

3

POS

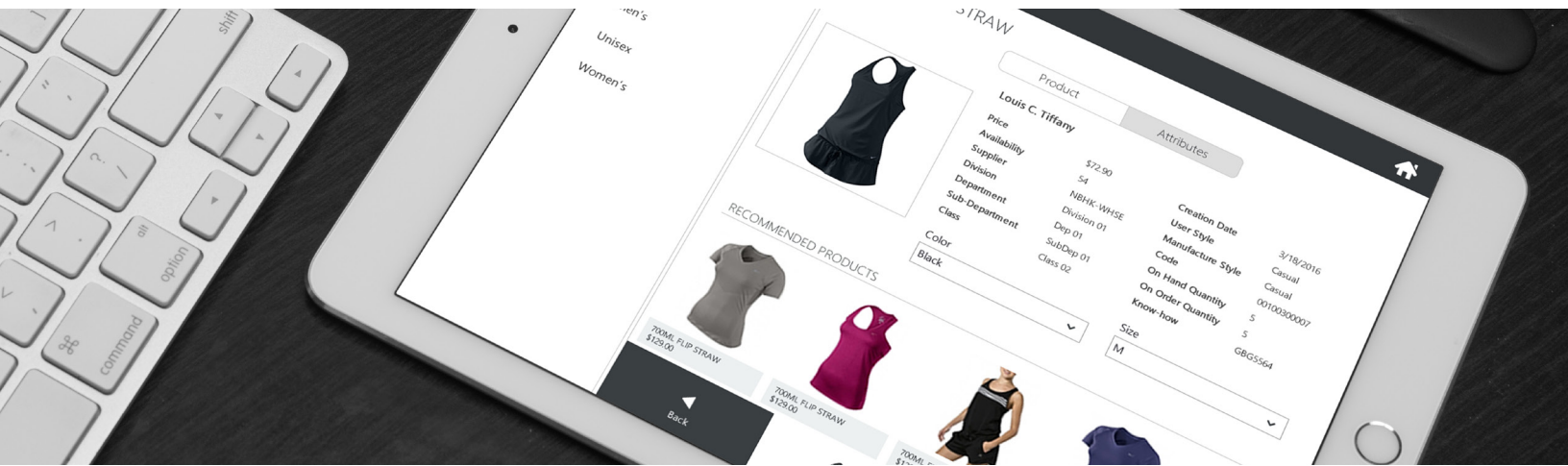
The in-store POS system enables the omni-channel approach in several ways. Typically, retailers manage their in-store inventory through the POS. POS systems allow associates to complete the omni-channel buying cycle by processing in-store pickups of products ordered online or even to place an order that will be fulfilled from another store. All of the orders processed at the POS terminal are then fed into the OMS for a complete view of orders across all channels.

Mi9 Retail Omni-Channel Order Management System

The Mi9 Omni-Channel OMS is an order management system that provides a single, global view of all available inventory to intelligently source order items, regardless of channel. The system ensures that the business can meet current and future customer demand while optimizing inventory, logistics, and asset utilization.

Omni-Channel OMS key capabilities include:

- Create orders
- Track orders
- Administer orders
- Report and analyze against orders



Endless Aisle

An “endless aisle” breaks down channel silos so that orders can be placed and fulfilled, and returns and exchanges can be processed via any retail channel. This extends to the retailer’s network of fulfillment locations and third party logistics companies. It also facilitates vendor fulfillment of an order when the product is not available in any store, distribution center, or warehouse location.

Endless aisle shopping, purchasing, and fulfillment includes:

- Buy online, ship from any fulfillment location
- Buy online, pick up in store
- Reserve online, pick up and pay in store
- Buy at store, ship from alternate fulfillment location
- Order at store, ship and pay from alternate fulfillment location
- Reserve or buy online, transfer from another location

Today’s order management systems must interact with a wide range of enterprise systems, including, but not limited to:

- e-Commerce
- Point of Sale (POS)
- Warehouse Management System (WMS)
- Call Center
- Vendor Systems

The Mi9 Omni-Channel OMS is an integrated, full-featured order management system providing:

- Endless Aisle
- Inventory ATP (Available To Promise)
- Fulfillment Optimization
- Transaction-Based E-mail
- Customer Service and Appeasement
- Payment and PCI-DCC

Key Capabilities of Omni-Channel Order Management

Fulfillment Optimization (Routing Engine)

- Optimize product shipments across multiple locations
- Split order line quantities across multiple fulfillment points
- Determine “best option” based on business goals: limit costs, assist in stock allocation (and reduce corresponding transfers and markdowns), or focus on fastest delivery
- Multi-faceted rules support buy online pickup in store, buy online ship from any fulfillment location, buy online pick up in store, reserve online pick up and pay and store, buy at store ship from alternate fulfillment location, order at store ship and pay from alternate fulfillment location, and reserve or buy online transfer another location

Inventory ATP (Available to Promise)

- Rules-based and source-dependent inventory visibility ensures stock availability for each order, taking into account future receipts, holdbacks for prior commitments, 4-wall inventory, and sales channel
- Provides flexibility to control based on order source and location rules

Order Broker

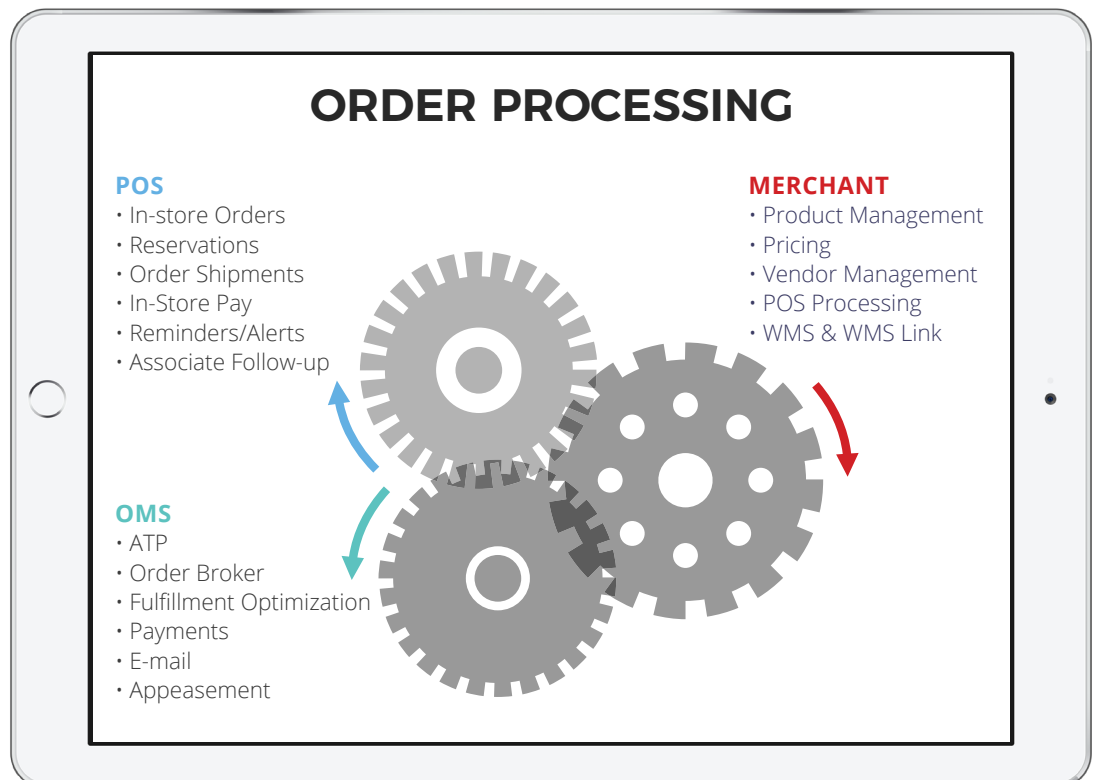
- Acts as order broker across all order source requests and fulfillment locations
- Maintains integrated control and management of all transactions
- Provides data that can be used by multiple providers and consumers (business)

Order Management System (OMS)

- Provides central management and acts as system of record for orders and order status
- Provides a platform for all related order tasks, such as payment processing, changes, returns, etc.

Reporting and Advanced Analytics

- Operational reporting
- Analysis of success metrics, for example, did routing decisions reduce cost, speed delivery, etc.
- Actionable and automated system adjustments



Benefits of Clicks and Bricks

1

PROMOTE YOUR BRAND

E-commerce represents a great opportunity for retailers to extend their brand to digital spaces with an online storefront. Retailers must meet consumers wherever they are.

2

DRIVE IN-STORE TRAFFIC

Consumers use multiple channels before making a purchase. Beyond using e-commerce as a sales channel, the web can also be leveraged to drive customers to stores.

3

INCREASE CONVERSIONS, CROSS-SELL, & UP-SELL

Since omni-channel customers spend more than single-channel customers, retailers can leverage clienteling opportunities in-store. Recommended products and online promotions can increase the success rate of cross-selling and up-selling.

4

IMPROVE VISIBILITY ACROSS THE CHAIN

Reduce online cart abandonment and markdowns and save sales with real-time inventory. Fulfill online or store orders from any location, including distribution centers and other retail stores.

5

CREATE A 360° VIEW OF THE CUSTOMER

From an anonymous web visitor to an identified customer, track and unify customer engagement online and in-store. Obtain a single view of the customer's complete order history, purchase behavior and preferences.

6

PERSONALIZE THE CUSTOMER EXPERIENCE

Enrich CRM data by tracking customer activity online and in-store and execute more targeted and measurable campaigns.

The retail industry will continue to evolve as retailers shift their strategies to court the digital consumer. Retailers who deploy omni-channel order management technology will evolve the customer experience, deliver faster inventory turns, and create higher profit margins. In short, they will thrive.

Mi9 Retail is passionate about helping retailers create great experiences for their customers – online, in-store, and on any device. We know that great retail experiences happen when optimized inventory management intersects perfectly with well-executed customer engagement strategies to deliver higher customer loyalty, better margins, and a more engaged workforce. Our solutions for merchandise management, digital commerce, and store operations are used by leading retailers across the globe. The company is headquartered in Miami, FL, with operations in North America, Europe and Asia. Visit www.mi9retail.com to learn more.

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