

HOW TO BUILD A

CUSTOMER-FOCUSED ORDER SYSTEM

Adding an OMS layer to your ERP system can help your B2B brand better connect with customers.



INTRODUCTION

The consumerisation of wholesale is here. Driven by the technological advances and faster, more flexible delivery services your customers expect the same speed and flexibility already available to them as consumers.

To deliver, it's crucial to understand the decisions you are facing every day: product, price, speed of delivery, sourcing, inventory and fulfilment. The success of your business depends on exceeding your customer expectations at every turn. As a wholesaler you need three capabilities today: speed, flexibility and profitability.

Speed: Gone are the days of having weeks to fill an order. Today, customers expect their order in days, overnight or even hours. If you can't deliver, someone else will.

Flexibility: Customers today want a wide range of options both in products and fulfilment methods. The more complicated the choices, the harder it is for you to manage.

Profitability: In any business, but especially wholesale where margins are tight, it's all about meeting demands, and doing it in ways that maintain your profit.

While enterprise resource planning (ERP) solutions can still play a role in meeting the customer challenge, they lack the critical functionality that can be fulfilled by a best-of-breed order management system (OMS).

THE CHALLENGE OF UNIFIED COMMERCE

WHY ERP CAN'T SATISFY THE MODERN WHOLESALE CUSTOMER DEMAND

Designed to replenish large distribution centres, ERP systems evolved to become robust, dependable and trustworthy systems of record for wholesalers. But then everything changed.

Monolithic purchasing, finance and inventory systems simply cannot meet all the needs of the demanding, modern customer. This is true for wholesale as it is for retail. He or she expects to be able to engage at any time, from anywhere and have orders fulfilled where and when they are needed.

This leaves wholesalers with a significant IT dilemma.

- Should they take the complex step of attempting to upgrade their ERP system, with attributes like newer analytics and faster in-memory processing, knowing the end product could be expensive and lack relevant functionality?
- Should they take the risk of trying to build their own system, requiring significant IT investment, a long time-to-market and no guarantee of success?
- Or should they invest in a best-of-breed OMS, engineered for specifically for today's challenges, that can complement their existing ERP?

The balance of power has shifted, every day moments of trust can make or break your business. With the right advanced technology for profitable omnichannel fulfilment, wholesalers can thrive and succeed.



THE BENEFITS OF BEST-OF-BREED OMS

Wholesalers have an opportunity to meet customer demands and leverage the value of their existing legacy investments – especially when it is composed of multiple ERP systems used in different business units or different countries. Standardising on a single ERP across the entire organisation can take years to accomplish.

With the addition of an OMS layer, there is no need to ‘rip and replace’. The order management system enables global inventory visibility and allows wholesalers to make their all inventory available to all their customers – in whichever way they like it. In addition, the OMS layer can be implemented in phases, so wholesalers can achieve a viable product quickly, cost-effectively and with minimum risk.

Limits of Legacy ERP Order Management	Power of Modern Order Management
Designed for traditional business	Engineered specifically for the complexities of modern business — providing 360° view of the customer, processing large numbers of orders per hour and immediately releasing them to fulfilment locations, etc.
Manages inventory independently for each sales channel	Global enterprise inventory allows any item in any location to be available to view/sell from any location or channel — enabling services such as ship-from-store, click & collect and save the sale.
Never designed for agility and enforces strict business processes	Cloud-native and agile by design to adapt to new demands.
Limited inventory allocation capabilities and no ability to use store or warehouse conditions to source fulfilment	Sell against inbound or return supply and dynamically optimise and select the most profitable fulfilment source in real-time — reducing shipping costs, time to ship, etc.
Batch-driven updates and rigid integration limitations	Real-time view of the order and real-time promising, allocation and exception management.
Rule-based waterfall approach to fulfilment sourcing	Real-time fulfilment sourcing optimisation analyses dozens of constraints to ensure the most profitable selection is made every time.
Limited returns based on sales channel — e.g. store purchases can only be returned in store, etc.	Omnichannel purchases, returns, and uneven exchanges.
Only one view of inventory to promise against, regardless of which product, channel or consumer	Unlimited number of ‘views’ of global inventory assures that only inventory that meets the conditions of the buyer are presented as options — ensuring great customer experiences.



CASE STUDY

Kramp

Kramp uses Manhattan Order Management to orchestrate order fulfilment across its European wholesale operation.

Kramp Groep is one of Europe's largest technical wholesaler, a one-stop supplier of spare parts, technical services and business solutions. The company is using Manhattan technology to strengthen customer relationships and boost sales. Operating alongside Kramp's ERP and warehouse management systems, Manhattan OMS enables "available to promise" selling, more-flexible fulfilment options and faster, more-accurate order fulfilment.

CEO Eddie Perdok said: "Everything we do at Kramp is designed to make the process of ordering parts as easy as possible for our dealer network. Manhattan Associates' omnichannel solutions will underpin our business strategy, allowing us to optimise our supply chain in order to better service customers across channels."

WHAT IS THE SOLUTION?

Despite its obvious shortcomings, ERP still has a critical role to fulfil as a system of record within modern, dynamic unified commerce.

For more than a decade, ERP systems have sufficiently managed store, inventory and supply chain operations, pushing goods to stores in lockstep with relatively static and stable demand forecasts. However, due to the changing consumer expectations and the ripple effect that has throughout the digital supply chain, static and stable demand forecasts don't exist anymore. A more sophisticated solution is needed.

Any attempt to 'rip and replace' the wholesaler's operational technology could be expensive, risky and ultimately could threaten the life of the patient.

The good news is that integrating a distributed order management system layer – sitting above the existing ERP – can quickly and cost-effectively meet the challenge of the modern customer.

Major ERP systems may already have limited OMS functionality. However, a distributed order management system can dynamically optimise order fulfilment across a complex network of systems and processes – unlike it's inferior, static ERP relative.

A best-in-class OMS layer, working in tandem with the existing ERP or even multiple ERPs, enables a wholesaler to deliver the functionality and innovation that modern customers expect, without sacrificing the robust accounting and finance functionality ERP excels at.

The beauty of adding an OMS layer is that additional functionality can be added swiftly and incrementally. This means companies can target quick wins with minimum investment and risk in a matter of weeks and months rather than years. With this model it's easier to achieve a return on investment, win C-suite support and then build-out OMS capability. It's also easier to foster a culture of continuous improvement based on agile working methods.

For example, an OMS can enable a wholesaler to pilot a click-and-collect service in sales branches or pick-up points at distribution centres. When this successfully

grows the bottom line they may choose to add more functionality such as same-day delivery, merge-in-transit and drop-ship capability, slowly adding more services with minimal organisational strain.

When deployed correctly, OMS becomes an essential element in delivering a single version of the truth. An OMS will provide:

- Real-time information such as a view of 'available to promise' (atp) inventory across the entire network
- Personalised customer engagement and interaction – Single view of customer, order and inventory
- Real-time visibility of order status, independent of fulfilment channel
- Configurable and dynamic order orchestration, including merge-in-transit, drop shipping and order consolidation
- A wide range of delivery/collection options driven by customer convenience
- Complete access to the wholesaler's full inventory in every channel



How an OMS layer can complement your existing ERP system

With an OMS as your first layer of interaction with the customer, it's possible to significantly boost agility and innovation while retaining the strengths of your existing ERP system.

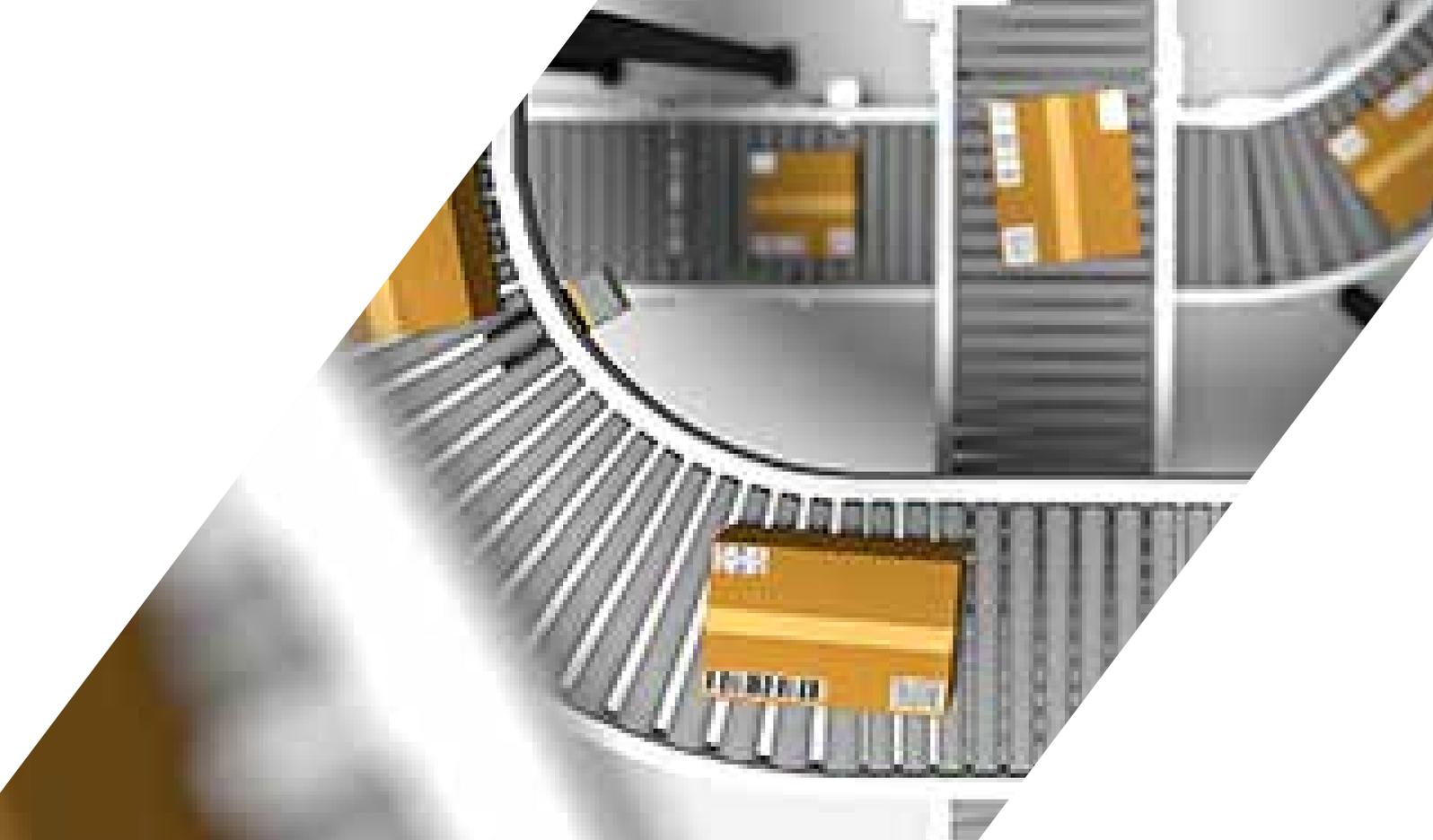


FINANCE
ANALYTICS
ACCOUNTING
PURCHASING
BUSINESS TOOLS
BUSINESS PROCESSES
BUSINESS INTELLIGENCE

ERP

OMS

ORDER FULFILMENT
ORDER MANAGEMENT
INVENTORY OPTIMISATION
PRICING & PROMOTIONS
CUSTOMER SERVICE
RETURNS



MOST WHOLESALERS IMPLEMENTING OMS ARE DOING SO TO ENHANCE, RATHER THAN REPLACE, THEIR ERP SYSTEMS.

The main advantage of using the two systems together is that it allows wholesalers to achieve front-end business agility without sacrificing accounting and finance functionality.

Using an OMS layer in tandem with ERP ensures that both systems can be used to their fullest and fewer modifications are needed.

Companies are finding that order management delivers business efficiencies that can be easily measured, especially around inventory management, logistics and fulfilment. OMS is able to 'see' inventory across the entire supply chain network, in all stock locations (including hubs, DCs, inventory in transit and with suppliers).

OMS is also an additional revenue driver as it allows wholesalers to sell their network inventory via all sales channels (customer service, digital channels). When using multiple ERP systems, all network inventory can be sold to all customers – regardless which ERP is managing those customers.

It also allows businesses to provide accurate and real-time insights to their customers on inventory levels, lead times and order statuses. At the same time, OMS safeguards profitability by making sure online orders are fulfilled in the most profitable way by sourcing inventory from the best location.

Perhaps more importantly, the ability for OMS to enable innovation, fulfil and delight the modern wholesale customer and make sure he or she will shop with you again — all with minimum risk — sets it apart from other solutions. Faced with the immediate challenge of unified commerce, OMS is the most effective solution for wholesalers, enabling smooth activation of a wide spectrum of new functionality.

For more information about our **Manhattan Active™ Omni** Solutions, including our Order Management System, please visit manh.com/en-gb/active/omni

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