fabric

Unlocking Key Benefits of Modern Order Management Systems

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Order management systems (OMS) allow enterprise retailers to optimize order processing, enhance inventory management, and deliver exceptional fulfillment experiences to their customers.

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The benefits of an OMS include optimized inventory visibility, enhanced inventory controls, integrations with critical enterprise systems, improved demand aggregation, and streamlined omnichannel retail operations.

03

fabric OMS is a powerful application that allows enterprise retailers to deliver fast, flexible, and cost-effective fulfillment experiences to customers.

Introduction

In retail, speed, efficiency, and precision matters. The need for an advanced and agile system to manage orders becomes ever more critical as businesses expand operations across multiple channels and customer touchpoints.

According to a 2023 Omnichannel Survey conducted by Digital Commerce 360 and Bizrate Insights, more shoppers are embracing omnichannel activities. The survey found that:

68%
of customers checked online for product availability at a nearby store

50%
ordered online and picked up a product in store

35%
ordered online and used a retailer's drive-up or curbside service to pick up a product from a store

31%
ordered online from a physical store for same-day delivery

CONSUMER INSIGHTS

Online shoppers embrace omnichannel activities

Which of the following activities were part of your shopping behavior over the past 6 months? (September 2022 through February 2023. Multiple responses allowed.)

	2023	2022	2021
Checked online for product availability at a nearby store	68%	51%	58%
Ordered online and picked up a product in store	50%	37%	43%
Ordered online from a web-only retailer (Amazon, Lulus, etc.) for same-day delivery	38%	36%	36%
Ordered online and used a retailer's drive-up or curbside service to pick up a product from a store	35%	25%	35%
Participated in a store-based retailer loyalty program beyond Amazon	32%	29%	32%
Ordered online from a physical store (Target, Walmart, etc.) for same-day delivery	31%	27%	26%
Made an additional purchase while at a store picking up products purchased online	26%	19%	21%
Made an additional purchase when completing an in-store return for products purchased online	17%	15%	16%

Source: Digital Commerce 360 and Bizzate Insights survey of online shoppers, March 2023

Simply put, the race to deliver products faster to customers is heating up. As a result, enterprise retailers are turning to modern order management systems (OMS) to optimize order processing, enhance inventory visibility and accuracy, and deliver exceptional fulfillment experiences to their customers.

5 Major Benefits of OMS Software

An order management system (OMS) is software that acts like a digital conductor, orchestrating order processing, overseeing inventory, and ensuring fast and accurate order fulfillment. A distributed order management (DOM) system takes order management one step further, offering intelligent routing of orders across multiple locations and channels.

From advanced fulfillment orchestration to enhanced inventory controls, retailers can utilize software to optimize logistics and streamline their operations. Here are 5 major benefits of using a modern OMS today:

01

Streamlined omnichannel operations
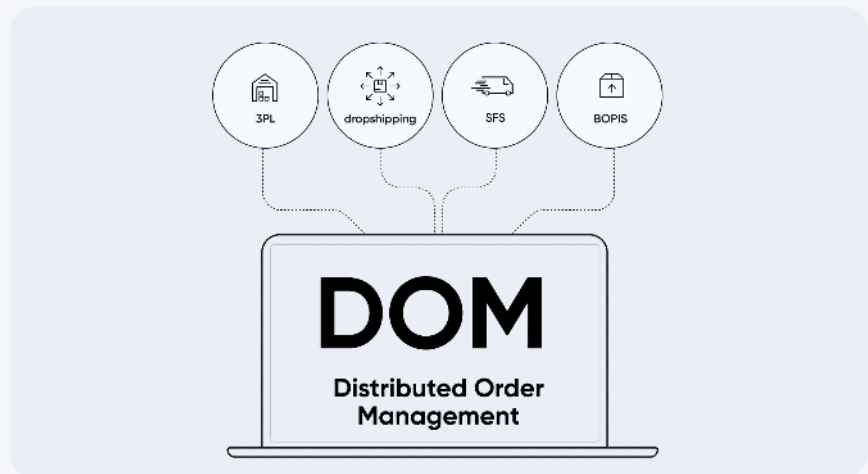
A distributed order management (DOM) system is software that uses order fulfillment logic, or logic-based rules, to orchestrate and optimize the order fulfillment process for omnichannel operations. It can factor in inventory levels, location, shipping costs, customer preferences, or other factors to route orders to the best locations, and can simplify coordination with multiple vendors, suppliers, warehouses, and fulfillment centers.

With a DOM system, automation can help to eliminate spreadsheets and human errors. Not only can this centralize operations, it also frees up staff to focus on their core tasks.

Finally, returns are bound to happen, and a smooth returns process is critical for efficient reverse logistics. With modern OMS software, retailers can offer instant refunds through a simple return and refund process. They can also create and track reason codes for returns, cancellations, delays, and exchanges. Businesses can also set up return policy settings that automatically enforce rules when handling returns and refunds for a hassle-free experience.

02

Real-time inventory

Real-time inventory visibility is crucial for retailers. In a complex supply network, modern software can aggregate and synchronize data to reveal the full scope of available inventory across fulfillment and sales channels.

Whether products are in-transit, on-shelf, on-order, or located in distribution centers, warehouses, stock locations, or 3PLs, this real-time, 360-degree view of inventory tells businesses how much inventory they have or need at any given time.
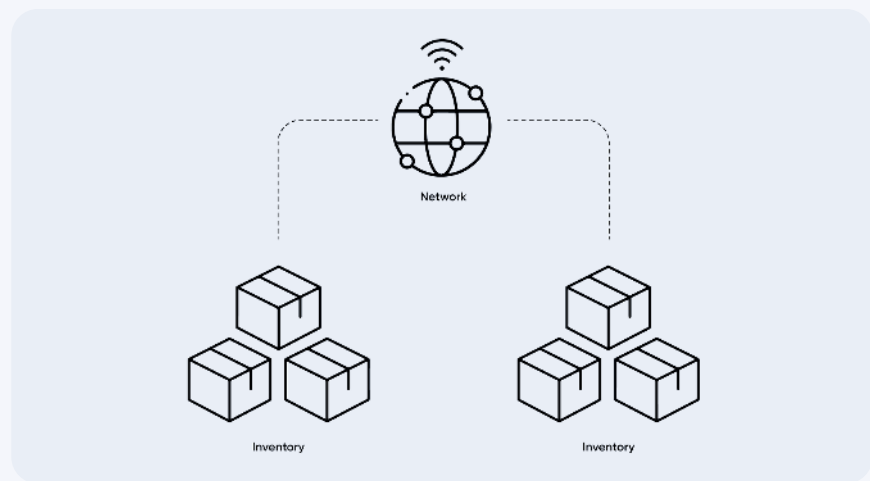
Insead of outdated batch updates that cause delays and lead to overselling and underselling, real-time inventory solutions connect directly with sales channels. Syncing inventory across a large network also enables businesses to manage buffer inventory levels, optimize available-to-promise (ATP) stock (the projected amount of inventory a business has in stock, ready to sell, and is not allocated for existing customer orders), and view stock by channels or warehouses. Real-time inventory data can also help:

- Boost inventory turnover.
- Reduce markdowns.
- Support omnichannel fulfillment models, such as buy-online-pickup-in-store (BOPIS), curbside pickup, store fulfillment (as mini distribution centers), and ship-to-store.
- Minimize stock shortages and order cancellations.

Syncing inventory with product detail pages (PDPs) on websites also informs customers about the exact available stock, improving their shopping experience.

03

Enhanced inventory controls

Inventory controls focus on maintaining optimal stock levels while maximizing profits and minimizing inventory costs, all while ensuring timely and efficient product delivery to satisfy customers.

OMS software often includes built-in inventory control systems which can optimize stock levels. Companies can categorize inventory, track item locations, consolidate inventory pools, and regulate stock availability across channels, markets, and regions. Businesses can set precise reorder points for replenishing stock, strategize for sales, and prevent the accumulation of unsellable dead stock.

To gain greater control, some critical OMS software features to look for include:

- Network aggregation for inventory consolidation.
- Bulk operations for uploading vendor inventory.
- Integration of product feeds.
- Automation to replace manual processes and eliminate spreadsheets.
- Low-code/no-code configuration for managing inventory, warehouses, and fulfillment rules.
- Customizable inventory attributes and positions for efficient categorization.
- Safety stock and low stock settings.
- Enhanced pre-order and backorder capabilities with optimized inbound inventory allocation.

04

Integrations with key enterprise systems
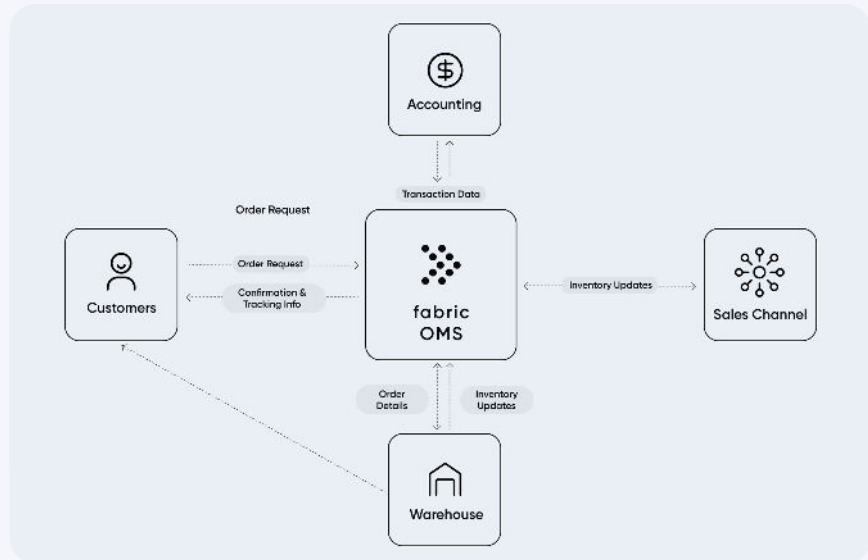
One of the benefits of a modern OMS is that it can seamlessly integrate with other essential components in an e-commerce tech stack. Oftentimes this includes a warehouse management system (WMS), enterprise resource planning (ERP) system, customer service (CS) app, accounting system, or other element of e-commerce tech infrastructure. An OMS can integrate with various e-commerce applications through the use of application programming interfaces (APIs).

While some companies utilize ERP systems for order fulfillment, it's important to note that an ERP primarily manages accounting, procurement, project management, risk management, compliance, and supply chain operations. It is not a substitute for a dedicated OMS.

fabric's composable commerce solution is the first to have a native OMS. It's built with a full suite of core commerce services, including a pricing and promotions engine, product information management (PIM) system, and dropshipping platform. With commerce APIs, retailers can simply pick and choose the services they want to build their own custom tech stacks.

05

Demand aggregation for forecasting

Demand forecasting relies on predictive analysis to anticipate customer needs and future sales. It often harnesses historical sales data, trends, and upcoming events to allow retailers to make informed decisions.

With pre-order and backorder capabilities, a modern OMS application can aggregate future product demand, sending the information to demand planning systems like an enterprise resource planning (ERP) system or standalone demand planning software like Netstock, SAP Business Planning, or IBM Planning Analytics.
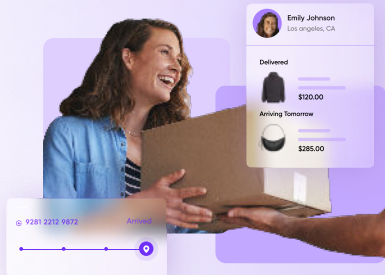

Pre-Order and Backorder Inventory
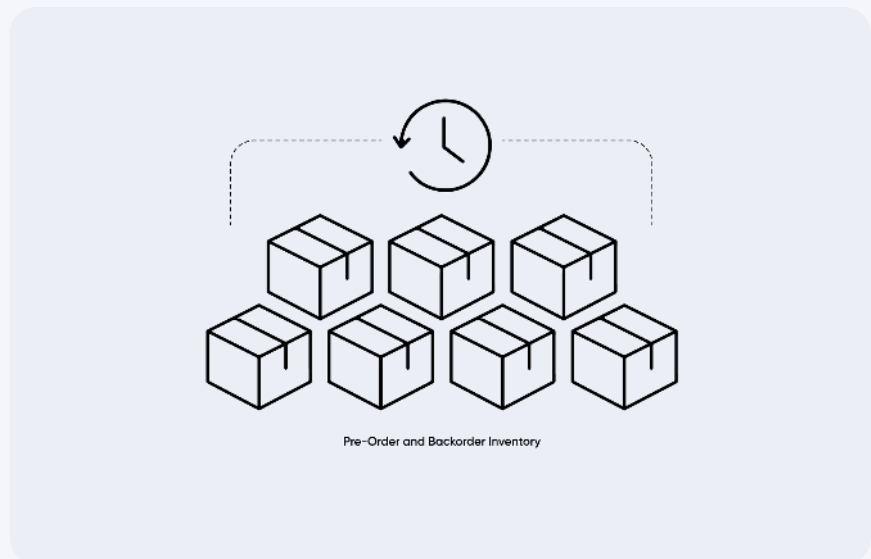
Pre-orders serve as an excellent way to generate excitement, assess demand, and fine-tune inventory before a product launch. This not only lowers financial risk but also creates anticipation. Additionally, available-to-promise (ATP) inventory helps maintain stock levels and predicts future requirements based on forecasts. With pre-orders, companies can sell items before they're ATP and release them on the specified pre-order release date when they become ATP.

With backorders, companies can capture sales when products are temporarily out of stock. Retailers can maintain customer relationships while assessing inventory needs, but managing customer expectations is key. In cases where delivery promises can't be met, quick communication of new estimated delivery dates is essential for meeting customer expectations.

fabric OMS: Discover the Benefits of Modern Order Management Software

With modern OMS software, retailers can deliver fast, flexible, and cost-effective fulfillment experiences to customers. Less errors and more transparency can also improve the overall buyer's journey. By meeting the demands of customers, businesses can further strengthen brand loyalty, ultimately leading to repeat business and higher sales.

fabric OMS is a powerful, state-of-the-art DOM system. Boasting some of the most advanced features and capabilities in the market, it's purpose-built for enterprise retailers with complex omnichannel operations. If you're interested in learning more about fabric OMS or would like to schedule a demo of its latest features and functions, get in touch with us here.

Inventory and order management simplified

One system to manage orders, inventory, and fulfillment.

Try fabric OMS

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