Order Management Software (OMS) for Growing Retail & Manufacturing Businesses

Introduction

Businesses operating through multiple sales channels, dealing with huge orders, and maintaining a complex supply chain frequently face the problems of order processing, shipping and logistics, customer management, and inventory management.

Order Management Software helps the business with smooth order processing, multi-location inventory management, shipping and logistics management, reporting and dashboarding, and production analytics.

Therefore, the application of Order Management Software in the supply chain management domain of Retail and Manufacturing houses attains significant importance.

Keeping in mind the YOY growth in business, the implementation of Order Management Software provides centralized order information, maintains accurate inventory, monitors order performance, prioritizes order fulfillment, and streamlines order processing. The above features lead the business to reduce sales loss, maintain a robust return policy, have an error-free and secure payment gateway, and manage smooth drop shipments.

CHALLENGES

This whitepaper focuses on the industry's problem areas, which can be addressed through order management software, helping businesses move further toward supply chain optimization. Some of these challenges are –

Manual and repetitive PO Processing jobs

As the business grows, the number of purchase orders also increases; hence, manual processing of purchase orders will require more employees to get hired, consequently growing operational costs.

Managing new orders every moment

When managing multiple channels and building brands, it becomes evident that the flow of orders will increase tremendously. Every moment is crucial, and order registration to processing becomes a colossal task.

Inefficiency and Delays

As manual order registration, processing, and shipment are being made, employee fatigue leads to less productivity, consequently delaying the entire process of order management and leading to customer dissatisfaction.

Scalability Challenges

Proper and advanced systems and processes are necessary to scale a business. These are the backbones of the business. Therefore, order management, being the heart of the business, requires dependable and efficient software. Otherwise, it will create obstacles towards scalability.
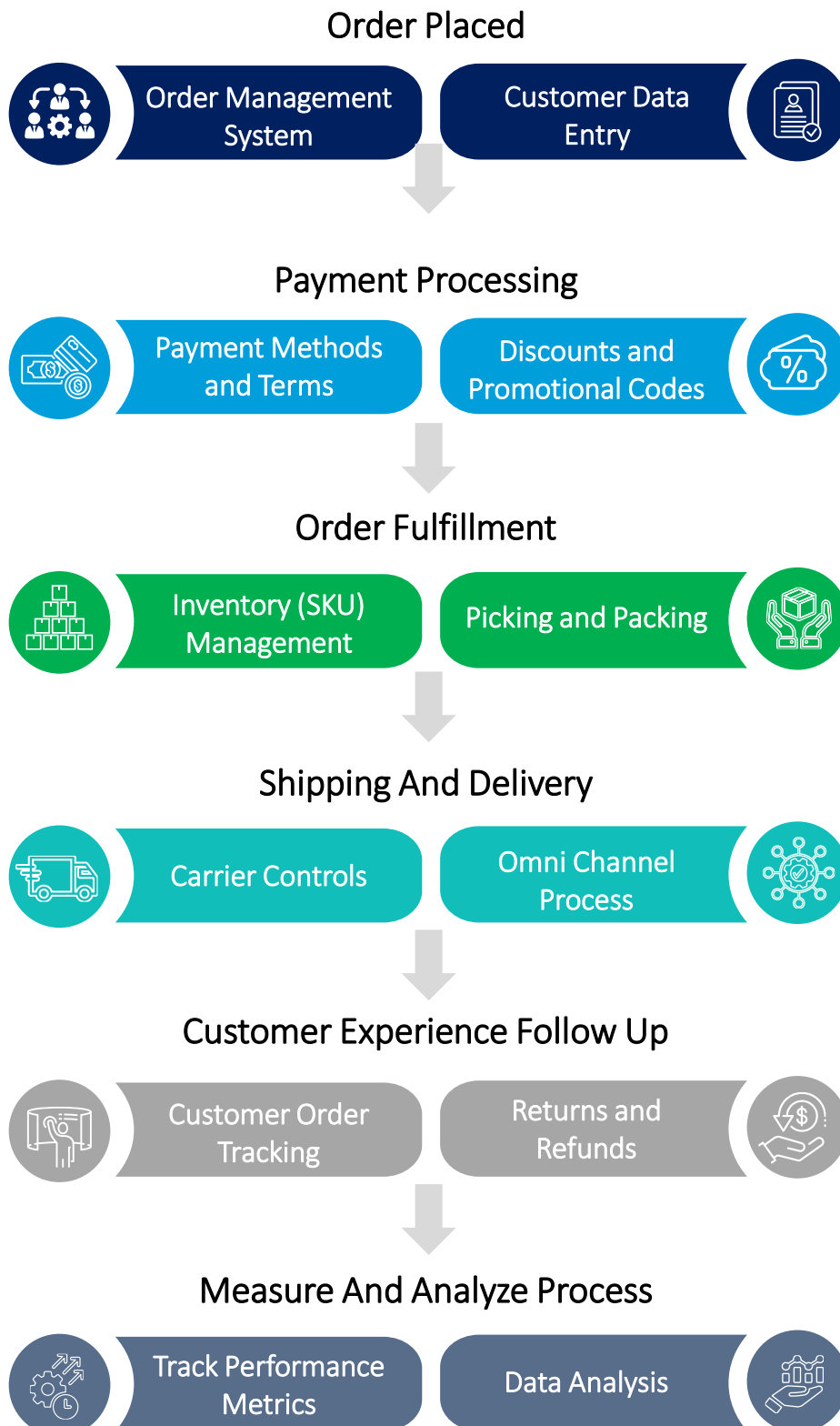
Drop Shipment Challenges

Drop shipping is when a seller ships its customer's orders directly from its supplier's warehouse. This complex process of shipment and tracking is complicated manually. Hence, it is a challenge for any business.

When does a business need an Order Management System?

Managing orders in the initial business days is relatively easy; everything is done manually, from order registration to delivery to the customer's doorstep. As the business grows and gets more investment, order flow also increases. The daily/monthly/yearly number of orders jumps, and at the same time, processing these orders manually becomes a nightmare for the employees. Now is the right time to move into order management software.

Order Management Process Flow

Order Placed

| Order Management System | Customer Data Entry |

Payment Processing

| Payment Methods and Terms | Discounts and Promotional Codes |

Order Fulfillment

| Inventory (SKU) Management | Picking and Packing |

Shipping And Delivery

| Carrier Controls | Omni Channel Process |

Customer Experience Follow Up

| Customer Order Tracking | Returns and Refunds |

Measure And Analyze Process

| Track Performance Metrics | Data Analysis |

Brief Overview of Order Management Software's Core Function

Order Processing

Once a customer places an order, OMS automatically registers the order, displays the stock availability from the nearest DCs, and processes the order for further steps.

Shipping & Logistics

Once the order is ready for dispatch, OMS tracks the same and helps to ship the order to the right customer.

Customer Management

Right customer management is necessary for the growth of the business. OMS helps manage and serve each customer, track orders, create shipments, and maintain a good relationship. Hence, the business brand value increases.

Inventory Management

Inventory is the heart of Supply Chain Management. As the business expands, the number of warehouses and distribution centers (DCs) also increases, so OMS can provide a single view of inventory levels across all the DCs and warehouses. Thus, maintaining a correct inventory level becomes more effortless.

Reporting & Analytics

OMS provides daily/weekly, and monthly level reporting through dashboarding and analytics, thus helping the business make appropriate decisions.

Integrating Order Management software with other software

Order Management software can integrate with other platforms for smooth operation, for example – SAP, Sales and distribution software, Demand Planning software, etc.

Replacement of Orders

If a customer orders a black shirt and gets a white one, they apply for the replacement; the OMS will show the stock availability for the white one to the nearest DCs from the customer and subsequently process the replacement.

Payment Gateway

Integrating Payment Gateway with the OMS software helps the customer pay instantly by selecting the pay later option or cash on delivery option. It also allows customers to pay with a credit or debit card and avails them of the NO cost EMI option.

Drop Shipment

OMS helps a seller ship its customer's orders directly from its supplier's warehouse. OMS tracks the entire order very efficiently.

Retailer or Manufacturer Pain Areas solved by OMS:

» **Expansion of multiple channels** – Helps expand new channels like marketplaces and international market expansion.

» **Reduction of fraudulent orders** – It helps to flag suspicious orders to reduce the danger.

» **Easy sign-up** – Prevents multiple customer support agents for signing up to various systems (CRM, ERP, WMS, Payment tool) to search and serve orders.

» **Communication** – Simplifies communication between front-end and back-end systems.

» **Fast Order Processing** – Reduces the order processing time through automation and in-built procedures.

» **Easier access to the inventory levels** - Removes multiple calls to various DCs and stores to inquire about the inventory levels.

» **Errorless Inventory** - Effectively finds loopholes in inventory count errors, back orders, and lost orders.

» **Single view** – gives a single view of customers, inventory orders, products, and payments across the inventory.

» **Inventory visibility** – Gives accurate inventory visibility across all DCs, Stores, Vendors, and 3PL Suppliers.

» **Omnichannel Brand** – Helps execute omnichannel fulfillment strategies like vendor drop ship, ship from store, buy online, and pick up in-store.

» **Retrieve order information from any channel** – Helps in getting the order information correctly irrespective of the placement location of the order (Online or Offline).

Customer Pain Areas solved by OMS:

Modification/Cancelling Orders:

OMS helps the customer modify or cancel orders as per their wish without any hassle.

Nearest Stores Availability:

OMS helps customers by giving the stock view of the nearest store to the customer, thus reducing the transportation cost.

Replacing damaged items:

If the nearest warehouse is out of stock, the customer's damaged product can be replaced from DCs/stores with the help of the OMS system.

Accurate product information:

The customer gets precise product details, specifications, and availability without calling customer support.

Increases Customer Satisfaction:

OMS bridges the gap between Online and Offline shopping by displaying real-time order information from all channels, consequently increasing customer satisfaction.

Superior Customer Service:

OMS removes the gap between online and offline shopping experiences where the brand's customer service is appreciated.

Choose the right Order Management system with ITC Infotech:

In the current market, most Order Management Systems (OMS) are geared toward legacy setups for retailers and wholesalers, leaving a void for manufacturers. We offer a tailored checklist approach, considering the customer's budget, market comparison, business intricacies, and integration complexities. We understand the specific manufacturing needs, focusing on material and production flows. Our process includes free trials and demos to ensure hands-on experience, guiding the customer toward an OMS that seamlessly aligns with their unique requirements. Trust us to bridge the gap, providing a solution that fits the budget and propels manufacturing operations into a more efficient and integrated future.

Way forward –

Implementing an Order Management System (OMS) is a pivotal cornerstone in modern business operations. In an era where manual and repetitive tasks are error-prone and demanding, adopting OMS emerges as a transformative force across various facets of business functionality. Companies that have integrated OMS into their operations or transitioned from legacy systems to advanced OMS solutions have reported substantial enhancements in sales figures and elevated levels of customer satisfaction. The resultant augmentation in brand value is unmistakably tangible, fostering a business environment characterized by contented clientele.

The intrinsic advantages of OMS extend far beyond mere customer relations. By automating essential processes, OMS contributes significantly to heightened operational efficiency. The provision of round-the-clock accessibility ensures that business operations remain unimpeded, transcending geographical and temporal constraints. Moreover, OMS facilitates robust inventory management, laying the groundwork for a streamlined and responsive supply chain.

Consolidating business processes into a centralized framework and providing real-time data empowers decision-makers with invaluable insights, fostering informed and strategic choices.

The net result is a global upswing in turnover, as businesses equipped with OMS not only navigate the complexities of the modern marketplace with agility but also respond adeptly to dynamic consumer demands. The transformative power of OMS is evident in its capacity to catalyze growth, foster efficiency, and propel businesses into a realm of global competitiveness. In essence, OMS is not merely a technological upgrade but a catalyst for business evolution, propelling enterprises toward sustained success worldwide.

Author Information

Anish Mukherjee, an accomplished professional with an M.Tech background, brings over 12 years of extensive expertise in both domestic and international supply chain management. Currently, he serves as a dynamic leader at ITC Infotech, spearheading a team of 17+ consultants and engineers. In this role, he excels in overseeing demand planning, supply planning, and inventory planning for a prominent FMCG conglomerate, contributing significantly to the success and efficiency of the organization.

About ITC Infotech