



# Implementing Order Management Systems for Omnichannel

A well-designed distributed order management (DOM) system is the backbone of an omnichannel-enabled supply chain. It helps retailers manage how inventory is deployed in response to demand across channels. The business rules that drive this decision logic ultimately determine the profitability and success of delivering against omnichannel objectives.

In theory, DOM implementation sounds easy: Clamp one end to your enterprise resource system and the other end to your fulfillment and inventory management systems. It's plug and play.

In reality, it's open heart surgery. Order management system implementation requires disconnecting fulfillment and enterprise systems, then installing a new layer that connects fulfillment, store POS, allocation, inventory and other systems. It takes cross-functional integration to a new level for most retailers.

The business rules driving fulfillment and inventory decisions can't come out of a box. They must capture the fine logic of how a retailer balances customer experience and service with margins and cost controls. Order management therefore touches every aspect of the business.

A successful DOM implementation timeline is unforgiving, leaving little leeway for trial and error. Most retailers' customized warehouse and fulfillment systems require uniquely configured, and extensively tested, DOM solutions. System selection, integration, configuration and testing can take months, not to mention the implied hardware updates, upstream and downstream staff retraining, and the possibility that new roles must be defined, filled and integrated. And no matter what time of year they're initiated, comprehensive DOM projects will quickly run into the trial by fire of a peak fulfillment season.

## OUR EXPERTS

### John Seidl

Leader, Technology Services  
Retail and Consumer Group  
john.seidl@kurtsalmon.com

### Mike Gregory

Leader, Supply Chain Services  
Retail and Consumer Group  
mike.gregory@kurtsalmon.com

## DON'T SEND A GAMER TO DO A SURGEON'S WORK

Kurt Salmon helps retailers select, design and implement truly effective DOM systems that are informed by custom-tailored enterprise business rules and tested logic. Such an enterprise retail perspective is critical to ensuring the DOM is implemented in the context of the retailer's strategic business, supply chain and information technology plans. Store safety stocks, markdown avoidance, order cycle times and shipping costs, along with other considerations, all factor into the order fulfillment decision logic.

## FINDING SHIP-FROM-STORE EFFICIENCIES

A \$4.1 billion department store needed to transform its ship-from-store package into a robust omnichannel solution focused on sales, profit and customer experience. The optimization strategy Kurt Salmon designed and helped implement led to a 6% reduction in split packages, a 5% reduction in average distance to customer for fulfillment and 40¢ saved per package. Eleven percent of store orders moved from FedEx Zones 3, 4 or 5 to a closer zone.

## SAVING MORE THAN THE SALE

Kurt Salmon's DOM solution design and go-live strategy helped a \$4 billion multi-brand specialty retailer significantly reduce direct-to-consumer out-of-stocks and custom backorders. The 700-store retailer will achieve \$25 million in incremental revenue, defer future fulfillment center capital expenditures and reduce end-of-season clearance following implementation of its DOM solution.

## KURT SALMON BENEFITS

Kurt Salmon helps companies build the business case for DOM, act on it, integrate it across the enterprise and measure results. We have unsurpassed expertise in all the strategic drivers of a successful retail value chain, from merchandising and planning, product development and sourcing, supply chain and network strategy, logistics and transportation, distribution center design and fulfillment strategy to customer experience, in-store operations and omnichannel engagement.

Our firm has completed a significant percentage of Manhattan Associates' DOM projects, and Manhattan has named us a top implementation partner for four years running.

[www.kurtsalmon.com](http://www.kurtsalmon.com)

The Kurt Salmon team provides full selection and implementation support, including:

- 1 Program management.** We provide oversight of the various project threads, cross-functional team leadership, integrated planning, cross-functional communications, schedule and budget control.
- 2 Change management.** We define risk, assess the potential impact to organizational roles and responsibilities, define changing job functions, develop the required training strategy, and reinforce cross-enterprise communication at all stages.
- 3 Software selection.** We work with each client to develop functional and technical requirements that reflect both the operation and industry best practices, then evaluate software functionality within the context of those requirements. Our client-targeted demo scripts reveal each contender's relative strengths and weaknesses.
- 4 Business process design and support.** We assess business opportunities and determine high-level DOM-enabled process improvements; validate business assumptions and logic against multiple scenarios; create future-state process maps for various functional groups; and hold cross-functional workshops to strategize allocation, store fulfillment, store capacities and employee roles.
- 5 IT technical design and support.** We map the enterprise architecture and integration strategy across all business systems and along the supply chain-fulfillment continuum, validate technical requirements, and support go-live activities and the transition to long-term models.

### THE ORDER MANAGEMENT SYSTEM (OMS) IMPLEMENTATION CHALLENGE

Because the OMS touches all aspects of omnichannel operations, ensuring all the connections work together seamlessly is essential to a successful implementation.

