

# ***THE 12 DIRTY LITTLE SECRETS OF OMS***

Everything You Need to Know as You Evaluate, Select or Upgrade  
a Cloud-based Order Management System



***OMS providers that have and are delivering unified commerce solutions on a single platform and a common data model will be able to give you referenceable customers and will have delivered OMS in the cloud in 20 weeks or less.***



### ***In this white paper, learn:***

- How to understand and evaluate the critical differences between OMS applications on the market
- The functionality and integration considerations required for agile, personalized, unified enterprise commerce
- The questions to ask any OMS provider during your evaluation
- The factors critical to your organization's short and long-term success

In the Age of Amazon and in the face of mounting customer expectations, retailers must rapidly enable agile, personal unified commerce. A next generation order management system (OMS) is critical to the customer experience and makes the difference between thriving and merely surviving in today's digital age.

**An OMS is key to any unified commerce strategy; the right OMS will enable buy, fulfill and return anywhere, customer-centric commerce.** According to Boston Retail Partners, "A single order management solution provides many benefits to help solve the challenges facing retailers as they try to offer a unified commerce experience to their customers, including increased sales by offering more purchasing options and decreased costs by simplifying the store-level technology environment."

However, **not all order management systems (OMS) are created equal.** Many OMS providers promote their applications using very similar language, making it difficult to ascertain what is real and what is smoke and mirrors, blatantly untrue or vaporware. Providers will tout that their systems are built a certain way, can integrate a certain way, can operate a certain way and can enable certain critical processes, when they cannot. **Selecting the right OMS in the cloud will mean the difference between rapidly enabling unified commerce at least time to value (months versus years) and at least cost or struggling and waiting on results for years.**

This paper will bring to light the hidden ways today's OMS differ to help you make the best and most informed decisions as you select, implement or upgrade your OMS in the cloud.

# ***The Dirty Dozen –***

## ***OMS Secrets You Need to Know***

### ***1. Many OMS providers say they deliver unified commerce solutions on a common platform and a common data model, when in reality very few actually do.***

While a single platform and a common data model are absolutely required to unify commerce, there are very, very few providers that have OMS on a single platform and a common data model.

To unify commerce, your OMS must deliver a single enterprise view and a single version of the truth for item, order, inventory, payment, shipment, carrier tracking and customer. This is only possible when an OMS is built strategically from the very start on a common platform and a common data model. Additional solutions required to unify commerce, include: point of sale (POS/mPOS), digital commerce, vendor drop ship, store fulfillment, trading partner management/EDI, and product information management (PIM).

While many cloud-based OMS today are marketed as a single platform solution using a common data model, the reality is:

- ▶ DOM solutions that have historically been built for and delivered on premise are not up to speed and are not yet delivered on a common platform and a common data model. These providers may be future thinking on their marketing message, but they lag far behind in the actual development and delivery of a single platform OMS. (If you are thinking of upgrading your on-premise OMS to the cloud, be sure to read Dirty Little Secret #6!).

- ▶ Most of the other vendors touting an OMS on a single platform have obtained their OMS solution by acquiring another company and then have cobbled that cloud OMS together with other applications behind the scenes. Again, OMS solutions inherited through acquisition are NOT built on a single platform or a common data model, despite saying otherwise in their marketing message. And again, these solutions will take longer to integrate, are harder to scale and will cost more in the long-run. Typically, these solution providers will have had success in another solution area (POS, for example) but will not be known for OMS or have a multitude of referenceable OMS clients. Be wary.

OMS is the new POS, impacting every point of customer service across commerce and supply chain fulfillment processes. OMS solutions inherited through acquisition are not on a common platform or a common data model, and these providers often struggle in customer service aspects such as call center and customer support due to lack of a common data model.

It is vital to know how your potential OMS provider actually built and delivers its solution in this make or break time in commerce.

The OMS providers that have and are delivering unified commerce solutions on a single platform and a common data model will be able to give you referenceable customers and will have delivered OMS in the cloud in 20 weeks or less. You will be able to see the code set and view that solutions on the platform are built on the same code. They will not have sprung up or grown from an existing on-premise solution or from an acquisition (even from one several years ago), but they will be initiated and built from the start based on a single unified commerce platform strategy. Solutions built on the same architecture, code

and platform will integrate, scale and innovate faster - and at the least cost. OMS built on one code base can become a competitive advantage for your organization.

## **2. The Dirtiest Secret: OMS integration complexity is vastly underestimated.**

To unify commerce and meet consumer expectations, retailers need a next generation OMS – yesterday. However, if you talk to retailers who have undergone an OMS integration, you will find that it takes an average of 18-24 months to actually get up to speed with an integrated OMS. Most solution providers do not openly share the details around integration complexity, and, unfortunately, many retailers don't know to ask about it.

Why is integration a key consideration and a critical success factor?

- ▶ In order to actually work as designed – delivering enterprise inventory visibility and fulfillment and a single view of the customer, inventory, item, order, and payment – an OMS must integrate with six to 20 or more other, bifurcated systems across the enterprise (e.g., retail, supply chain, ERP and enterprise business applications) and must be able to move as many as 150 different files across these systems to transfer the data required to unify commerce.
- ▶ Nearly all OMS solutions on the market today take **18-24 months** to integrate, consuming valuable internal IT resources and dollars.

In contrast, a next gen OMS built on an integration Platform as a Service (iPaaS) alleviates integration complexity. Even retailers with the most complex integration situations are able to get up and running within 16-20 weeks. When it comes to iPaaS, some companies promote it, but only one OMS is actually built and delivered as an iPaaS.

- ▶ On-premise proven is not the same as cloud proven. Verify that your provider is cloud proven.

In a time when the retail fast are eating the retail slow and agility is everything in the race to unify commerce, look for an OMS that takes an “integration first” approach to customer-centric commerce. It can mean all the difference to your ability to execute and answer the customer promise in a matter of months versus years. According to Forrester, end users must “Consider the actual capabilities available to solve the agility, automation, and cost issues between partner onboarding portals, cloud solutions, business activity monitoring, and B2B managed services.”<sup>2</sup>

## **3. Multi-tenancy absolutely matters – it significantly reduces costs and speeds time to value.**

An OMS solution built on a single code base (versus different versions for different customers) offers several very important benefits. It means:

- ▶ Avoiding costly and painful upgrades that impact IT staff, internal operations, budget and, potentially, the end customer
- ▶ Globally published code and functionality updates on an ongoing basis across your enterprise
- ▶ Not waiting “years” for new functionality, seeing ongoing improvements and changes as the market evolves, and staying ahead of the curve
- ▶ Not paying your OMS provider for managing multiple code bases - and that means the savings get passed on to you

Only one OMS on the market today is multi-tenant. All other OMS have different versions and different code bases, making upgrades difficult, time-consuming and costly.

<sup>2</sup> The Future of B2B Integration, Forrester, Henry Peyret, September 29, 2017

#### **4. Not all OMS can handle omni-channel fulfillment.**

Be advised, not all OMS can handle all omni-channel fulfillment options. Some OMS solutions today are able to handle ship from store and buy online/pick up in store (BOPIS), but they do not have an integrated managed file transfer solution (EDI) which is necessary to enable vendor drop ship.

If you want to offer endless aisle and expose all of the inventory in your network to improve customer service and profitability, you will want to look for an OMS with an integrated EDI solution that enables vendor drop shipping.

Along those lines, if you are selecting POS alongside your OMS, you will want to look for one that enables omni-channel returns and multiple transactions on a single receipt. This too is only offered by a few providers.

#### **5. Not all OMS are equipped with call center/customer care capabilities.**

Many OMS solutions grew from an e-commerce focus. As a result, they do not have built in order orchestration logic and workflows to support customer care activities. The DOM solutions on the market also have minimal focus on customer care requirements. If customer care is part of your unified commerce strategy, do not overlook determining if your OMS will support call center associates supporting customers by looking up orders and taking new sales orders through call, email or chat.

#### **6. “Upgrading” from on-premise OMS to the cloud is actually an entirely new OMS implementation.**

“Have you considered upgrading your OMS to the cloud?” This question from your current OMS solution provider may sound

fairly innocuous and straightforward. However, and we cannot stress this enough, there is no such thing as an upgrade from on-premise OMS solution to a cloud OMS.

Be advised that:

- ▶ Nothing about your OMS will remain the same except the brand name of your solution provider. If you move from on-premise to the cloud, it will actually be a full-blown, new OMS integration that you and your organization will undertake and all that comes with it.
- ▶ A solution provider may downplay this fact and will likely even incent you to move to the cloud sooner rather than later. They will tell you that it is advantageous to use the same provider for multiple solutions or even offer you a discount for bundled solutions. However, the least cost and time to value solution will likely not come from your existing OMS/DOM provider that is just entering the cloud market.
- ▶ The feature and function sets of your solution provider’s existing on-premise OMS/DOM and its new cloud OMS likely are not the same. Be sure to do your due diligence and match feature and function from old to new.
- ▶ There is no easy “upgrade” path for OMS to the cloud. The reality is that when switching from on-premise to cloud, your organization will start at zero – because this is a start-over. Evaluate solutions beyond your current provider to ensure the best decision for your long-term success.
- ▶ If moving to the cloud is part of your organization’s unified commerce and IT strategy, complete a comprehensive review of the cloud solutions currently on the market to ensure the solution chosen will meet your long-term requirements and deliver the results you need in the timeframe you need.



***Most OMS providers have missed the boat by not building their OMS on an integration framework.***



### **7. Micro services are not new in OMS.**

A few OMS providers in today's market are now marketing their OMS as a micro service and make it sound like they have discovered something new. This is not new architecture. Micro services allow the provider to separate its code base, therefore, minimizing the risk of breaking code when making updates.

The reality is these OMS providers are five years behind the first provider to build OMS as a micro service, and most OMS providers are at the starting point of trying to catch up. To be competitive today, OMS providers who are just now at the beginning of development have missed the boat by not building their OMS on and writing code using an integration framework (refer to Dirty Little Secret #2).

If the cloud OMS under consideration is an established on-premise OMS or POS provider, then it is likely the provider is building its cloud OMS on your time funded by your payment resulting in longer time to value, probable internal setbacks and integration headaches, and a longer wait to deliver customer-centric commerce. What may seem like the 'safe' route to stay with an OMS provider behind in the market will ultimately prove risky in the forms of broken internal promises (escalated timelines and cost) and broken promises to the customer while you wait to provide the order fulfillment timeframes and options they expect.

Verify how advanced an OMS provider is in the area of micro services and integration framework. Ask for client references who will validate both micro services architecture and an integrated platform and that the OMS could be integrated in 20 weeks or less.

### **8. Scalability is key to OMS ROI.**

If the OMS is not strategically developed for the cloud from day one, dynamically scaling the OMS (up or down) to meet business growth or other changes will be difficult. Adding hardware to rapidly scale or respond to peak fulfillment will be required.

An OMS that auto scales vertically and horizontally and can dynamically add horsepower (memory and data storage) to manage peak fulfillment, rapid growth or retail network updates (store locations, 3PLs, DCs, etc.) is a competitive advantage as it is able to easily respond to changing business requirements.

***"Embrace new technologies, scalable and flexible architecture and do not be short-sighted with immediate gains. Instead, think about long-term business benefits and growth."***

*– Best Practices for Implementing Retail Distributed Order Management Systems, Gartner, Tom Enright, 18 Nov 2017.*

**9. Not all OMS solutions are truly omni-channel enabled. An integration framework is required.**

Be sure the OMS you are looking into can manage the flow of data and the life cycle of an order. Many OMS cannot do this because they are not built on an integration framework. If the architecture does not support the flow of data, you will end up with point-to-point integration, which is extremely expensive (cost and time) in the long run. In an effort to overcome these constraints, you will likely find it is necessary to buy an enterprise service bus (ESB) to integrate bifurcated solutions, adding cost and time delays. During the selection process, remember to ask, “Do you have an embedded integration framework that is written on the same code base?”

Consider how customer expectations and resulting retail technology requirements have evolved over the last ten, and especially five, years. With an integration framework, users benefit from functionality updates without having to upgrade their technology. This is critical for thriving in the digital age, keeping costs low, and providing fast time to value and least internal integration pain. **Consider which OMS will take you further, faster, longer – integration framework is required.**

**10. Bigger OMS is not better. Faster is almost always better.**

Focus on speed to market and client facing value. For mid-sized and even enterprise markets, the bigger OMS provider is typically not better. Faster time to deliver and value are only amplified results for the mid-sized retailer playing against the giants. Your customers do not have the patience to wait a year or even two for your organization to play catch up, which is the typical timeframe for cloud OMS implementation. Conversely, what would it mean to your organization and to the customer experience and resulting sales results for your company to unify commerce in only a few short months? In our estimation and from the news headlines, it means a lot.

One cloud OMS provider is consistently implementing a next gen OMS for multimillion-dollar retailers and distributors in 8-12 weeks. Think about this – those retailers are unifying enterprise commerce prior to peak season and have a competitive edge.

On a related note, retailers should ask if they wish to be a small fish in a large pond to the systems provider, or if they wish to be a bigger fish in a smaller pond.

In a market where the retail fast eats the retail slow, fast and mighty provide significant competitive advantage.

**11. Data and transaction volumes – can your OMS handle it?**

OMS solutions need to handle massive order volumes, (e.g., an average of 250,000 orders per month while processing 70 orders per second to support peak order placements). Few OMS providers can handle massive orders and transactions per month, per day and per hour. It is critical your OMS can handle your sales and order volumes. Ask about the order volume capabilities, and verify them for any OMS provider under consideration.

**12. Most systems providers promote consulting services. Not all consulting services are created equal.**

It is important to differentiate between the various breadth and depth of consulting capabilities being promoted. Most software firms offer consulting as it relates to the technical and functional aspects of their software implementation. However, adding software on top of sub-optimal processes only speeds up bad processes. It can be prudent to partner with a firm that provides consulting as part of its core DNA. There is a reason why there are few consulting partners in the unified commerce space. The truth of the

## QUESTIONS TO ASK DURING YOUR OMS SELECTION/ UPGRADE PROCESS



### Questions to Ask Any OMS Provider:

When and how did you build your platform?

Are all the solutions on the same code base? Please provide my team access to the code/show me.

How long was your fastest OMS implementation?

Please put me into contact with three of your OMS clients that have high volume order transactions between 250,000 to 1,000,000 orders per month.

### Questions to Ask the Provider's Client References:

How long did your OMS implementation take? (Remember, you are looking for 20 weeks or less.)

How long until you saw time to value?

What obstacles did you experience?

What kinds of integration resources were required?

Do you truly have enterprise visibility to: inventory, order, item, customer and payment?

How does this OMS scale during peak demand periods?

Would you select this OMS again?

Were any promises made that could not be fulfilled?

Are there any customer promises you wanted to be able to make with your OMS that you are unable to keep?

matter is that optimizing omnichannel, from order capture through fulfillment, is incredibly complex. It involves a level of expertise and understanding that spans your entire supply chain network; evaluating and optimizing end-to-end processes across people, facilities and systems; deep technical and functional understanding of many types of systems (including ERP, supply chain execution, retailing and more); integration complexity, training and change management, and much more. The right consulting partner will help maximize OMS results, speed time to value and ROI, reduce internal resource requirements, improve the customer experience and ultimately maximize profits.

Look for a reputable solutions provider that will be a trusted advisor, offers solid references and makes you feel confident they are invested and accountable for your success. A solutions provider that wants to be your partner will:

- ▶ Ask many questions, listen and be able to affirm your desired outcomes
- ▶ Get deep into your supply chain and retail operations and processes
- ▶ Develop and propose process improvements across your enterprise
- ▶ Help you evaluate and select the best mix of enabling technology, especially when it comes to OMS, to meet your business objectives
- ▶ Offer a strong history of success in systems evaluation, selection and implementation and deep technical functional expertise for your business systems. This is especially true across OMS under consideration, but also for other supply chain, enterprise business, and retail systems to which your OMS will need to integrate



- ▶ Provide change management and training expertise to ensure rapid, consistent adoption throughout your enterprise for your long-term success

Selecting the right partner will mean the difference between simply obtaining a system and actually unifying enterprise commerce, delivering the customer-centric, personalized shopping and consistent, stellar brand experience your customers expect.

## **Summary**

In a time where customer expectations and competition simultaneously mount, it is imperative for retailers to rapidly deliver agile, personalized, unified commerce. A next generation OMS is critical to delivering customer-centric commerce and a single, seamless, stellar brand experience across the retail enterprise (stores, DCs, 3PLs, call centers and vendors/suppliers). However, not all OMS are created equal. Retail leaders need to look past marketing messages, understand how OMS solutions vastly differ, understand all of the critical factors to consider and know what questions to ask during a

cloud-based OMS selection or upgrade. Partnering with a proven consulting firm will help ensure you deliver the best solution, fastest time to value and maximum results for your organization.

## **How enVista Can Help**

enVista's next generation, cloud-based OMS is uniquely built on an integration framework. This enables our team to very quickly integrate many data points, while maintaining tight implementation timelines. Our OMS is agile and scalable, optimizes order orchestration for all channels and locations and is strategically built on a unified commerce platform. enVista's OMS also enables all the fulfillment options your customers expect.



**Let's have a conversation™**

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