

Increase Return on Inventory

**The Critical Connections
for Omni-Channel Success**





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Why read this eBook?

Learn how a 'buy anywhere, fulfill from anywhere' approach to retailing can help maximize your gross margin return on inventory investment (GMROI). To achieve a higher return on inventory, merchants must create seamless connections between disparate internal and external systems. Investing in the right technology to sync inventory data will position you to leverage stock anytime, anywhere – and deliver profitable omni-channel fulfillment programs.

Achieving an improvement in GMROI requires both an increase in gross margins (sales minus cost of goods sold) as well as a reduction in average inventory holding costs. This eBook will showcase how an Order Management System (OMS) can drive advances in both facets. Read how to sell and move your stock faster in the following five critical areas of execution: Single View of Stock, Ship-from-Store, Click and Collect, Ship-to-Store, and Return Anywhere.



Single View
of Stock



Ship-from-
Store



Click and
Collect



Ship-to-
Store



Return
Anywhere

1. Single View of Stock

Do you have a unified view of stock?

Do your online customers know how much inventory is at the store?

How does a Single View of Stock improve return on inventory?

Creating a Single View of Stock is all about consolidating your inventory pools – and more importantly, being able to leverage them anywhere, at any time. By connecting cross-channel demand to supply, a retailer that can expose available stock will ultimately benefit from an improvement in store sell-through. A key goal for retailers is to increase inventory turnover across the network by driving greater store foot traffic. You can accomplish this by giving your online customers the ability to select a location and having real-time insight into that store's stock availability.

How does order management enable a single view of stock?

The ability to execute on a single view of stock and expose it across other channels is inherently complex and requires major integrations across internal and external systems. Order management software can be that critical hub that joins backend inventory data to customer facing touch points. By connecting with ERP, WMS, POS and legacy retail mainframe systems, an OMS is able to feed accurate and near real-time stock visibility to consumers, stores, fulfillment centers and drop ship partners.

Industry insights

According to a global survey of enterprise retailers, only 26 percent are currently able to make real-time in-store inventory information available online. However, this number is set to dramatically increase to 82% within the next 12 to 24 months. Nearly 40 percent of the respondents found this functionality would have a significantly positive impact on store traffic and in-store revenue.¹



Enterprise
Resource
Planning



Supply Chain
and Inventory
Systems



Warehouse
Management
Systems



eCommerce
Platforms



Third Party
Marketplaces



Point of Sale

¹ OrderDynamics. (2013). *The Retail Order Management Imperative*, a commissioned study by Forrester Consulting.

2. Ship-from-Store

Are you losing online sales due to out-of-stocks in the eCommerce warehouse?

Was the merchandise sitting somewhere among your stores?

How does Ship-from-Store improve return on inventory?

A Ship-from-Store program is quickly becoming one of the most popular and effective ways of improving return on inventory. Leveraging stagnant store stock by fulfilling and shipping direct-to-consumer from a retail location will minimize margins lost to eventual markdowns and increase store stock sell-through. By spreading out the fulfillment load across your network, you are also better positioned to lower safety stock levels at the warehouse, which in turn will decrease overall required investments in inventory.

How does order management enable Ship-from-Store?

Order management software is critical for distributing orders to profitable fulfillment locations. By tying store inventory systems with real-time address validation services, an OMS detects and matches orders to the right inventory. Embedded order routing algorithms are designed to reduce order splitting and intelligently distribute based on inventory velocity and the customer's geographic proximity to fulfillment centers – all while providing simple workflows for invoice and shipping label printing to ensure accurate, timely delivery.

Customer case study

A U.S. high-end apparel retailer implemented OrderDynamics Order Management and Stores applications across 90+ locations to execute a national Ship-from-Store program. Upon launching, the retailer immediately increased online revenue by fulfilling over 50 percent of orders through stores. Within a 3-month period, they leveraged over \$2.5 million worth of stagnant inventory.



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Point of Sale



Shipping
Carriers



Store
Fulfillment
Solutions



eCommerce
Platforms



Address
Validation
Services

3. Click and Collect

*Do you offer your customers same-day Click and Collect?
Are you confident that the stock will be available at the store?*

How does Click and Collect improve return on inventory?

Costly markdowns and clearance pricing strategies are a harsh but necessary reality of today's retail world. In order to combat this and minimize lost profit margins, retailers are looking to leverage existing stock at the store with a Click and Collect program. Allowing customers to purchase online and pick up stagnant store merchandise leads to a significant improvement in your inventory return. Rather than betting on a traditional walk-in customer to physically arrive and make a purchase, retailers are maximizing existing inventory investments with same-day Click and Collect.

How does order management optimize Click-and-Collect?

Order management not only provides a single view of inventory, but also helps ensure you are allocating the right amount of stock to Click and Collect availability. OrderDynamics Order Management provides robust stock control tools – allowing you to dynamically expose the right amount of inventory to other channels. With simple to configure user interfaces, users can easily adjust based on different stock exposure strategies for various retail seasons, like the busy holiday season.

Customer case study

A national housewares retailer implemented the OrderDynamics Order Management and Stores applications across 50+ locations to offer same-day Click and Collect. In-store pickup now represents over 60 percent of total online sales and has allowed them to leverage over \$3.2 million worth of existing store merchandise in an 18-month period.



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Fulfillment
Solutions



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Platforms

4. Ship-to-Store

*Do you update store inventory counts on a daily or even weekly basis?
Do you have low safety stock policies at your stores?*

How does Ship-to-Store improve return on inventory?

If you answered “yes” to any of the questions above, you should consider implementing a Ship-to-Store fulfillment strategy. This would allow customers to pick up orders at their most convenient store location with merchandise shipped directly from the warehouse to store. By offering new delivery options like Ship-to-Store, you can dramatically improve inventory turnover at the warehouse. Likewise, intelligently managing this stock by adding it to pallets already destined for the store can play a big role in decreasing shipping and freight costs.

How does order management optimize a Ship-to-Store strategy?

Order Management software is a critical component to enabling a Ship-to-Store program with a seamless, and consistent customer experience. This is accomplished by connecting your eCommerce channels, warehouse stock systems and shipping carriers together. An OMS with robust omni-channel capabilities gives store associates insight into in-bound, store pickup orders. Moreover, associates can service the customer with simplified invoice printing and automating “ready-for-pickup” notifications.

Customer case study

A national homewares and furniture retailer using OrderDynamics Order Management software offers free Ship-to-Store order pickup across 110+ locations. It has become so popular that it represents over 80 percent of orders placed online. By driving thousands of new customers into stores, this retailer has benefited from greater opportunities to educate, upsell and cross-sell customers.



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5. Return Anywhere

*Do you allow multi-channel returns in-store?
Are you minimizing the cost of handling reverse logistics?*

How does Return Anywhere improve return on inventory?

With the rise of cross-channel shopping, selling has become more complicated than ever before – especially when it comes to handling returns and reserve logistics. The big question for merchants is what to do with the returned merchandise brought to the store. With a streamlined return anywhere process, inventory can kept at the store and flagged for fulfillment by the next cross-channel shopper. With a comprehensive return anywhere process in place, retailers can begin utilizing returned inventory faster while minimizing the costs of reverse shipping.

How does order management optimize a return anywhere strategy?

By connecting backend inventory and financial systems with POS and CRM systems, retailers are better suited to execute a return anywhere strategy. An OMS is at the heart of connecting these disparate systems that are collectively critical to supporting multi-channel returns. It is pivotal for managing the entire cross-channel return process including return payment transactions, inventory re-allocations, financial reconciliation, notifications and customer record updating.

Industry insights

According to a global survey of enterprise retailers, 46 percent identified cross-channel returns and exchanges as having a significantly positive impact on customer retention and loyalty. Likewise, over 30 percent of respondents also noted that return anywhere service had a major impact on customer acquisition and driving additional store foot traffic.¹



Enterprise
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Loyalty
System



Customer
Relationship
Management



eCommerce
Platforms



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¹ OrderDynamics. (2013). *The Retail Order Management Imperative*, a commissioned study by Forrester Consulting.



What is Order Management?

An OMS is the critical piece of retail software that serves as the strategic hub for connecting disparate systems and optimizing omni-channel programs. There are four main facets to order management software, including distributed order orchestration, inventory management, customer service and store fulfillment.

Find our Order Management brochure:
www.orderdynamics.com/resources/

Did you know?

An omni-channel retailer with \$50 million in online annual sales could see a benefit of over \$16 million over 3-years of executing a Ship-from-Store strategy. By dynamically leveraging stagnant store stock, this retailer could experience a \$9 million uplift in online revenue, \$2.7 million in inventory financing savings and safety stock reduction, and close to \$5 million in mitigated markdowns.



The business case for investing in Omni-channel Order Management is clear.
Speak with one of business analysts today to learn about the potential value of Omni-channel retailing.
info@orderdynamics.com

What are the systems and data feeds consolidated through Order Management?



About OrderDynamics

25
countries

40
retailers

OrderDynamics is the world's leading true SaaS Order Management Systems provider. Focused on Powering Retail Fulfillment, OrderDynamics helps clients in omni-channel retail markets. Our OMS systems give clients capabilities like order orchestration, enterprise-wide inventory visibility, returns management, customer service, and store driven fulfillment. OrderDynamics enables customer options like click and collect, and ship-from-store, creating exceptional shopping experiences. Iconic brands including Speedo, Quiksilver, J.McLaughlin, JYSK, Princess Auto, Bouclair Home, and DeFacto, use OrderDynamics technology across North America, Europe and Asia.

OrderDynamics is headquartered in Toronto with offices in London, UK and Pune, India. Connect with us at orderdynamics.com and [@OrderDynamics](https://twitter.com/OrderDynamics) on Twitter.



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Our customers



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