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Why Modernise Your Retail Order Management Systems?

A guide to increasing sales and balancing your customer promise with your margin.

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Retailers everywhere are searching for innovative solutions to industry challenges around order management.This e-book offers advice for implementing a futureproofed solution that will help you boost conversions and sales while dropping return rates and fulfilment costs – so you can walk the fine line between your customer promise and your margin.

Overcoming the availability challenge

Supply chain disruption continues to affect all retailers, and digital sales growth is slowing, highlighting the importance of seamless order management across all customer touchpoints.

A tipping point for order management

The pandemic-driven growth in e-commerce has finally slowed and the gap between online and in-store retail has narrowed considerably. Global e-commerce sales are expected to grow by 8.9% in 2023, with total worldwide retail sales growth predicted to be just under 4%[1].

Alongside the ongoing issues caused by supply chain disruptions and staffing issues, retailers face three critical order management challenges:

1. Rising expectations for personalised availability

Today's customers demand seamless omnichannel experiences and consistent communication with personalised offers. They expect hyper-personalised availability promise information very early in the buying journey.

And they want almost immediate availability of goods and services wherever they are. However, in a time of economic instability, cost attributes are varying wildly.

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1   Global Retail Ecommerce Forecast 2023, Insider Intelligence, February 2023.

2. Increasing fulfilment complexity

Fulfilment is becoming more complicated due to extended networks comprised of stores, distribution centres, direct-to-consumer manufacturers, third-party fulfilment partners, marketplaces and traditional drop ship.

This complexity is compounded by the emergence of the endless aisle, with many companies extending their availability to become – or maintain themselves as – the destination retailer, and those with physical stores only holding a selection of stock.

3. Urgent requirement for more sophisticated systems

New fulfilment and payment options have intensified the challenge for all retailers. With the advent of new hybrid retail models, platforms and systems must evolve to support new paradigms in checkout, fulfilment and returns such as Buy Online, Pickup At Curbside (BOPAC), Reserve Online, Pickup In-Store (ROPIS) and Buy Online, Return In-Store (BORIS).

Also, the growth of digital, buy-now-pay-later payment options means that order management systems must now manage more processes than ever before.

Retail industry challenges:

- Supply chain disruptions are driving localisation and diversification

- Staffing issues are driving automation

- Physical stores are returning to favour, but with a different approach to traditional retail
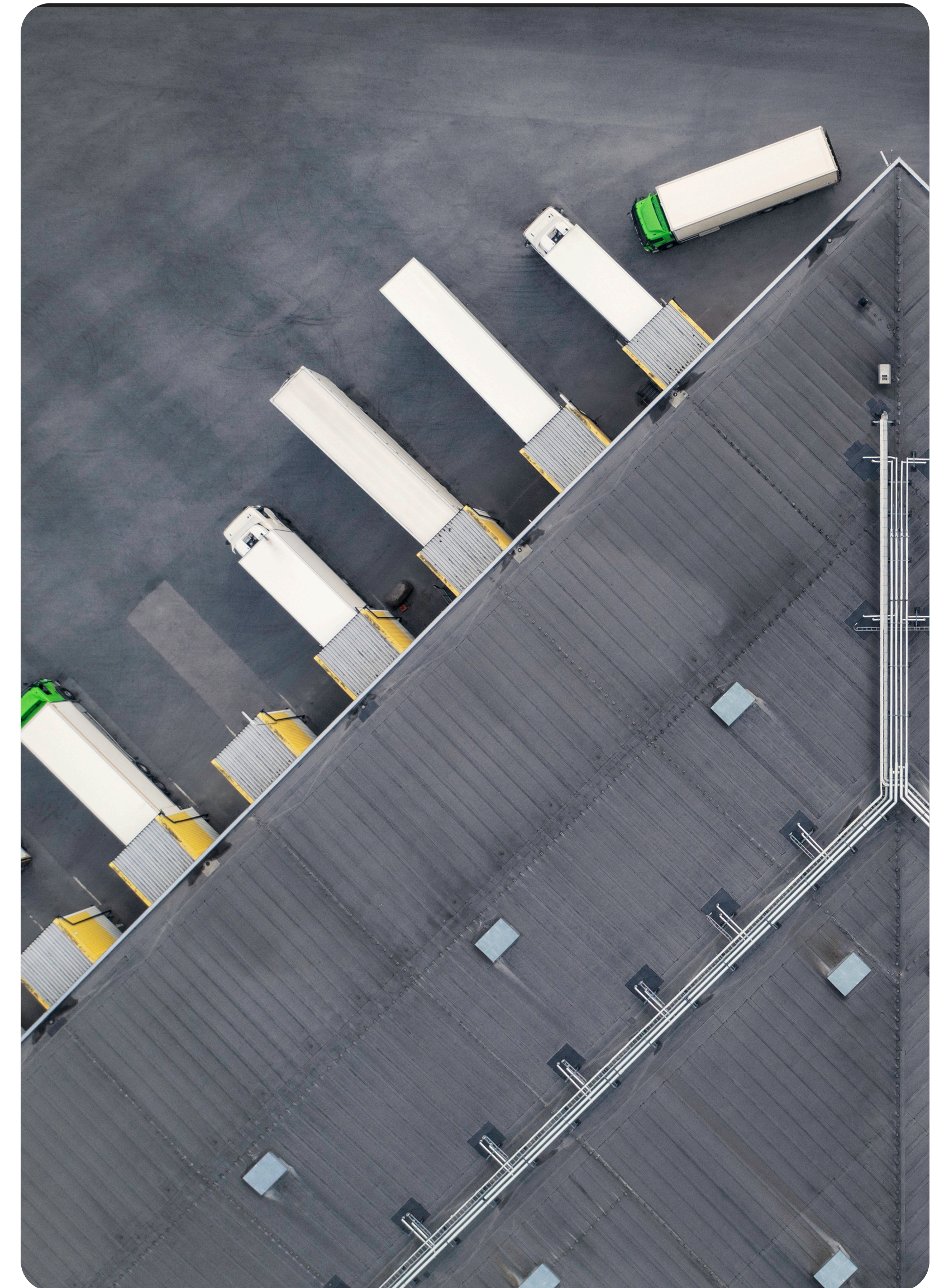
40%

of sales (and growing) are click and collect where offered[2]

90%

of US shoppers expect free 2-to-3-day shipping[3]

67%

of organizations consider meeting customer expectations for speed of delivery as a critical force impacting the structure and flow of their supply chains over the next 12-18 months[4]

All of this demonstrates the importance of seamless order management across all retail touchpoints. But what does that mean for you? And how can modern systems help you overcome today's challenges?

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2   Click and collect to hit £42bn in 2022 as hybrid shopping grows, Internet Retailing, October 2022.
3   Retail's need for speed: Unlocking value in omnichannel delivery, McKinsey & Company, August 2021.
4   The supply chain trends shaking up 2023, KPMG, 2023.

How can modern order management systems help?

Sophisticated solutions help boost your top line while controlling your bottom line in sales and fulfilment.

Why invest in a modern order management system?

The only way to provide a consistent experience for customers – whether they're shopping in-store, online or through a mobile app – is by modernising your order management solutions.

These systems help you build efficient and flexible order processing and fulfilment models while creating the seamless, personalised experience your consumers expect.

By delivering a personalised customer promise early in the journey, you'll boost conversion rates and sales. At the same time, you'll provide the most flexible, dynamic and scalable experience for your organisation – and your customers.
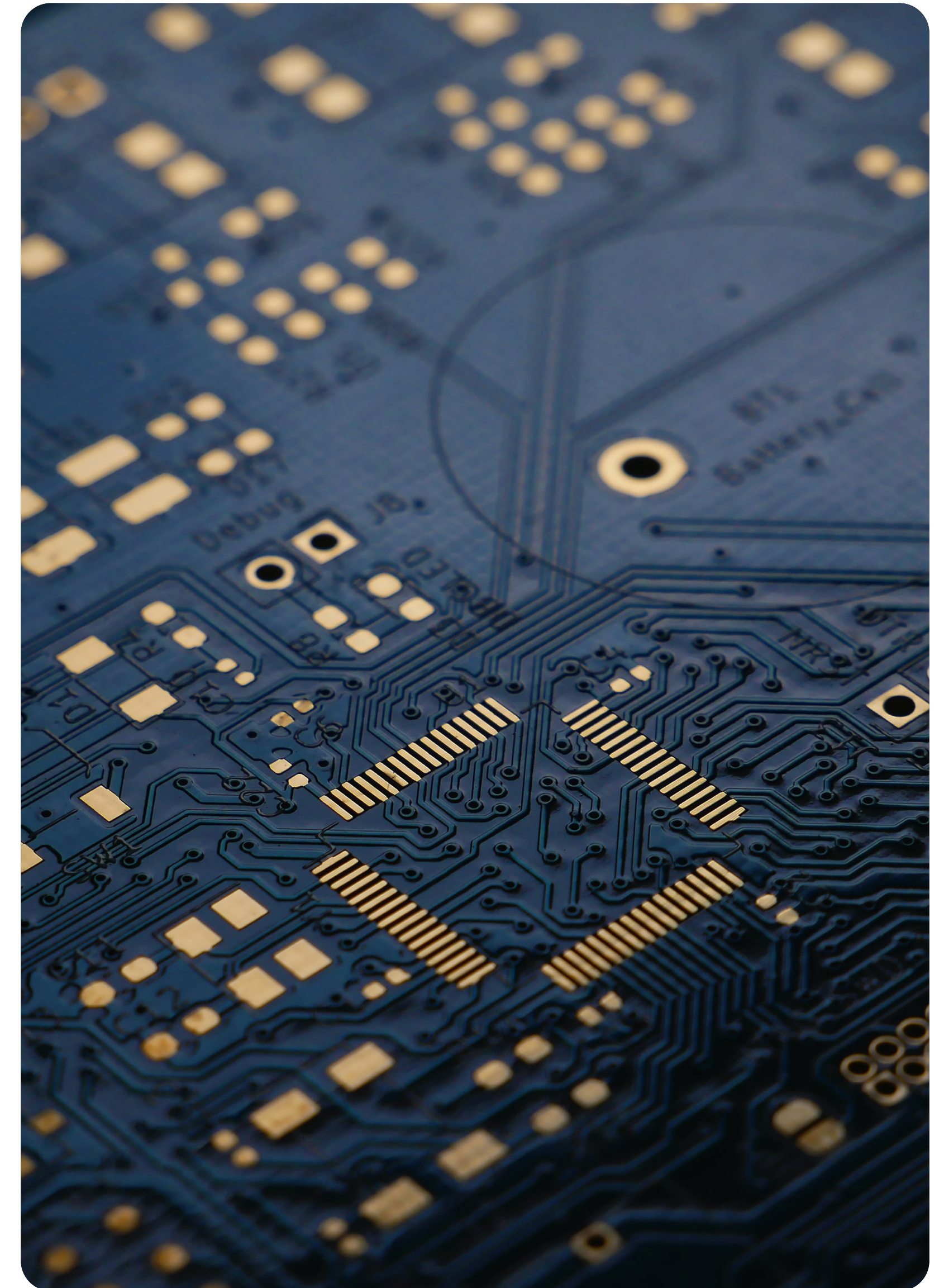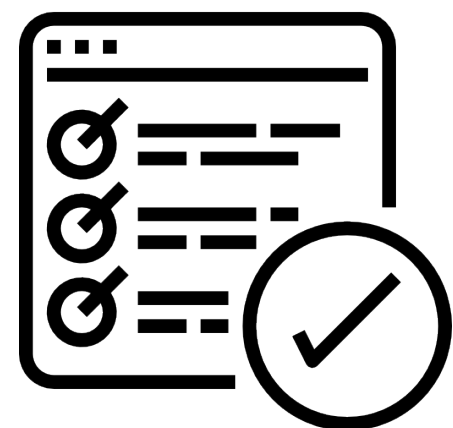
Futureproofing order management

To ensure your new solution can evolve to meet changing demands, it needs to be a modular platform with headless architecture, microservices and flexible deployment options.

It's essential that it's cloud-based, API-first and customer-centric (not supply-chain-centric). The new system must easily integrate with other retail technology systems, such as e-commerce, point-of-sale and ERP. A single source of truth is vital to maximise inventory visibility while enabling your teams to track and update product information in real time.

And any new order management solutions must feature intelligent order routing that supports complex fulfilment rules, while prioritising by factors including inventory turn, vendor partners, store locations, and especially relative cost to fulfil.

Generating personalised promises

• Break down barriers between siloed order management data and your customers across channels
• Enable true omnichannel sales and order management by freeing up all available inventory
• Manage stock, fulfil orders quickly and provide a consistent experience – no matter where a customer's shopping journey begins and ends

Today's systems enable you to show customers the information they need when they need it and generate personalised promises throughout every customer journey.
That will help you acquire and retain more customers, increase conversions and revenue, and reduce returns and fulfilment costs. It all adds up to top-line growth and greater control over your bottom line.

These are all powerful benefits. So what's holding up adoption?

The challenges of order management systems

Relying on legacy systems or deploying the wrong order management system may mean you can't balance your availability promise with your profit margin.

The limitations of ERPs

Many retailers and direct-to-consumer manufacturers are using their ERP system to mimic the functions of modern order management solutions. However, many ERPs were never designed to meet today's rapid pace of change because they're:

- **Slow to adapt** – legacy applications can't cover new order processes because they are hard-coded.

- **Unable to scale** – they don't provide quick services to front-end channels at very high volumes.

- **Non-viable** – older systems have inadequate fulfilment control, which prevents you from treading the fine line between your customer promise and your margin due to sky-high expectations and volatile costs.
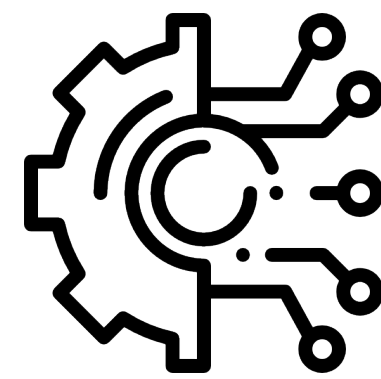
Relying on legacy order management systems leads to:

- **Escalating complexity**, ongoing upgrade expense and considerable capacity management

- **A restricted ability** to generate complex, personalised customer promises at scale

- **Lack of control** over the relationship between your customer promises and your fulfilment costs

- **Inability to change** or add new order processes, including those that cater for new fulfilment models, business models or payment types

- **Risk of unsatisfactory performance** in terms of availability services and order processing times

As a result, you can experience inadequate acquisition and retention, low conversion rates, increasing fulfilment costs and high return rates.

Finding the right partner

Not every retailer has chosen to adopt modern order management systems. For those that have made the decision, challenges still exist. Implementations are complex and integrations and extensions are necessary to keep the organisation agile.

This leads some retailers to choose the wrong system – or the wrong implementation partner. To avoid making these mistakes, look for a systems partner with the following characteristics.

Endava's order management services for retailers

Our retail-specific experience, knowledge and expertise means we can help you implement a solution that fits your organisation – for today and tomorrow.

A trusted and experienced retail and supply chain partner

Endava is a pure-play, next-gen technology company bringing cross-industry expertise to retailers. We operate in 59 cities in 26 countries at nearshore locations close to clients.

We help retailers increase sales and reduce returns

Our consultation teams implement modern order management solutions to generate personalised promises throughout customer journeys. These solutions show customers (through front-end apps) the information they need, when they need it, which helps you increase conversion rates and loyalty, while dropping return rates.

By only working with order management systems that enhance flexibility in order fulfilment and payment processing, our consultants can help you implement a futureproofed solution.
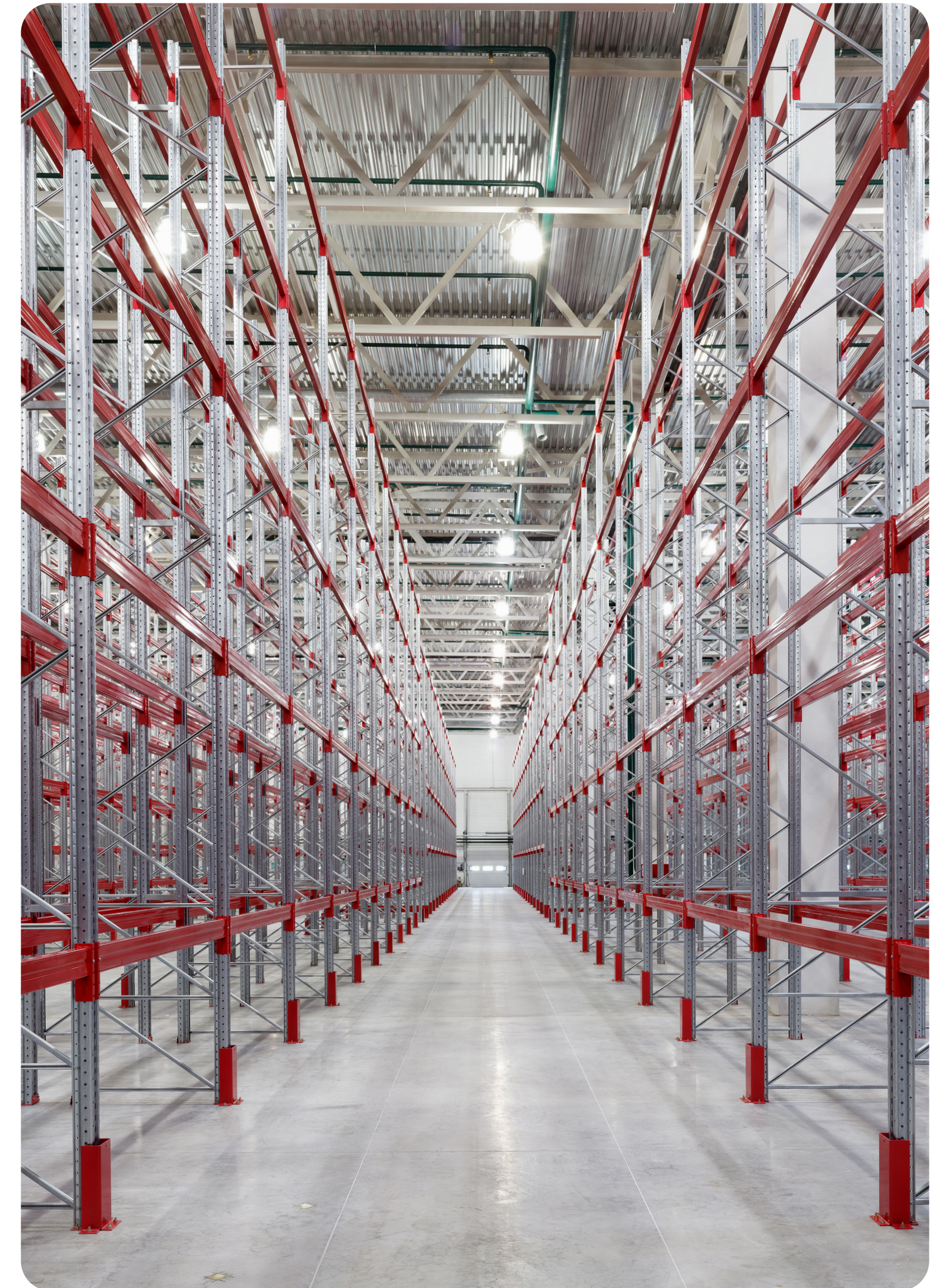
Adding value to make a difference

We pick the right order management system vendors and supply chain partners that will fit your needs now, and in the future. Then we extend with composable commerce through MACH (microservices, API-first, cloud-native, headless) architecture, and integrate your system with front-end user interfaces such as apps and websites.

Endava's experience, knowledge and expertise in retail and supply chain

- Highly skilled technical order management experience
- Retail-specific domain knowledge
- Consultancy expertise through our Define, Design and Build approach

20+
Transport and logistics clients

100+
Transport and logistics projects

750
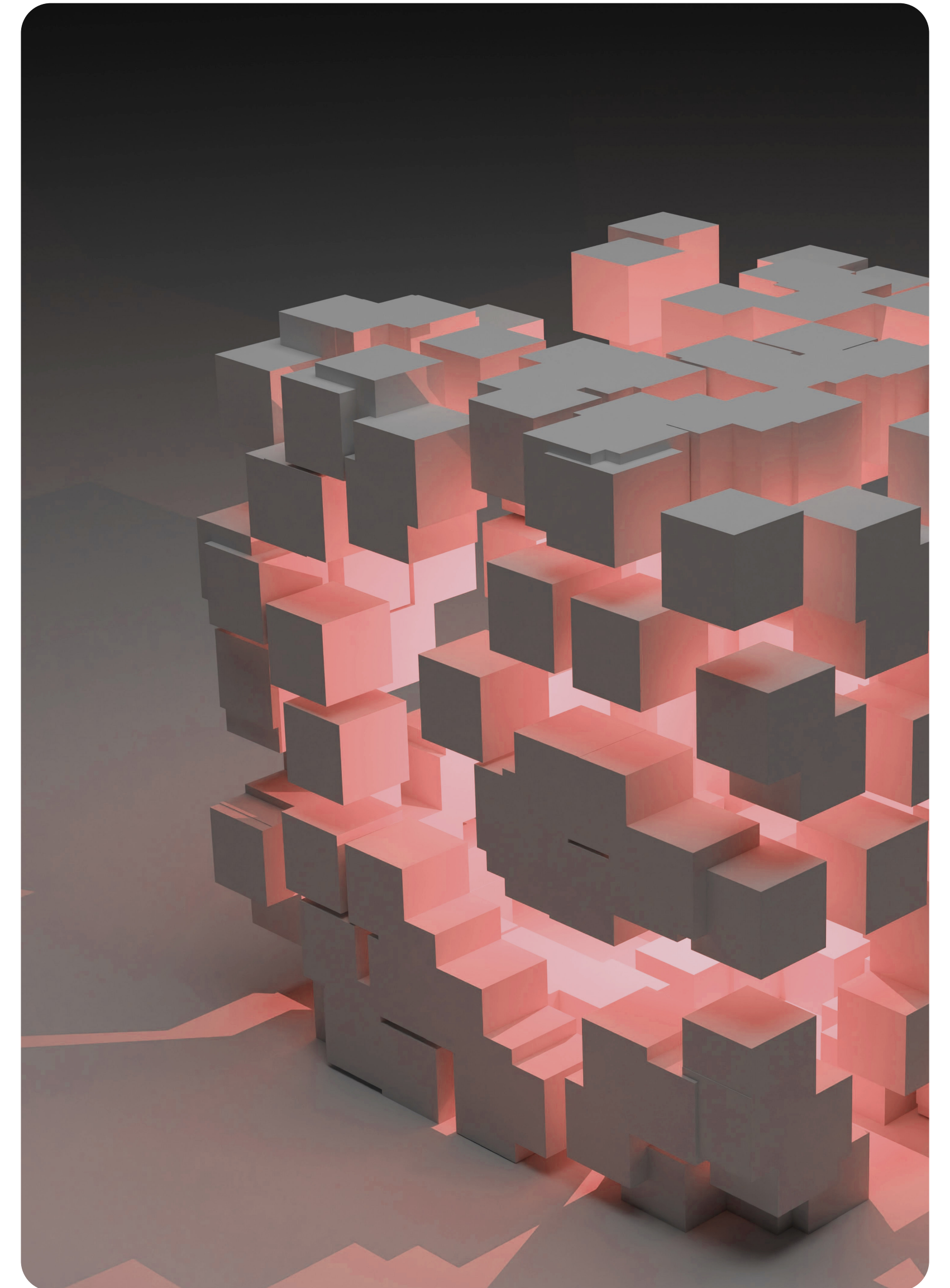**People working on retail and CPG projects**

50+
Ongoing retail and CPG projects

40+
Retail and CPG clients

1-4PL
Logistics suppliers

Endava's order management services for retailers

Define

Create a technology strategy

Assess your readiness for change

Define an order management roadmap

Evaluate vendor services and products

Design and Build

Highlight the benefits and opportunities within your architecture

Design your solution architecture

Implement and integrate

A variety of modern order management platforms

Packages for inventory visibility and availability promising

Learn more in our 2023 brochure, Endava & Retail.

Composable commerce through MACH architecture

We only choose systems that enable composable commerce through MACH architecture, which means:

- **Microservices:**
Individual pieces of business functionality independently developed, deployed and managed.

- **API-first:**
All functionality is exposed through an API, providing a consistent interface to services across operating systems, platforms and devices.

- **Cloud-native SaaS:**
Cloud storage and hosting, plus elastic scaling and automatic updates.

- **Headless:**
A front-end presentation that's decoupled from back-end logic, channel, and programming language – and is framework-agnostic.

ROUND-NECK T-SHIRT
$19 $10
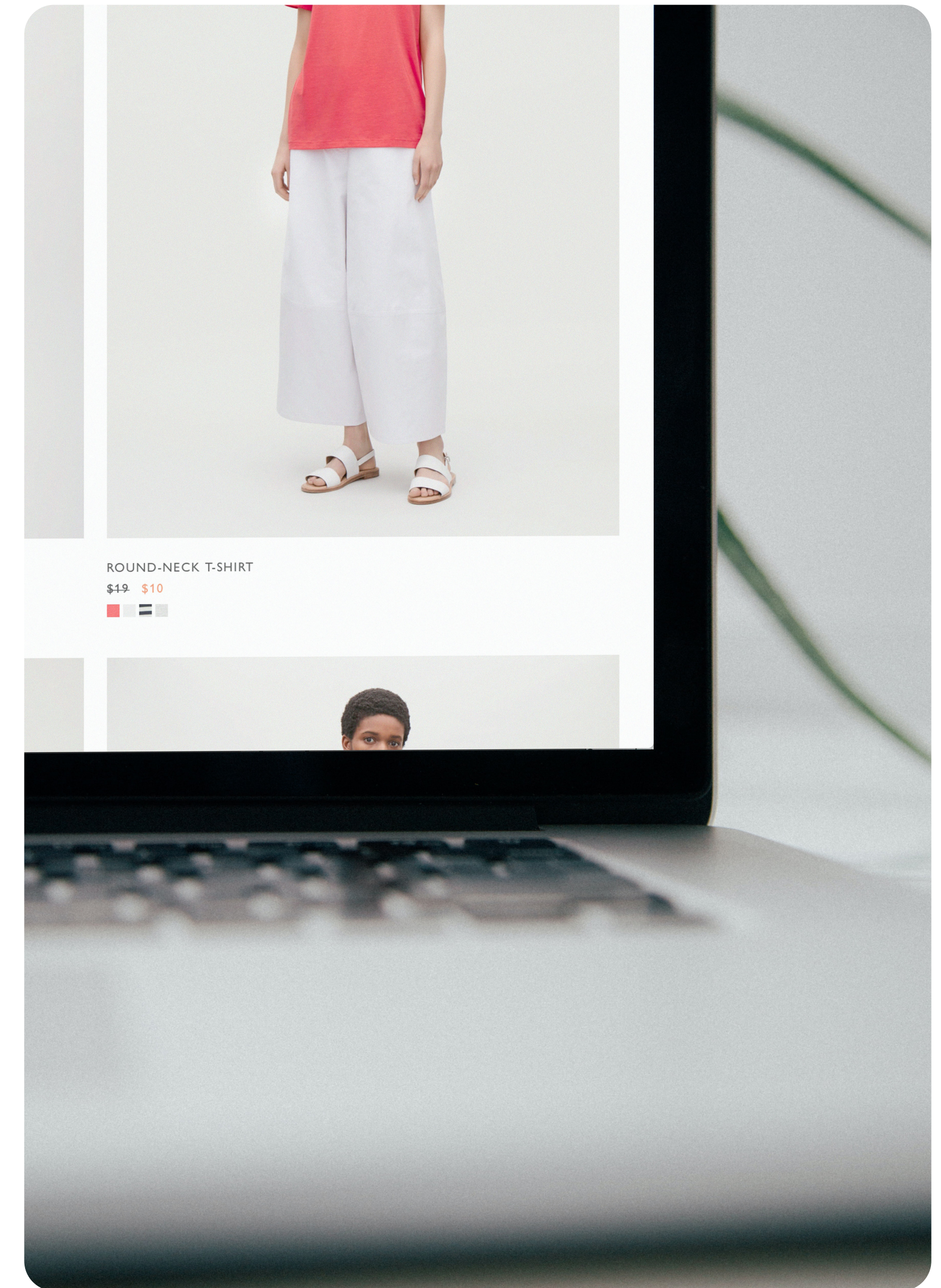
Balance customer promises with fulfilment costs

Leading retailers choose Endava as their order management systems partner.

Boost your top line and control your bottom line

Retailers choose Endava for their order management transformation because of our customer focus and our ability to reduce costs and complexity.

Modernising your order management with Endava as your partner will allow you to regain control over the relationship between your customer promises and your fulfilment costs. It will help you boost your top line while controlling your bottom line in sales and fulfilment, leading to:

- Quicker value release and time to market
- Greater conversion rates and more sales
- Higher customer acquisition and retention levels
- Decreased fulfilment costs
- Lower return rates
- Increased efficiency

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Endava know Retail. They have helped us on numerous high-profile, customer-facing projects in the past year across many and all aspects of the business. Invariably against tight deadlines!"

Jo Graham, CIO, GHD

Find out more

Get in touch with the Endava retail team to see how our order management transformation services can help you walk the fine line between your customer promise and your margin.

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