# 5 roadblocks to omni-channel order fulfilment
(and how to overcome them)

Omni-channel order fulfilment offers retailers a number of benefits but does not come without challenges; Subramanyam Venkataraman and Sulabh Jain at Wipro outline how a harmonious arrangement can be achieved

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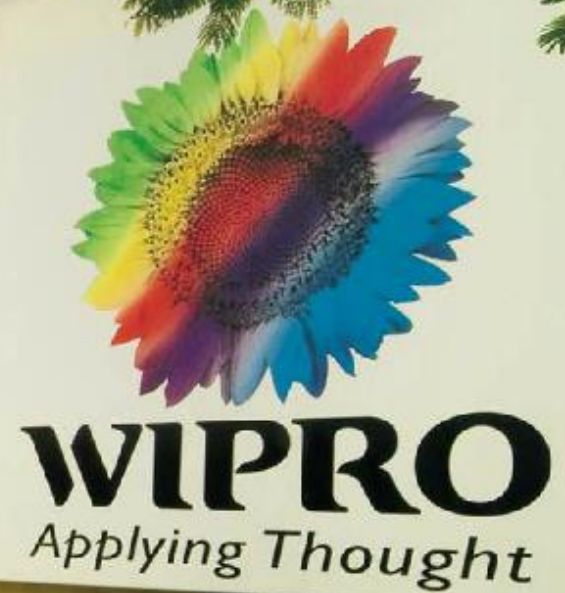
Technology and innovation continue to drive significant changes in how commerce is conducted. As consumers use almost every available buying channel, companies need to be omnipresent. The shift in how consumers are purchasing goods today is driving a shift in how modern day retailers and manufacturers are fulfilling the demand.

To deal with this, many organisations are integrating the online medium with their brick and mortar stores to improve the delivery of goods to consumers, no matter which channel they use. For example, some companies are using stores as distribution nodes, processing and dispatching local orders from local stores. Others are using their stores as 'pick-up points', while some are even using train subways as virtual grocery stores allowing consumers to purchase goods via QR (Quick Response) codes on digital displays.

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The challenge of globalisation

For companies operating globally the difficulty of omni-channel order fulfilment becomes even more complex. At the front end, they need to decide whether or not to have the same brand representation and offerings for all countries and regions they operate in. They then have to handle the conundrum of country-specific content on digital channels with respect to language, pricing, taxes, product imagery and so on.

In order to remedy this challenge companies need to 'think global, act local'. With a deep understanding of local customs and preferences companies are able to fulfil the local expectations as well as innovate at a global level. For example, in the UK this is the option to 'click and collect'; in India pay-upon-delivery is a preferred option; and Australians tend to have a penchant for purpose-built parcel lockers.

Additionally, a reusable digital content management service, that manages the creation, measures the success, monitors and feeds successful content to the right regions and channels at the right time enables economies of scale, savings in content creation and a consistent consumer brand experience.

TECHNOLOGICAL CHANGE

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Keeping up with technological change

There are a lot of new technologies on the market with regards to order fulfilment but a lot of companies are still in the 'test and learn' phase, betting on new technologies and architectures so they can be first out the door, even without fully understanding their own and their customers' requirements.

To avoid pitfalls, a good starting point is a thorough assessment of both the process and technology landscape, analysing end-to-end fulfilment capabilities and the underlying systems that support them. By doing this companies are able to understand if they have the needed physical, functional, integration and interfacing capabilities to handle channel, partner and consumer service level segmentation at the SKU (stock keeping unit) level and other related omni-channel fulfilment requirements. By doing this, companies can then align with advanced control systems and technologies.

The order management challenge

Imposing omni-channel orders on top of single channel order management systems and maintaining seamless fulfilment is another significant challenge. On the demand side, omni-channel orders are less predictable and require consolidated order views across all channels and brands. Add to the other factors like channel, brand priorities, segmentation, order split, and backorder policies and you end up with a complex order management environment.

To handle this kind of complexity retailers should opt for an integrated order management system for end-to-end order capture to settle-in the revenue cycle, avoid short-sighted innovations and inadequate single channel-focused process improvements. Also, they should formulate rigorous controls governing order allocation, reservation policies, real-time product availability and order processing visibility to ensure a streamlined and efficient order management system.

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TOP 5

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Distribution and warehousing challenges

For an omni-channel order fulfilment, there are various challenges related to distribution and warehousing, such as knowing the exact location of inventory – be it in a warehouse, retail store or in transit. Other factors to consider include the selection of the most efficient transportation and shipping methods, best packaging as well as ease of return.

To handle this, retailers need to define their fulfilment policies and priorities and ensure there is full visibility of orders and stock across multiple warehouse sites. Solutions like automated product allocation, reservation and dynamic ship point allocations can also be leveraged to streamline and reduce distribution times.

Additionally, how to handle value added services, special packaging and guidance for overall cost vs. service trade-off situations are some of the considerations for common understanding and execution across different functions of the company. These are typically best driven through an integrated order management system.

Store-based distribution challenges

Using stores for quick delivery, or in many cases, as a feeder for supplying other stores or smaller stores to enable cost effective last mile delivery can be a significant challenge. It requires seamless execution across order management, execution systems and more importantly full and preferably dynamic stock visibility across DC-store networks.

To manage this effectively retailers should consider a third party logistics provider to drive efficient store-based distribution. Many of these providers are typically small-mid size regional players and have a good understanding of local distribution dynamics, however nation-wide options are also a good solution. Other considerations include developing a flexible store-level staff/resource planning system to support shipments in a timely manner and deliver a consistent consumer experience. ∎

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