

Körber Supply Chain

Best practices for selecting the optimal Order Management System (OMS)

What omnichannel executives need to know before, during & after selection to ensure OMS success



Introduction

Consumers demand flexibility and convenience from retail brands at every touchpoint throughout their customer journey. Delivering customer-centric commerce requires a single enterprise view of inventory, orders, customers, shipments and payments, along with the ability to deliver seamless, stellar omnichannel fulfillment experiences across the enterprise. An agile, cloud-native order management system (OMS) is required to meet expectations and to make omnichannel profitable.

Few technology investments today are as critical to your current and future success as selecting the right OMS. Why? An omnichannel OMS is the only solution that drives top and bottom-line revenue and impacts the customer experience. Selecting the best OMS helps enable rapid omnichannel transformation and profitability. It can require fewer resources, streamline application vendors and costs, speed time to value and maximize ROI.

As you begin your OMS selection journey, there are key items to keep in mind to ensure the process is effective and beneficial from both a solution and partner point of view. While the problems and process may seem complex, the answer is simple – an OMS is necessary for omnichannel success and following the proper steps can ensure a successful system selection.

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Before: Preparation is key

The first step in an OMS selection is to develop a plan that includes the items below with a timeline for the process, then utilize that as your guide throughout the entire project.

Identify stakeholders

Identification of the key stakeholders is the first step ahead of selecting the right OMS and implementation partner. Start by thinking about who would benefit or be impacted by the new systems and processes and identify both the named list of people involved and group them into numerous stakeholder groups. With this understanding, you'll be assured that the right resources from each impacted team have the proper amount of knowledge to contribute to

the selection process, and most importantly, to confirm they have the bandwidth to participate in the selection for the entire duration.

Typically, we recommend that the following cross-functional leaders are part of the requirements gathering, RFP process and review process:

- CIO/Enterprise Systems Leader(s)
- Digital Commerce Leader(s)
- CMO/Marketing Merchandising Leader(s)
- COO/Operations Leader(s) – Stores/Distribution
- CFO/Finance Leader
- CSCO/Supply Chain Leader(s)
- CXO/Customer Experience Leader(s)

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Select a strong partner

It is a good general practice to utilize an external selection and/ or implementation partner to support an OMS project through project management to ensure the project moves along at the proper pace. It is also helpful to work with an outside firm to serve in a program management role, helping to ensure unity amongst the different voices/perspectives that can become an issue within a project. More importantly, experienced consulting partners can quickly and easily narrow down the list of potential vendors based on their knowledge of solutions.

Establish goal planning

With the selection team identified, the next step in preparation is to get a clear understanding of the needs within the organization at a more granular level. Leading organizations always work to quantify the expected improvements, either for the entire company or within the impacted stakeholder groups. Make sure to document these quantifiable goals in a public setting and make sure all parties understand and agree on these project drivers, as they are used later in the implementation to form the program charter.

Create a shortlist of providers

While there are several potential OMS providers in the market, not all of them are created equal and different providers offer a different fit for varying types of industries. The best fit for your requirements will not likely be the same as another business.

To save yourself time and additional costs, plan to narrow down your selection to no more than three vendors (best practice is typically two), with a focus on those vendors that have:

1. Capabilities focused on your industry and type (B2B vs. B2C)
2. A track record of successful deployments

Here is where an outside consulting partner proves its worth as it will be able to save you months during your evaluation by doing a multi-week analysis of your needs and making recommendations to easily provide a shortlist of vendors. The

cost savings in beginning with a strong shortlist outweighs the cost of outside help.

Prepare a quantitative and clear RFP

While the RFP document will likely end up long and detailed to ensure that your requirements are addressed, pay attention to the types of questions asked to ensure that:

1. The vendor easily understands the questions and the details that are requested - ensure that you are using industry terms, not company-specific terms
2. Most questions are answerable with yes/no or require quantitative instead of qualitative answers

One typical mistake we see organizations make is to ask questions that require a long format answer which makes it difficult to compare qualitative answers within an RFP document.

Document your selection process and share clear expectations

Investing the time at the beginning of the selection process to thoroughly document and communicate all the key steps and dates ensures that the schedule is maintained. Sharing this information upfront ensures that everyone understands the overall process and expectations. Too often we see organizations “make it up as they go,” which leads to time wasted, adding costs added to the selection project.

For example, a typical selection team of ten leaders within your organization spending an additional 20% of their time during the process re-meeting and re-validating the overall process and requirements could be adding an internal cost in the five-figure range, all because the time was not spent upfront to plan the work.

Send the Non-Disclosure Agreement (NDA)

To head off any slowdown in the process, it's important to send the NDA along with the actual RFP document, or even better, send it ahead of time. This ensures that the software providers' legal team has enough time to review the NDA document, sign it, and return it ahead of sharing what they will consider to be sensitive information.



During: Work the plan

Once the RFPs have been sent to prospective vendors, it's time to prepare for demonstrations and answer any questions the vendors may have as they are completing their proposals.

Document all interactions in real-time

To stay unbiased and fair to all of the shortlist vendors who have received the RFP document, it's important to answer all of the questions in a public forum and to document any interaction between potential providers and ensure that you have been fair and honest with all other potential providers. Establishing a temporary externally shared page that documents all the FAQ and FYI notes during the process ensures that all parties have access to the same answers and that notes are available in the same forum.

Stick to the script

The vendors' sales teams are always looking for an advantage during the selling process and will likely try to sway the decision by trying to provide additional value by demonstrating exciting functionality. While this additional value may be considered beneficial to your team, it's important to make sure you keep an even and objective viewpoint on the potential providers and not show favoritism of one over another. Introducing bias during the process could have repercussions when push comes to shove during the selection. Provide guidance to the prospective providers that they will be evaluated based on the script, their adherence to it and their ability to demonstrate the required functionality. Even more critical, ensure that the required functionality is being demonstrated and it is not the vendor just showing "vaporware."

After: Decision-making time

Now that all the information has been gathered, it's time to review and rate the prospective solutions.

Re-group immediately to discuss responses

Now that your organization has made these investments in time and cost, it's important to immediately meet and discuss the teams' observations and uncover any outstanding questions or issues. Once all demonstrations have been completed, the team should meet to discuss what they saw and heard throughout the process and to give their thoughts and recommendations into the overall selection. There is a tendency in some organizations to delay or postpone that feedback cycle, and the issue that occurs is that not all the information is accurately recalled.

To avoid this, there should be set calendar dates for the postmortem of the process to address as quickly as possible.

Review and understand the costs

Review the costs and ensure that project expectations for costs are clear. The end goal here is the project's success, so it doesn't make sense to skimp on building out the project's budget.

The money and time spent upfront in the areas of designing, testing, and training are crucial to ensuring

a successful go-live. Build in sufficient funds and apply a buffer to ensure some additional time and funds are available to address any unexpected challenges.

Ask for a sample SOW and master services

Agreement Any large legal-focused documents always take a significant amount of time to review. To avoid delays at the point of decision, ask the potential shortlist providers for sample SOW and master service agreement documents and begin reviewing those to highlight any questions so that this can run in parallel with the decision-making process. This gives the providers ample time to provide answers to your questions and should be scheduled in a way to line up with the overall schedule of the selection.





Provide reasons to the providers who were not chosen

As you process and document the winning selection criteria as well as who was not chosen, provide this information to all the providers. Just like in any relationship, it's important to give justification or closure to the group or partner that you have not chosen. This helps them improve their process and product and provides closure to the interaction, at least in the short-term. It also helps ensure that the process has provided the appropriate decision as to the solution and provider that the organization will move forward with.

Summary

Once you have completed the selection process and begin your OMS implementation project, remember that the problems and process may seem complex but following these selection best practices can help ensure a successful project.

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<https://www.koerber-supplychain-software.com/en/supply-chain-solutions/order-management-system>

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