KIBO Google Cloud Grid Dynamics

OMS Buyer's Guide Part 2:

Essential Order Management Capabilities for Growth & Agility

INTRODUCTION

Order management systems are the backbone of efficient commerce operations, enabling seamless interactions between inventory, fulfillment, and customer service. By leveraging modern technology, OMS solutions can transform customer experiences, streamline supply chains, and adapt to the fast-paced demands of omnichannel commerce.

Modern order management systems are equipped with a wide array of features that address the complexities of inventory management, order orchestration, fulfillment, customer service, and analytics. These capabilities allow businesses to operate more effectively, ensuring a superior experience for both customers and operational teams.

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INVENTORY MANAGEMENT + REAL-TIME VISIBILITY

Maintaining accurate and up-to-date inventory visibility is critical for ensuring that customers receive what they want, when, and where they want it. With real-time updates and global inventory tracking, you can minimize stockouts, optimize inventory allocation, and build customer trust.

Capabilities to Look For:

- Global inventory visibility across stores, warehouses, and in-transit locations.
- Safety stock management to ensure adequate supply levels.
- Real-time inventory updates to minimize stockouts and overpromising.
- Inventory promising against incoming stock.

Use Cases:

1. Local Inventory Availability:

- Problem: A shopper visits a store after seeing online availability, only to find the item out of stock.
- Solution: Real-time inventory updates using advanced APIs and accurate storefront inventory display.

2. Future Stock Commitments:

- Problem: The shopper can't place an order because the item is out of stock.
- Solution: Future inventory promising enables customers to place orders for incoming inventory with accurate delivery timelines.



ORDER ORCHESTRATION AND ROUTING

Effective order orchestration ensures that every order is fulfilled in the most efficient and cost-effective manner possible. By automating order routing and managing split shipments, you can improve delivery timelines and reduce operational complexities.

Capabilities to Look For:

- Distributed order routing across multiple fulfillment points.
- Real-time updates to optimize resource allocation.
- Support for split shipments and consolidation for efficiency.
- Extensible order routing rules to meet unique business needs.
- Reverse logistics to optimize returned inventory handling and automate return order routing.

Use Cases:

1. Split Shipments:

- Problem: Items in one order arrive on different days.
- Solution: OMS consolidates shipments or splits orders to fulfill efficiently from multiple locations.

2. Fulfillment Reassignments:

- Problem: A customer places an order online, but the distribution center initially assigned to fulfill the order is out of stock.
- Solution: OMS automatically reassigns orders to alternate locations during stockouts to ensure the promised delivery time is met.



FLEXIBLE FULFILLMENT OPTIONS

Flexible fulfillment options are essential in today's commerce landscape, where customer expectations demand convenience and speed. From in-store pickups to home delivery, an OMS enables businesses to offer a variety of fulfillment methods tailored to customer needs.

Capabilities to Look For:

Supports fulfillment models such as BOPIS (Buy Online, Pick-Up In-Store), curbside pickup, ship-from-store, and drop shipping.

Integration with third-party logistics for last-mile delivery.

Use Cases:

1. BOPIS Cancellations:

- Problem: Orders are canceled due to lack of inventory or resources.
- Solution: Real-time inventory checks at checkout and efficient associate workflows for order preparation.

2. Ship-From-Store:

- Problem: Online demand outpaces fulfillment capacity at distribution centers.
- Solution: Leverage store inventory to fulfill orders through ship-from-store capabilities, reducing delivery times.



CUSTOMER SERVICE

Customer service representatives (CSRs) are often the first point of contact for resolving order issues. A robust OMS empowers CSRs with tools and insights to manage orders efficiently, ensuring customer satisfaction while reducing service delays.

Capabilities to Look For:

Empower customer service representatives (CSRs) to track orders, update details, and resolve issues in near real-time.

Unified and accessible view of customer and order data.

Role-based access for secure management.



Use Cases:

1. Order Modifications:

- Problem: Customers cannot update delivery details post-purchase, leading to canceled orders or missed deliveries.
- Solution: Provide CSRs with tools to modify order details, such as delivery dates, addresses, or fulfillment modes.

2. Real-Time Updates:

- Problem: CSRs lack access to accurate inventory and fulfillment data, delaying customer issue resolution.
- Solution: Equip CSRs with real-time inventory and order tracking capabilities to provide accurate information quickly.

INTEGRATED SEARCH AND INVENTORY

Integrating inventory data into search functionality not only enhances the shopping experience but also drives conversions. By displaying accurate and relevant product availability, you can make it easier for customers to find and purchase what they need.

Capabilities to Look For:

Integrates inventory data into site search for relevant product discovery.

Enables filtering of search results based on local inventory availability.

Uses real-time inventory to display urgency triggers, such as "low stock."

Use Cases:

1. Enhanced Product Discovery:

- Problem: Customers struggle to find in-stock products relevant to their needs.
- Solution: Use OMS-integrated search tools to display inventory availability and location-specific filtering.

2. Social Proofing:

- Problem: Customers hesitate to purchase without a sense of urgency.
- Solution: Show real-time inventory alerts, such as "Only 2 left," to encourage faster conversions.



REPORTING + ANALYTICS

Data is a key driver of operational improvements. Reporting and analytics capabilities within an OMS provide actionable insights, helping you forecast demand, optimize fulfillment strategies, and track performance across the supply chain.

Capabilities to Look For:

Granular reporting and real-time dashboards for operational insights.

Configurable analytics to track KPIs such as inventory turnover, order accuracy, and fulfillment speed.

Use Cases:

1. Order Modifications:

- Problem: Customers cannot update delivery details post-purchase, leading to canceled orders or missed deliveries.
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AI AGENTS FOR ORDER MANAGEMENT

Agentic commerce leverages a network of specialized AI agents to autonomously handle various tasks within the commerce ecosystem. In the context of order management, this means deploying AI agents dedicated to specific functions like order status inquiries, modifications, fulfillment, routing, and returns processing. These agents can communicate and collaborate to ensure a smooth and efficient post-purchase experience for the customer.



The benefits of agentic commerce for order management are significant. By automating routine tasks and providing real-time information, businesses can dramatically improve operational efficiency, reduce customer support costs associated with order-related inquiries, and accelerate order fulfillment. Additionally, the ability for AI agents to handle order modifications and returns seamlessly leads to increased customer satisfaction and loyalty. The multi-agent system ensures that each aspect of the order management process is handled by an AI optimized for that specific task, leading to greater accuracy and speed throughout the entire post-purchase journey.

BENEFITS OF A CLOUD-NATIVE ORDER MANAGEMENT SOLUTION

In today's fast-paced digital commerce landscape, businesses need an OMS that can scale and adapt to ever-changing customer demands. Cloud-native order management solutions provide a future-ready foundation, ensuring businesses are prepared to handle growth, demand surges, and technological evolution. These solutions are designed to deliver agility, performance, and resilience, unlocking significant advantages over traditional on-premise or hybrid systems.

Key Benefits of Cloud-Native OMS Solutions

1. Elastic Scalability

- Cloud-native OMS solutions leverage infrastructure that scales dynamically with your business needs. Whether managing holiday sales spikes or launching a new product, these systems automatically adjust resources to handle varying levels of demand.
- This elasticity ensures uninterrupted operations and cost efficiency, as businesses pay only for the resources they use.

2. Enhanced Resilience and Availability

- Built on robust cloud infrastructure, these solutions offer exceptional uptime and reliability. Load balancing features distribute traffic effectively, preventing downtime and ensuring a seamless experience during peak periods.
- Global data centers minimize latency and ensure rapid response times, no matter where your customers are located.

3. Optimized Performance

- Cloud-native architecture eliminates the bottlenecks often found in legacy systems. Serverless computing and auto-scaling features ensure high performance under any workload.
- Faster order processing and real-time inventory updates improve operational efficiency and elevate customer satisfaction.

4. Streamlined Integrations

- Modern OMS platforms built on the cloud can easily integrate with third-party tools, payment gateways, and APIs. This flexibility allows businesses to expand their capabilities without disrupting core operations.
- Seamless integrations empower retailers to innovate rapidly, adding new features or channels to enhance the customer experience.

5. Reduced Maintenance and Costs

- Cloud-native solutions shift the burden of infrastructure management to the provider, reducing the need for in-house IT resources.
- By leveraging a serverless architecture, businesses save on hardware costs and operational overhead while focusing on strategic growth initiatives.

Investing in a cloud-native OMS provides businesses with the agility and efficiency required to thrive in a competitive marketplace. Whether managing high-order volumes, enabling global operations, or supporting omnichannel strategies, these systems deliver the scalability and reliability needed to meet evolving customer expectations.

CUSTOMER STORY: IMPROVING INVENTORY VISIBILITY AND OPTIMIZING FULFILLMENT FOR BOSCOV'S

Challenge

Boscov's needed to overcome the following challenges:

- Consumer demand for flexible order fulfillment options, like BOPIS
- Inventory visibility across 47 locations
- Holiday shopping season cut short by shipping time

Solution

The implemented solution included:

- Scalable BOPIS platform
- Real-time inventory visibility
- Responsive UI for wave picking
- Comprehensive training for every sales associate

Results

80%
reduction in integration time

150%
increase in fill rate due to fulfillment workflows and wave picking

40%
increase in attachment rates for BOPIS orders

KEY CONSIDERATIONS WHEN EVALUATING OMS SOLUTIONS

When selecting an OMS, businesses must carefully evaluate several critical factors to ensure that the solution aligns with their operational needs and enhances overall efficiency.

1. Core functionality

At its core, an effective OMS should provide essential functionalities and AI capabilities that cover the entire order lifecycle, which includes:

- Order entry
- Inventory management
- Fulfillment
- After-sales service

2. Build vs. Buy vs. Hybrid

Consider how well the OMS solution matches your specific business needs. Organizations can choose from three approaches:

- Build a custom solution from scratch
- Purchase an off-the-shelf system
- Adopt a hybrid approach

3. Integration capabilities and APIs

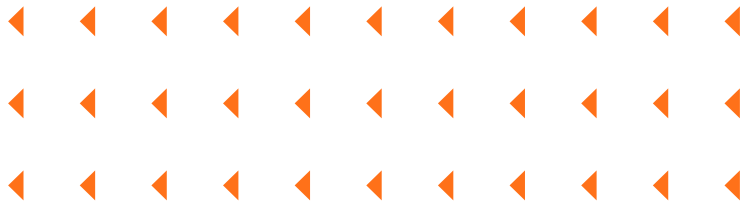
Modern integration capabilities ensure that the OMS can seamlessly connect with existing CRM, ERP, and ecommerce platforms. Look for features like:

- Event streaming
- REST/GraphQL APIs

4. Scalability

The selected OMS should be able to scale by business demands. It should capably handle increased order volumes during peak seasons while providing the following:

- Available-to-promise (ATP)
- Available-to-sell (ATS)



5. User experience
A user-friendly interface is essential for both customer support staff and operational teams. The OMS should simplify order processing and tracking, making it easy for users to navigate and manage orders effectively. Key features include:

- Customizable dashboard
- In-store apps

6. Reporting and analytics
Advanced reporting and analytics capabilities are vital for gaining insights into order trends, customer behavior, and inventory levels. Look for features such as:

- Real-time reporting
- Predictive analytics

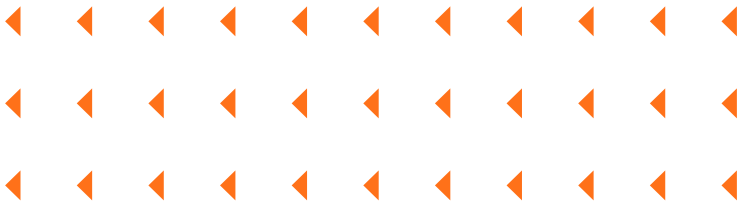
7. Customer support and talent availability
Evaluate the level of customer support provided by the OMS vendor or system integrator (SI) partner. Effective support can quickly resolve issues and minimize operational disruptions. Considerations include:

- Training resources
- Partner ecosystem

8. Cost and ROI
Finally, assess the total cost of ownership (TCO) associated with the OMS, which includes:

- Licensing fees
- Implementation costs
- Ongoing maintenance costs

Carefully consider the key factors to select a solution that meets the current operational business needs and supports future growth and adaptability. A well-chosen OMS will enhance efficiency, improve customer experience, and drive overall business success.



CONCLUSION

Modern technology has irrevocably transformed order management from a transactional necessity into a strategic advantage. By embracing cloud-native OMS solutions equipped with features like real-time inventory visibility, intelligent order orchestration, flexible fulfillment options, and integrated analytics, businesses can achieve unprecedented levels of efficiency, responsiveness, and customer satisfaction. The advent of agentic commerce further amplifies these benefits by automating routine tasks and empowering seamless post-purchase experiences.

Ultimately, a well-chosen and effectively implemented order management system, considering key factors such as core functionality, integration capabilities, scalability, and user experience, is no longer optional but a fundamental requirement for thriving in today's dynamic and demanding omnichannel commerce landscape.

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About KIBO

Kibo Commerce is a composable commerce platform for retailers, manufacturers, distributors, and wholesalers who want to simplify complexity and deliver modern customer experiences. Supporting experiences that span Order Management, eCommerce, and Subscriptions, Kibo's platform is trusted by companies like Zwilling, Ace Hardware, and REEDS Jewelers to drive operational efficiency and exceed customer expectations.

For more information, visit **kibocommerce.com**.

About Grid Dynamics

Grid Dynamics (Nasdaq: GDYN) is a leading provider of technology consulting, platform and product engineering, AI, and digital engagement services. Fusing technical vision with business acumen, we solve the most pressing technical challenges and enable positive business outcomes for enterprise companies undergoing business transformation. A key differentiator for Grid Dynamics is our 8 years of experience and leadership in enterprise AI, supported by profound expertise and ongoing investment in data, analytics, application modernization, cloud platform and product engineering, and digital engagement services. Founded in 2006, Grid Dynamics is headquartered in Silicon Valley with offices across the Americas, Europe, and India.

To learn more about Grid Dynamics, please visit **https://www.griddynamics.com/**.

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