

Order Management System Best Practices

1. **Look for Order Management Systems (OMS) that can help you address key improvement areas.** OMS generally refers to the entire cycle, from taking the initial order, collecting payment for delivery of the product, order exceptions, customer management, inventory management, and reverse logistics. Solutions may address some or all of this process. Reduce costs by reducing errors; improve cash flow by speeding up the entire process; and increase customer satisfaction by improving communication.
2. **Involve your entire organization when selecting and implementing.** Any department can sabotage the effort if they're not on board. Get the team together early and align their objectives.
3. **Identify and analyze the key bottlenecks in your order management process before implementation.** Spend time focusing on these high-impact areas. A successful implementation encourages automation and successful process reengineering. Make your compromises in other areas, if you must, but get this right.
4. **A single database is the key to an effective order management process.** If you're going to the trouble of changing your systems and processes, ensure that this results in a single database structure. Minimize the amount of redundancy in data set-up. This can eliminate potential problems and improve efficiencies.
5. **Continually look for ways to improve and optimize your use of your OMS.** Following implementation, companies typically utilize only 25-35% of a system's functionality. Proper training is the key to improving your adoption rates. Review performance with the OMS team and the selected provider 60-90 days after implementation to find other ways to improve performance.
6. **Quantify benchmarks early in the process.** "If you can't measure it, you can't manage it." Develop key performance indicators (KPIs) and create a corporate dashboard for effective reporting of each function or department. Understand what kinds of analytics are offered to you "out of the box" versus ones you need to write yourselves. Keeping visibility on these metrics will ensure they get attention. Get agreement on KPIs across teams and have a shared dashboard.
7. **Manage the labor force.** Labor is probably the largest controllable expense item on your income statement. Successful implementation of an OMS should free up labor for other uses. If it doesn't do that, the ROI will likely not be achieved. Review labor intensive processes to ensure OMS simplifies process flows.
8. **Minimize the number of times orders are touched by your team.** The fewer touches of the order and the product itself (no matter how "inconsequential" the touch), the less the total cost of order processing and fulfillment. A good OMS manages exceptions and pushes those exceptions to the right person for proper handling. Errors and delays happen where there are too many touches. Minimize them.
9. **Think hard before you customize software and make sure it's worth the effort.** Customization, while an attractive option, introduces new costs and uncertainties to a project. While changing a department's ways is also risky, that can often be more easily and visibly managed than customization. Think about how to change your processes before you look to customizations.
10. **Customer management is as much a part of order management as any back-office logistics component.** Customer follow-ups, including order changes, tracking inquiries, cancellations and returns are costly, and even more so if the CSR is looking into multiple systems with inconsistent data.

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eCommerce Diligence™ Checklist

OMS Key Questions to Ask Providers

Company

1. How long have you been in this business?
2. How many clients have you sold? How many have you lost, and why?
3. What clients fall into your “sweet spot”?
4. What peripheral or support services do you offer (e.g., ecommerce, custom development, logistics)?
5. What do you offer “out of the box”?

Products/Services

1. Is your solution offered as perpetual licensed software or on-demand multi-tenant solution?
If perpetual license:
 - a. What are the hosting requirements?
 - b. What should I expect regarding upgrades (timing, pain and support)?
 - c. Do you provide customization/implementation services?
 - d. What are your after-launch support services?
 - e. Can a third party provide customization/implementation?**If SAAS/ASP:**
 - a. Do all tiers include maintenance and support?
 - b. How often are new features introduced? What can I do if I need a feature you don't have?
 - c. What level of online security do you provide?
2. Does your product work with a single database for all the company's back-office functions or will I need to synchronize with several others?
3. How long will a simple installation take? A sophisticated one?
4. Do you offer a free trial? What's it missing?
5. What technical support services are available?
 - a. Is your support team located in the US or abroad?
 - b. What is your SLA for support issues?
6. Do you have a support knowledge base, community forum, or applications that are shared by customers?
7. How can I export data if I change platforms?
8. Do I own and control my data?
9. How do I import data to get started?
10. Do you provide operational audits?

Features

1. What key features are included in your solution?
 - a. What features are currently missing, on your roadmap, does management love? Shoppers?
 - b. Can your solution support clienteling?
2. What is your product's competitive advantage over other packages? Why?
 - a. Order entry? Customer management? Inventory? A particular vertical?
3. How comprehensive and flexible is your management dashboard?
 - a. Can I pull in statistics that come from other, contiguous systems?
4. Is your OMS independent of my selected eCommerce platform?
5. Do you require use of your selected payment processing system or can I choose (or continue to use) the methods I prefer? How much more difficult would it be to use my choice?
6. Does your platform include robust integrated systems, such as logistics, returns management, accounting, marketing, merchandising, analytics, call center and customer management?
 - a. Can I integrate your OMS with other, more robust versions of these systems?
 - b. How does your platform integrate with other systems - eCommerce, CMS, analytics and back-office (logistics, returns management, call center and customer management)?
 - i. If I use third-party systems, does the performance degrade?
 - ii. Which applications do you already have standard or custom integrations built?
7. Do you have a management console?
 - a. What can I manage with it?
 - b. Does it include reporting and a dashboard?
 - i. Please describe your reporting capabilities (batch vs. real-time, ad hoc, etc.).
 - ii. Please provide a list of standard reports.

Pricing

1. Describe your pricing model. Do you price by the user, concurrent user, server, site, or other?
2. Why do I want to pay to upgrade to the next level?
3. How do you charge for annual support? What about maintenance?
4. Are there any hidden fees (e.g., implementation, transaction costs, revenue sharing)?

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