Magento Commerce Order Management

Ian Kinsella

Sr. Director, Sales APAC

Ben Marks

Sr. Manager, Strategy & Growth

Investment in OMS is Strong and Growing

FORRESTER

research & data | analysts | events | consulting | leadership boa

Analysts > Blogs > Marketing & Strategy > eBusiness & Channel Strategy Prof

Peter Sheldon's Blog
Peter serves eBusiness & Channel Strategy Professionals. Learn more ».
Analyst bio | Peter on Twitter ➤

Order Management – An Omni-Channel Imperative
Posted by Peter Sheldon on January 28, 2014

9 Recommendations | 0 comments | Print

With Omni-channel excellence fast becoming a customer imperative, retailers and brands alike are rushing to operationalize an increasingly complex set of cross-channel order processing and fulfillment scenarios that are often referred to in aggregate as "buy anywhere, fulfill anywhere". In fact in recent survey, we found that 52% of eBusiness professionals ranked Omni-channel integration as a top technology investment priority.

"What are your technology investment priorities for the coming year?"
eCommerce platform — 52%
Multichannel integration — 52%

73% plan to utilize an OMS as their unified commerce platform within 3 years
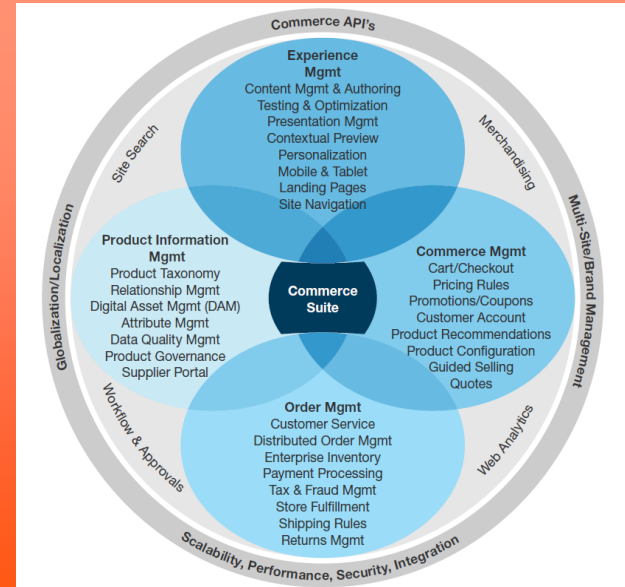
Consumer Expectations Driving OMS Investment

91%
ETA for Orders

61%
BOPIS

89%
View Local Store Inventory Online

86%
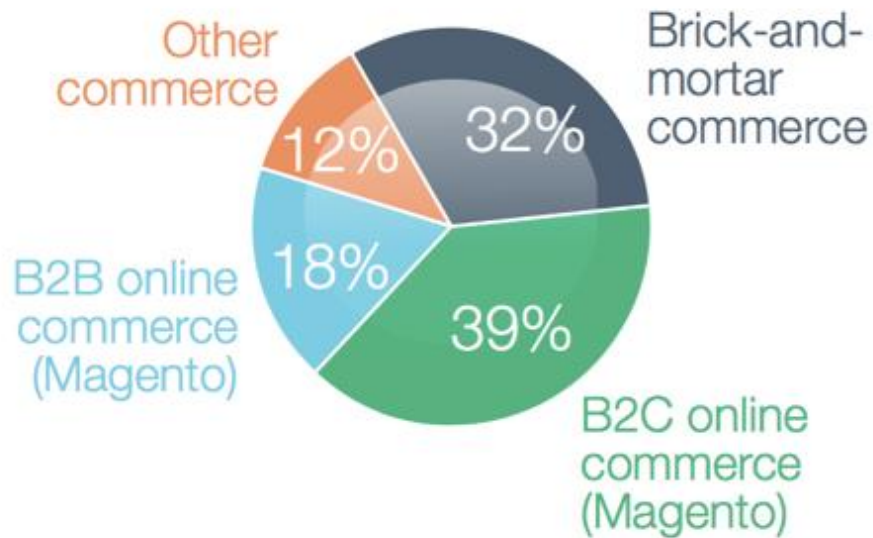Buy Online & Return to Store

73%
Ship To Store

75%
Visit Store if Inventory Online

81%
Associates Not Well Informed

Source: Forrester Research

Merchants generate a **significant** portion of their sales on Magento

- Other commerce — 12%
- Brick-and-mortar commerce — 32%
- B2B online commerce (Magento) — 18%
- B2C online commerce (Magento) — 39%

OMS Enabled Programs Have Clear ROI

20-30+%
Incremental Sales by Ship From Store [1]

30-40%
Potential Attached
Rates from BOPIS [2]

1-10%
Incremental In-Store Sales
Lift with Endless Aisle [2]

30%
Higher Lifetime Value of Shoppers that Buy
on Multiple Channels vs. Single Channel [3]

1. Ee/Magento Merchants
2. Forester Research
3. Multi-Channel Merchant

MagentoLive
India | 2017

Existing Systems Just Don't Cut It

35%
of retailers cite a lack of technology spanning eCommerce, mobile and in-store

77%
of retailers rank inventory planning and visibility as top priorities

94%
of retailers face significant integration barriers

Retailers lose
$1.75 Trillion
Due to overstocks, out-of-stocks, and preventable returns

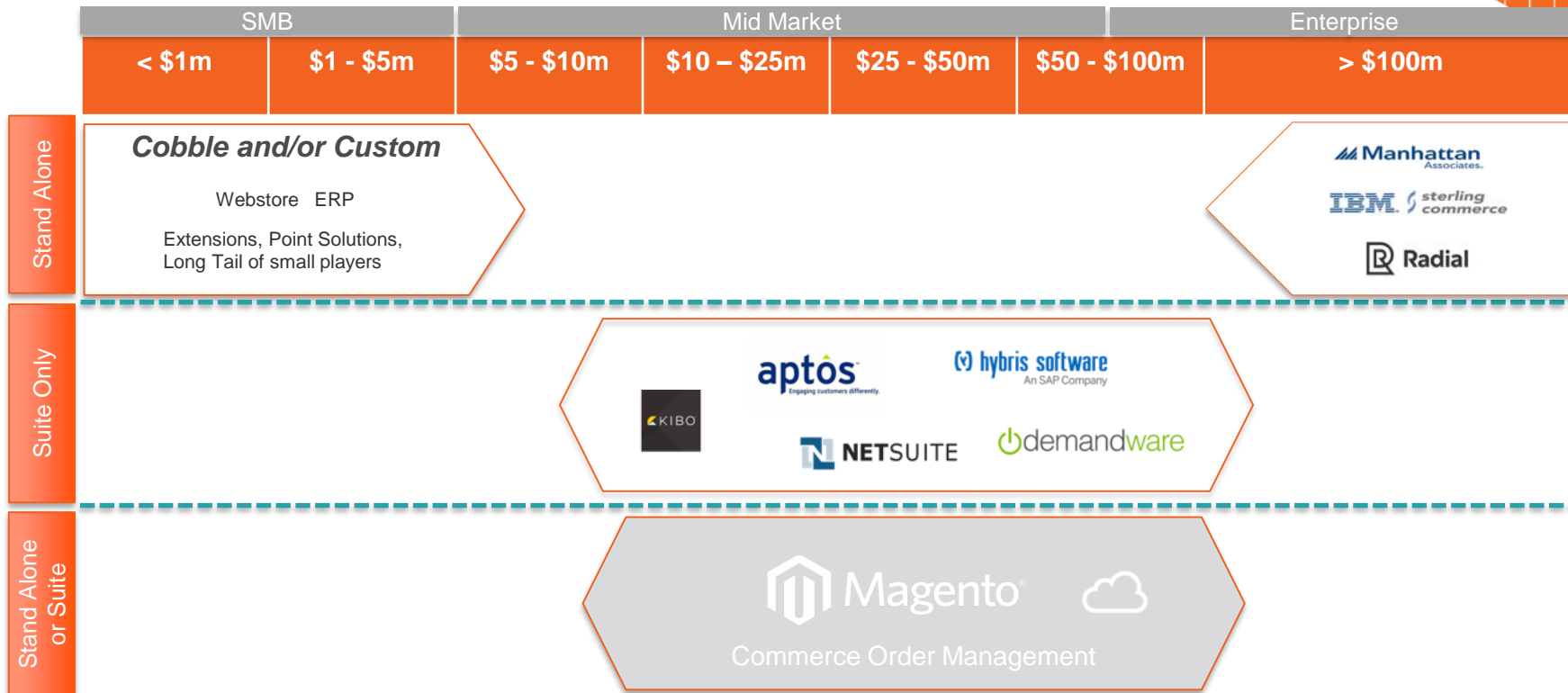"ERP platforms are ill-equipped to manage omnichannel orders that must transcend online and offline channels"

FORRESTER®

"A lot of times, people don't know what they want until you show it to them…"

Steve Jobs

Market Landscape for OMS

SMB		Mid Market				Enterprise
< $1m	$1 - $5m	$5 - $10m	$10 – $25m	$25 - $50m	$50 - $100m	> $100m

Stand Alone

Cobble and/or Custom

Webstore   ERP

Extensions, Point Solutions, Long Tail of small players

Manhattan Associates.

IBM sterling commerce

Radial

Suite Only

KIBO

aptos
Engaging customers differently.

hybris software
An SAP Company

NETSUITE

demandware

Stand Alone or Suite

Magento

Commerce Order Management

OMS Fills Critical Gaps

	Key OMS Functions	ERP	eComm	POS	OMS
1	Multi-node Inventory	◑	○	○	●
2	Intelligent Inventory Allocation per Channel	◔	○	○	●
3	Support Multi-selling Channels	◔	◔	○	●
4	Complex Orders: pre-sale, back order, etc.	◔	◔	◔	●
5	Intelligent Order Sourcing	○	○	○	●
6	Store Fulfillment: BOPIS/SFS/STS	◔	○	◔	●
7	Endless Aisle	◔	◑	◑	●
8	Store Associate UI, pick/pack/ship tools	○	◔	◑	●
9	Order Modifications	●	◔	◑	●
10	Customer Service Tools	○	◑	○	●

○ = not supported ◔ = may have minimal support ◑ = limited support customizations ◕ = some capabilities with customizations ● = fully supported

The 5 Key MCOM Use Cases

(and the challenges without it)

Magento Commerce Order Management

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Magento Commerce Services

Payments & Risk

Distributed Order Management

- Order state & event management
- Order orchestration & routing,
- Partial shipments, order splitting
- Presales, backorders, returns

Global Inventory

- Track inventory at any node
  - Stores, vendors, DCs
- In-transit inventory
- Intelligent sourcing and allocation

Omnichannel Fulfillment

- Ship-from-store
- Store pickup, click & collect
- Ship-to-store (**GA Q4 2017**)
- Pick-and-pack store tool

Customer Service

- Order details/ status lookup
- Order modification & cancellation
- Appeasements/ refunds/ credits
- Order escalation workflow

Mobile POS, Endless Aisle - GA 1H 2017

Magento Commerce Services

Logistics Service Providers

Store Network

Dropship Network

Internal Fulfillment Network

Pop-up Stores

MagentoLive
India | 2017

MCOM Use Case: Global Inventory and Sourcing

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Without MCOM

- **Can't** track across sources (only aggregate)

- Inventory lives in multiple locations, **no single source of truth**, integration and accuracy challenges

- Manual spreadsheets **inefficient** and **error** prone

- **No sourcing logic** to pick best fulfillment location, **increases cost** to fulfill

Logistics Service Providers

Store Network

Dropship Network

Internal Fulfillment Network

Pop-up Stores

MCOM Use Case: Support Multiple Selling Channels

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Without MCOM

- Managing orders separately across each selling channel (or in each channel), creates **complexities and inefficiencies**. No central source of truth

- **Can't** allocate inventory to channels

- **Can't** support complex order scenarios

iRobot®

BROWN-FORMAN

dyson

HH
HELLY HANSEN

UNIVERSAL
UNIVERSAL MUSIC

Logistics Service Providers

Store Network

Dropship Network

Internal Fulfillment Network

Pop-up Stores

MCOM Use Case: Store Fulfillment

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Without MCOM

- **Can't** do it

- **Costly, complex and non-scalable** solutions that do not delivered desired results and create bad consumer experience

DEVLYN

C-A-L RANCH STORES

Gabor

MADISON:CO.UK

BENTLEY

Logistics Service Providers

Store Network

Internal Fulfillment Network

Pop-up Stores

MCOM Use Case: Endless Aisle

Web

Mobile

Store Network

Customer Service

Internet of Things

Without MCOM

- Can't do it, **lose the sale**

- **Limited** capabilities, not tapping in to all inventory, limits upside

- **Disappoint** the customer

Logistics Service Providers

Store Network

Dropship Network

Internal Fulfillment Network

Pop-up Stores

MCOM Use Case: Customer Service

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Without MCOM

- **No ability** to view order status or make order modifications (cancel, re-order)

- **Frustrating** customer experience

Logistics Service Providers

Store Network

Internal Fulfillment Network

Pop-up Stores

MagentoLive
India | 2017
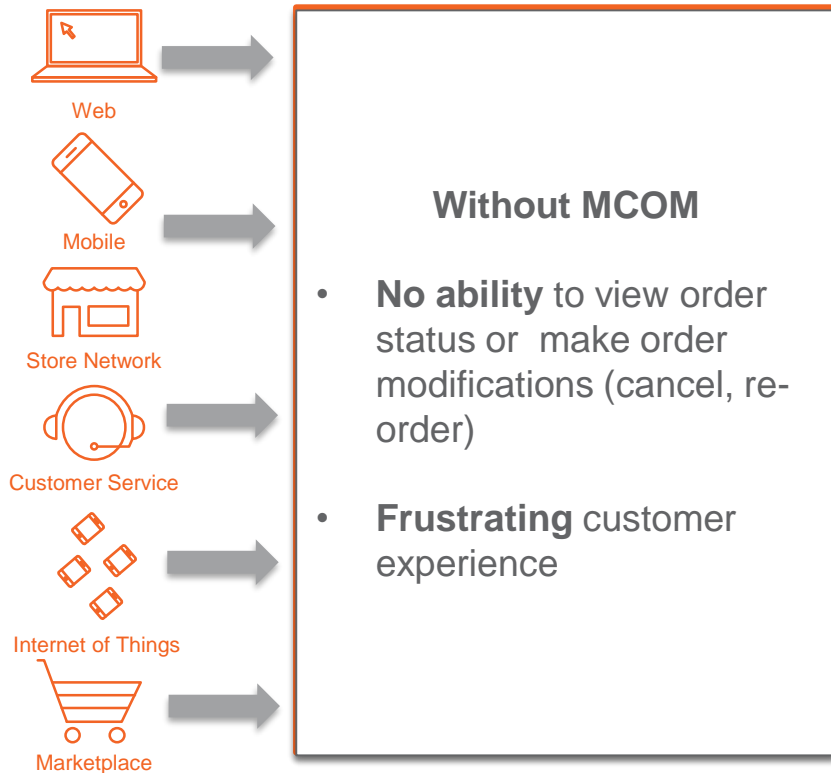
Map Use Cases to Personas Dialog

Buyer Persona Conversations

Commerce Leader

Sales Growth	• Do you have difficulty selling on multiple channels due to lack of ability to manage inventory across selling channels? • Do you have geo expansion goals, how will you manage inventory, fulfillment and orders across geographies
Customer Experience	• Would you like to offer In Store Pickup or Ship To Store to your consumers? • Can customer service agents view/change/modify orders?
Conversion	• How many sales do you lose due to "out of stock"? (Ship From Store can increase sales by 20-30%)
Profitability	• How do you ensure you are optimizing your fulfillment costs? MCOM sourcing engine enables merchants to configure how to fulfill orders based on proximity, cost/# of splits etc

Buyer Persona Conversations

Store Operations

Optimize Store Strategic Value and Utilization	• Any plans or interest in enabling In Store Pick Up, Ship From Store or Ship To Store to differentiate vs. AMZN etc?
Reduce Inventory Turns	• Have you considered how store fulfillment programs, and exposing store inventory online will increase inventory turns, reduce markdowns?
Increase Same Store Sales, Improve Sales/sq. ft.	• Any plans or interest to provide store associates "save the sale" capabilities? If so, what inventory sources can the associate access? Other stores?

Buyer Persona Conversations

Technology Leader

Integration	• Any plans or interest in enabling In Store Pick Up, Ship From Store or Ship To Store to differentiate vs. AMZN, etc.?
Scalability and Maintainability	• Have you considered how store fulfillment programs, and exposing store inventory online will increase inventory turns, reduce markdowns?

Complementary MCOM Modules

Magento Commerce Order Management

Payments & Risk

Magento Commerce Services

Web

Mobile

Store Network

Customer Service

Internet of Things

Marketplace

Distributed Order Management

- Order state & event management
- Order orchestration & routing,
- Partial shipments, order splitting
- Presales, backorders, returns

Global Inventory

- Track inventory at any node
  - Stores, vendors, DCs
- In-transit inventory
- Intelligent sourcing and allocation

Omnichannel Fulfillment

- Ship-from-store
- Store pickup, click & collect
- Ship-to-store (**GA Q4 2017**)
- Pick-and-pack store tool

Customer Service

- Order details/ status lookup
- Order modification & cancellation
- Appeasements/ refunds/ credits
- Order escalation workflow

Magento Commerce Services

Logistics Service Providers

Store Network

Dropship Network

Internal Fulfillment Network

Pop-up Stores

Mobile POS, Endless Aisle - GA 1H 2017

Unleash the Power of Magento Payments & Risk

We assume all fraud liability
Our expert team and proven processes enable us to reduce fraud so dramatically that **we will assume all liability for the merchant.**

While also driving upside
We are only paid on successful orders and motivated to drive sales. Our expertise and technology drives a **14% increase** in acceptance rates vs. the industry average.

We are comprehensive and full service
Payments & Risk is pre-integrated with Magento Order Management which simplifies launch and reduces complexities. Multiple geographies are supported out of box. Our product is not just a re-sell of a gateway and/or fraud "tool" - we offer an end-to-end product with **people and processes and over 15 years proven of experience.**

> " Magento Payments & Risk is a full service, comprehensive solution focused on delivering a safe, frictionless customer experience. The result is industry-leading conversion rates: Magento enjoys 89 percent overall conversion vs. the industry standard of 78 percent. Our combination of best-in-class people, processes, and technologies enables us to assume all fraud liability. "

MagentoLive
India | 2017

Magento Payments & Risk Beats Industry Benchmarks

Industry Benchmarks

Magento Payments & Risk
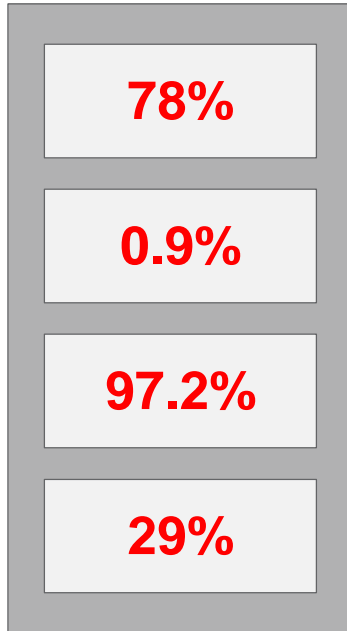
78%	ACCEPTANCE RATE	**89%**
0.9%	FRAUD LOSS RATE	**0.0%**
97.2%	RISK ACCEPTANCE RATE	**99.1%**
29%	MANUAL REVIEW RATE	**0.0%** no effort for the merchant
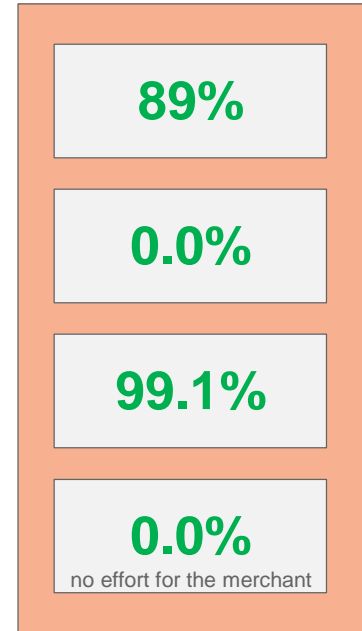
Source: CyberSource 2016 Payments Benchmark (here)

MCOM Roadmap: mPOS & Endless Aisle

Comprehensive in-store tool that leverages the best of MCOM, Magento and ebizmarts
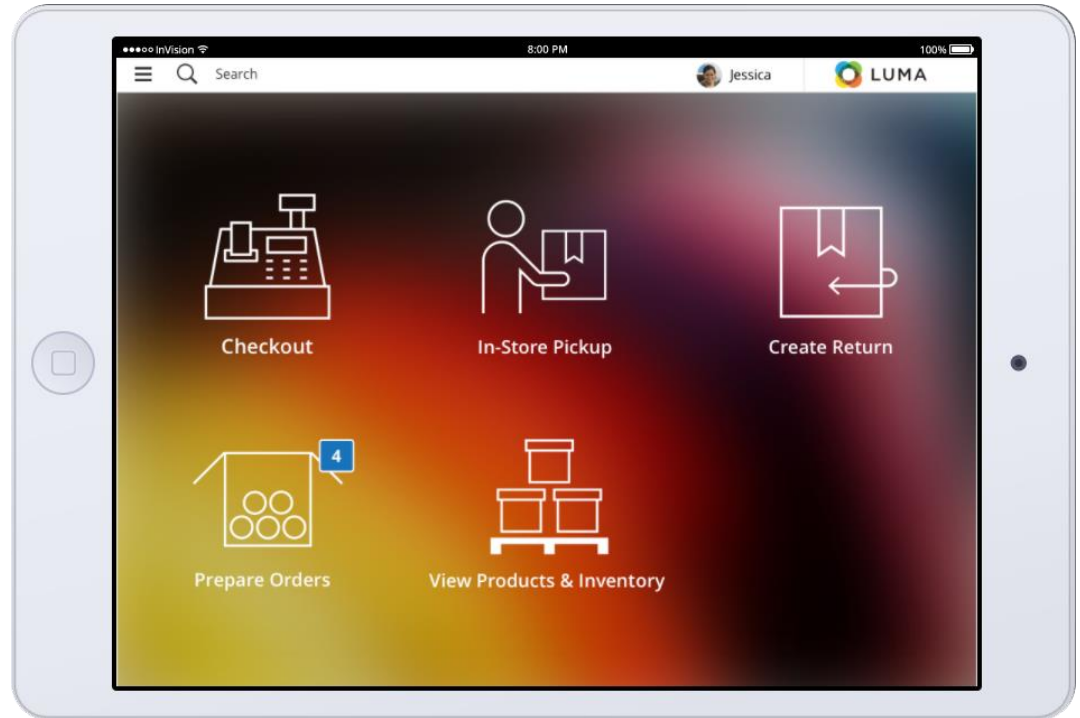
MCOM Roadmap: Endless Aisle

Searchable rich product content catalog powered by EE

True "Endless Aisle" powered by MCOM's global inventory

Multiple fulfillment options powered by MCOM

MagentoLive
India | 2017

Strategic Themes

Roadmap – Commerce Order Management

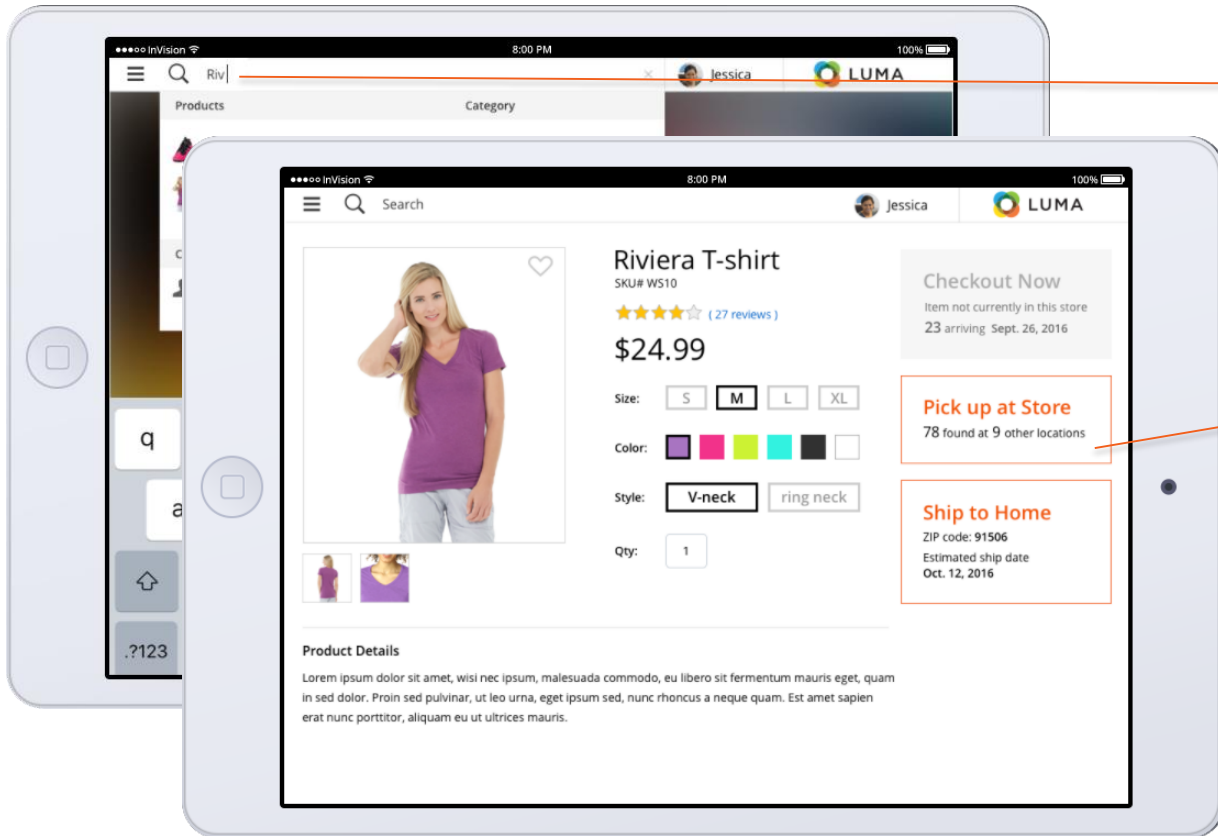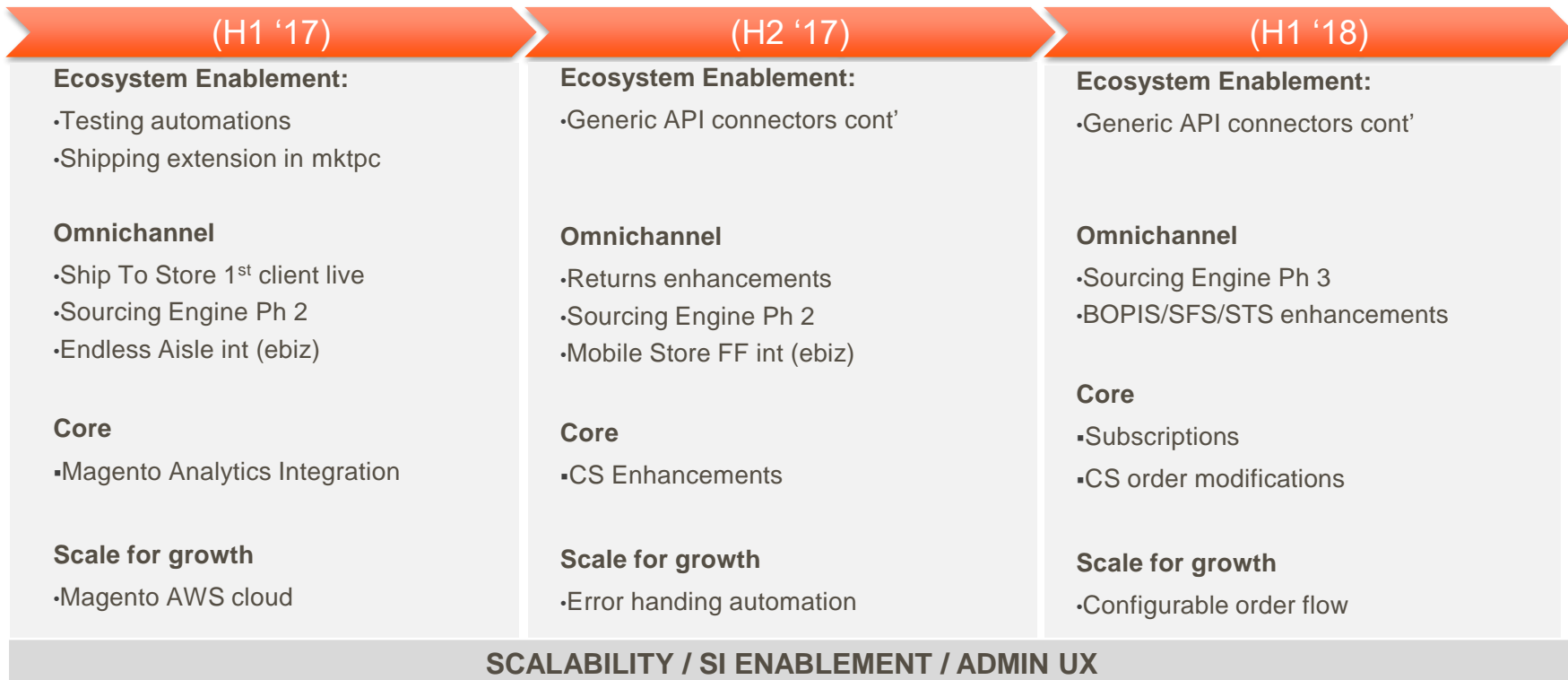| (H1 '17)	(H2 '17)	(H1 '18)
Ecosystem Enablement:	**Ecosystem Enablement:**	**Ecosystem Enablement:**
•Testing automations	•Generic API connectors cont'	•Generic API connectors cont'
•Shipping extension in mktpc		
Omnichannel	**Omnichannel**	**Omnichannel**
•Ship To Store 1st client live	•Returns enhancements	•Sourcing Engine Ph 3
•Sourcing Engine Ph 2	•Sourcing Engine Ph 2	•BOPIS/SFS/STS enhancements
•Endless Aisle int (ebiz)	•Mobile Store FF int (ebiz)	
Core	**Core**	**Core**
▪Magento Analytics Integration	▪CS Enhancements	▪Subscriptions
		▪CS order modifications
Scale for growth	**Scale for growth**	**Scale for growth**
•Magento AWS cloud	•Error handing automation	•Configurable order flow

SCALABILITY / SI ENABLEMENT / ADMIN UX

This represents our current view of the roadmap. Features and timing may change

Roles and Approach

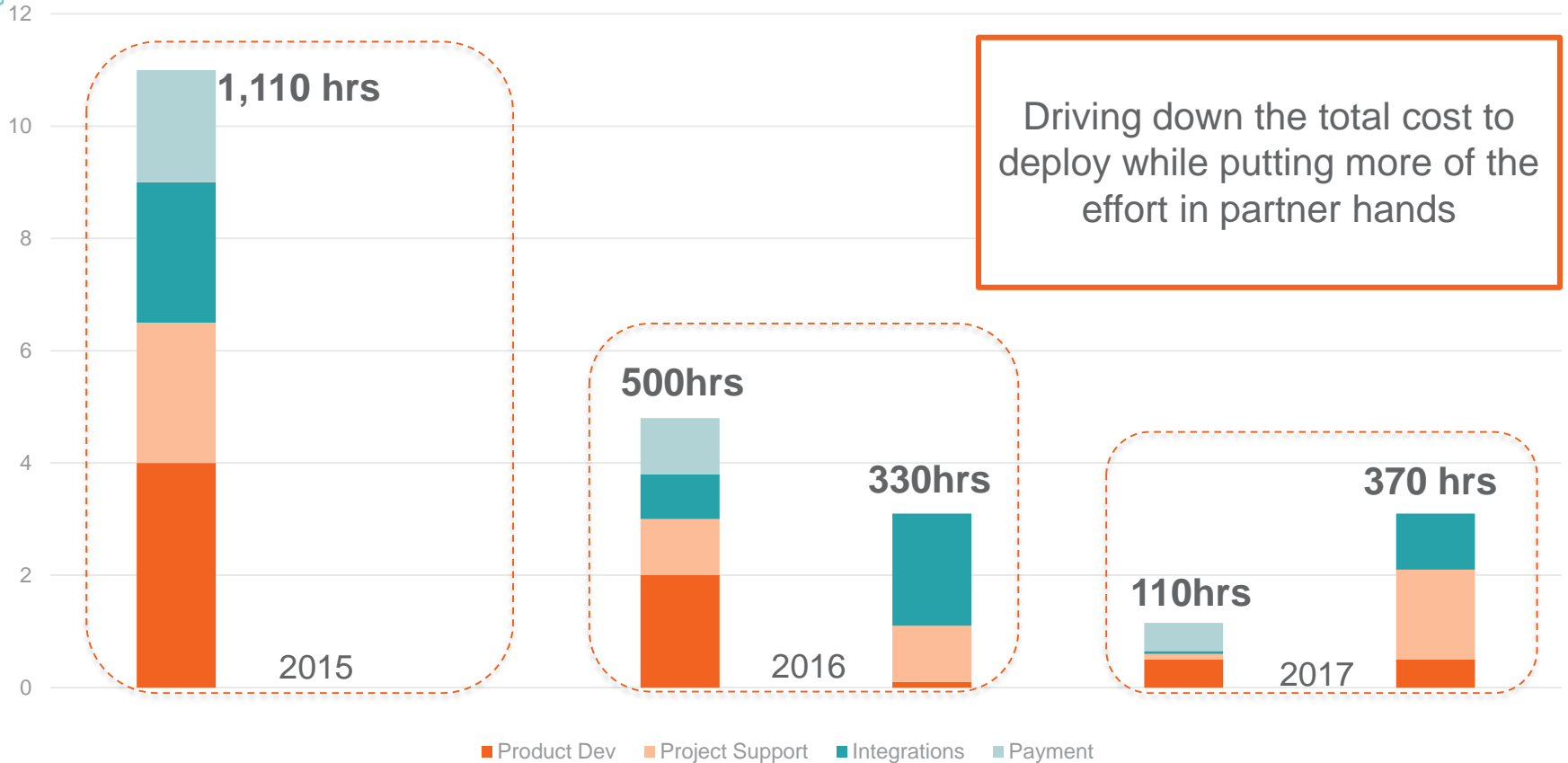|	Discovery	Implementation	UAT	Launch
SI	• Understand the requirements for build, customization & deployment. • Create SOW	• MDC Installation • MDC customization and development • Magento Shared Services Installation • Configure MCOM Instance • Build third party integrations	• User acceptance of customizations	• Soft launch • Hard launch
Magento	• Consult on capabilities • Gather knowledge to drive product roadmap • Consult on implementation strategy • Create SOW	• Deploy the MCOM instance • Configure/Deploy Magento Managed Payments (MMP) • Support SI on 3rd party integrations • Build & deploy MCOM customizations	• Validation of base functionality	• Provide support "Golden Order" assistance with MMP
Joint	• Agree on division of responsibility within SOWs • Create Milestone Plan	• Agile product development and review	• Develop training and testing plans	• Joint sign off

Launch Improvements & SI Enablement

1,110 hrs

500hrs

330hrs

370 hrs

110hrs

2015

2016

2017

Driving down the total cost to deploy while putting more of the effort in partner hands

Product Dev   Project Support   Integrations   Payment

Q&A