

SAP CX: 5 common order management challenges and how to solve them

What's your biggest challenge when it comes to managing online orders? If you're like many online sellers, you manage orders using SAP CX.

That might include basic split shipments and support for some sourcing strategies, like proximity to the customer. For many online businesses, that's all they need. But as businesses grow and become more complex, so do their online order management challenges.

Suddenly it's not enough just to split an order. You need more control over when it's split, and how it's routed so you can optimize fulfillment and your margin on each order. And that's just one example.

What if you're growing through acquisition? How do you get a single view of inventory across all divisions, and optimize order routing across all of them? And what if you don't have stock on hand or what to promise against future inventory?

As your business grows, so does the need to support new, more sophisticated order management use cases and scenarios. So let's



look at five common challenges of online order management and how a dedicated distributed order management system can help you solve them.

01. Real time inventory availability

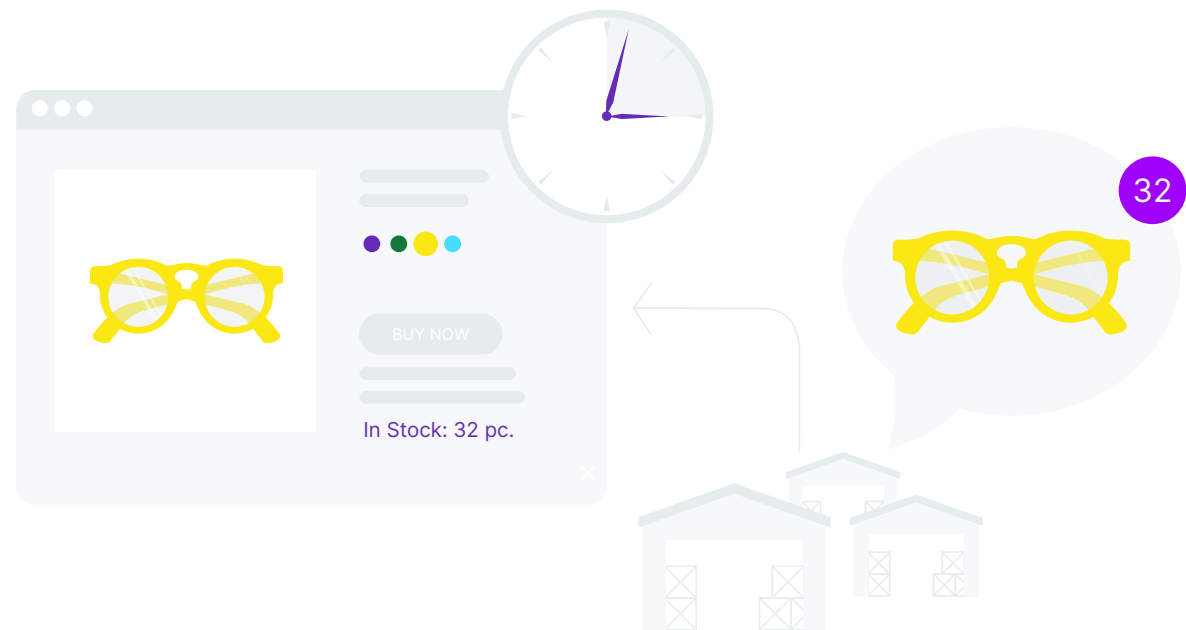
What happens when your inventory is out of sync? Two things and neither of them are good. Either you end up underselling due to 'out of stocks'. Or overselling, which results in cancel orders. Neither one provides the kind of customer experience that inspires repeat sales and brand loyalty. In today's competitive market, a Rough Stock Indicator (RSI) is no longer enough. Accurate inventory availability is essential. But many businesses struggle, why?

- Inventory data sits in multiple systems
- Data has to be uploaded in bulk batches that take too long to process
- ERPs can't serve up product availability in near real-time

What's more, they're not able to segment their inventory virtually in order to control what they sell in each market, channel and region. That's where a distributed order management system, like Fluent Order Management, comes in.

A dedicated order management system is designed to process inventory updates at scale.

That way you know what's available to sell across all your systems and locations. And it continuously updates inventory status throughout the order lifecycle. Best of all, it allows you to segment your inventory into virtual inventory pools, and manage buffers or safety stock levels for each pool individually. This gives you the

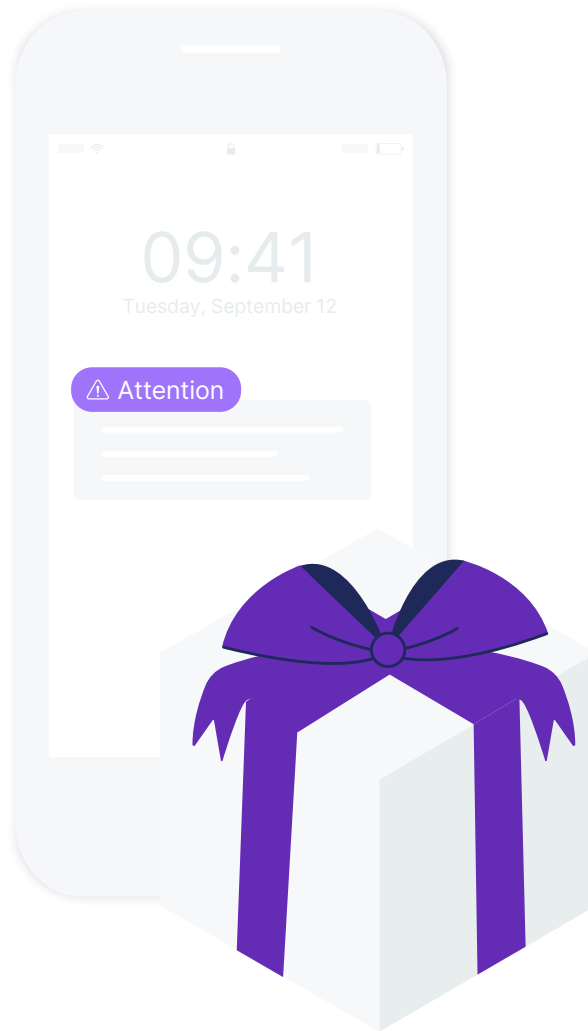


ultimate control of what you sell where, and ensures that the stock availability you show customers on your Product Details Page (PDP) is accurate.

02. Manual process management

You need to process orders faster. One thing standing in your way? Manual processes. Think fraud checks, credit checks, or value added services. When these tasks occur completely outside a system it's easy for delays and errors to occur. But commerce platforms and ERPs weren't designed to manage an order lifecycle workflow. For that you need a system that lets you trigger notifications at any point in the order process, or trigger events in other systems. Then receive responses from other systems and update the order status accordingly. Once again, that's where Fluent Order Management shines.

It lets you configure order workflows to fit your business. You can create the order statuses that make sense for your processes, and define how and when they are updated. It also lets you



trigger alerts at any point in the order process so staff know when to do, say, a fraud check, or some other manual process. This even applies to value added services. Specialized services are a differentiator. This could be as simple as offering gift wrap to more complicated services—such as custom embossing or embroidery. What's more, if too much time passes, you can create escalation alerts to ensure you don't miss your Service Level Agreements (SLAs). But what's even better?

Automation. If the manual process involves another system, you might be able to send and receive events to trigger the process automatically. Which makes SLA compliance even easier, and customers happier.

03. Sophisticated sourcing decisions

SAP CX can provide basic sourcing. It can split a shipment, or prevent splits, and help you ship from the closest location to the customer. Great. But the more locations you ship from, the

more complex optimal sourcing becomes. Why? Because there are so many opportunities for improvement.

For example, if you ship from 100 locations, for every split shipment there are potentially 4,950 ways to fulfill a single order. That's a lot. And it means there are a lot of opportunities for optimization. While proximity to a customer may be a good choice to reduce delivery costs, or to support fast delivery, there are other factors you might want to consider.



Sourcing based on inventory attributes

Inventory velocity is key. You want to keep it moving as quickly as possible. That's where sourcing orders based on inventory attributes can help. This might include:

- Inventory age
- Sell through rate at a location
- Stock levels at different locations

And if you sell via retail channels, you might want to consider the lowest markdown price at a location too. That way you can keep more inventory in places where it is likely to sell at a higher price. But that's not all. You might want to factor in location attributes as well.

Sourcing based on location attributes

Not all locations are created equal. Some may have specialized handling equipment, delivery vehicles, packaging materials, or specially trained staff. Or you might want to consider other factors in your sourcing logic, like:

- Total orders processed at a location per day
- Maximum number of open orders at a location
- Express carrier pickup time
- The ability to ship internationally and process customs paperwork if required

And then there are product attributes.

Sourcing based on product attributes

How might product attributes impact your sourcing strategy? If you need to reduce shipping costs, or want to reduce damages during shipping, you might want to ship:

- Bulky or oversized items from a location closest to the customer, to reduce delivery costs
- Fragile items, like glassware, only from locations that have the right packaging material or staff trained in packing, to prevent damaged shipments

Or you may need to comply with restrictions on

how you can ship or source hazardous items, or controlled products, like alcohol.

O4. Backorders and Pre-orders

When it comes to backorders and pre-orders there are four key challenges. You need to:

- Control the number of units you make available for backorder or pre-order
- Track the expected arrival date of future inventory, so you can promise against it and set clear expectations with your customers
- Track the number of units available, sold, and reserved
- Trigger fulfillment (and sometime payment) once the item is in stock, and notify your customer

Fluent Order Management allows you to do just that. It lets you track, and promise against, inbound inventory. What's more, you can create your own inventory statuses and use them in your fulfillment logic for even more control over how stock is allocated to an order.

If your future inbound inventory is unable to ship from a single location, you can automatically trigger a location-to-location transfer based on the rules you define to avoid splitting the shipment, so you can reduce delivery costs.

O5. Returns

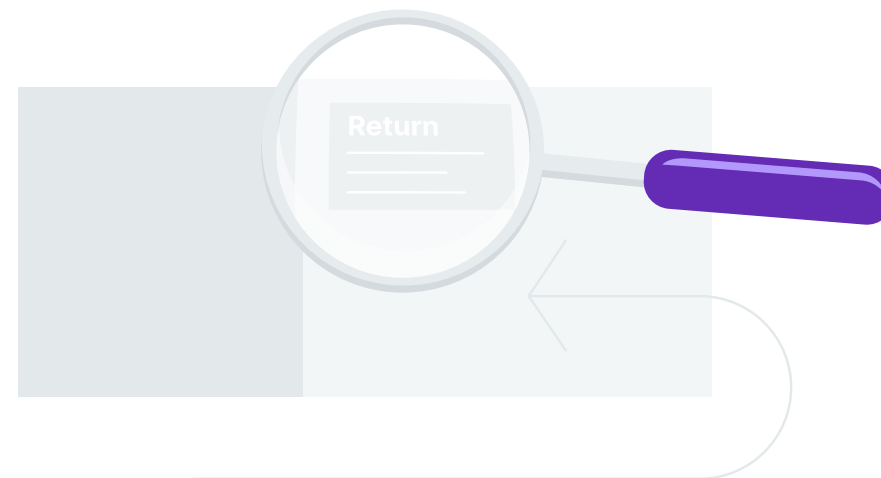
Let's face it. Returns are a headache. But the more control you have over your reverse logistics process, the better you can manage the cost of returns. But you need to consider:

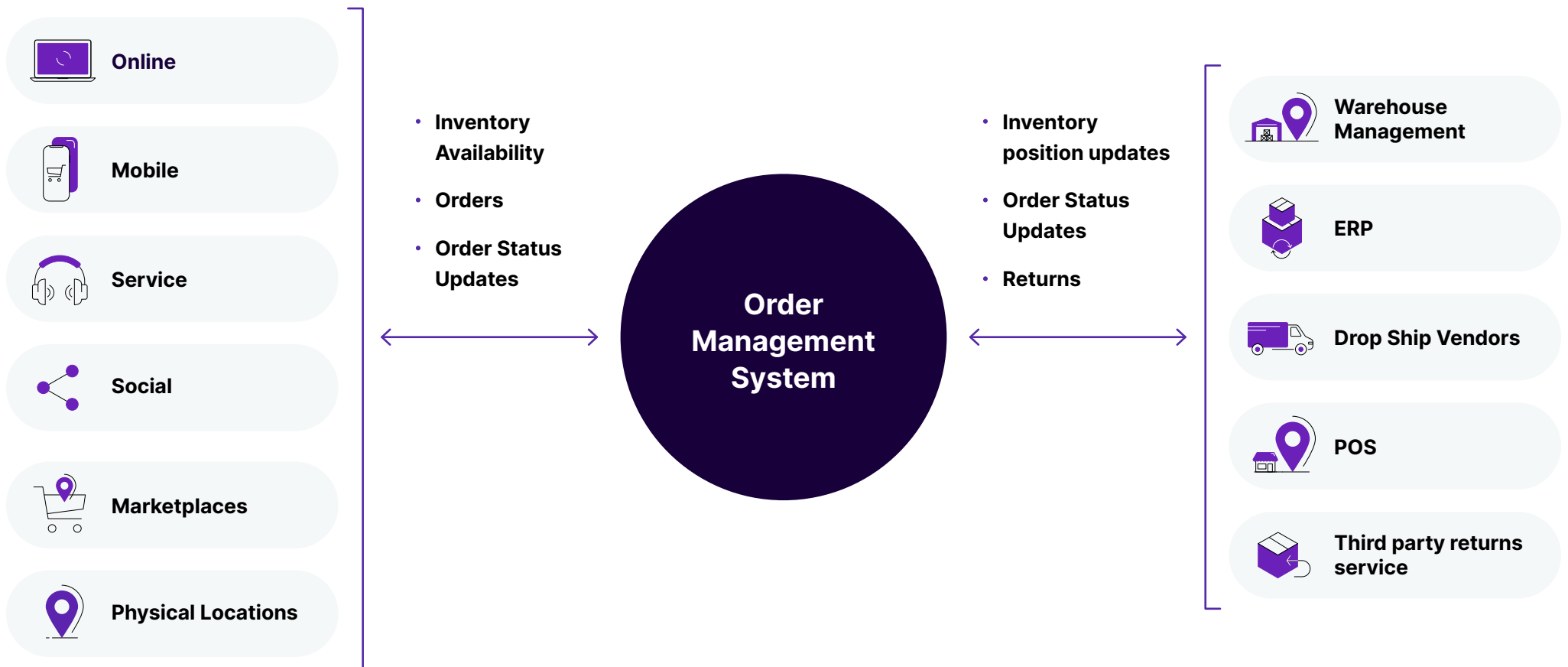
- What is the most efficient way to process a return once you get it back?
- What steps need to be taken to then get the item ready to resell?

For example, do you need to:

- Manage manual steps like quality checks (or in the case of luxury goods, counterfeit checks)?
- Control how and when refunds are triggered?
- Ship returns to a central processing location?
- Trigger a refurbishment process?

With Fluent Order Management, you can create and configure rules to manage the returns





process—from quality checks to reverse logistics. That way you can ensure efficient returns processing, and faster resale.

Flexibility is essential

If you need better real-time inventory availability and to optimize your fulfillment processes, and can't achieve your goals using your commerce and ERP systems, there's a good chance you could benefit from a distributed order management system. But they aren't all created equal. What makes Fluent Order Management different?

Configure and Extend

Unlike many other systems, Fluent Order Management was designed to be configured

and extended—both the fulfillment rules and workflows, and the User Interface (UI). Think of it in terms of building with Lego.

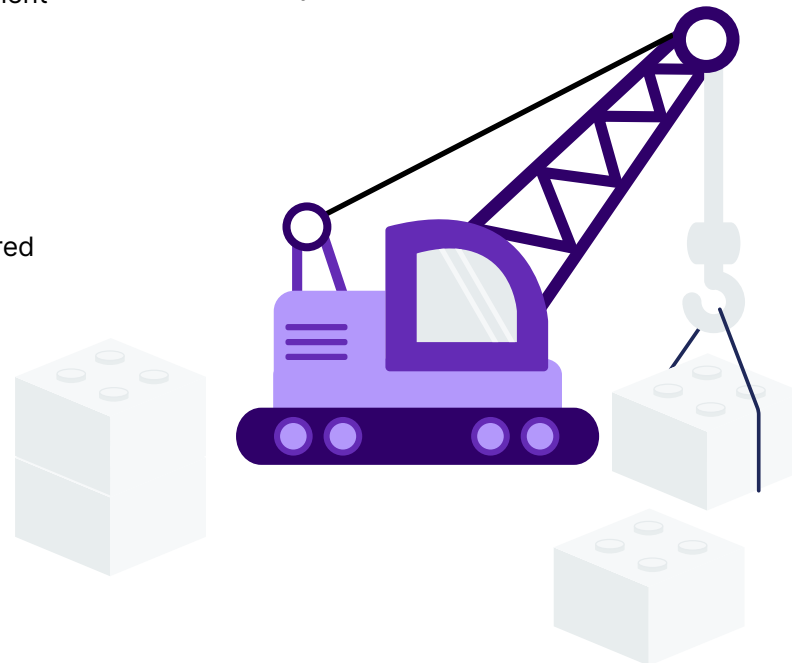
Backend

Each fulfillment rule is a brick. You can combine these bricks in different ways to configure your fulfillment workflow. What's more, you can use the SDK to create your own 'bricks' or rules, that can be used to support your unique use cases. That means workflows aren't hard coded, but fully configurable. The UI functions in a similar way.

Front End

Each UI component—such as tiles or buttons—can be added to, or removed from, any screen. And you can use the SDK to create new UI components to suit your business needs, then simply add them to your UI template using the low-code UI builder—it's all configurable, not hard coded. And if you want to extend the UI by creating new components that display third party data via API, no problem.

In short, you can use the pre-built components and business logic to deliver business value faster. Or, use the Software Development Kits (SDKs) to build your own components and logic that solves the challenges that make your business unique. Fluent Order Management is designed to allow you to easily make changes—fast.

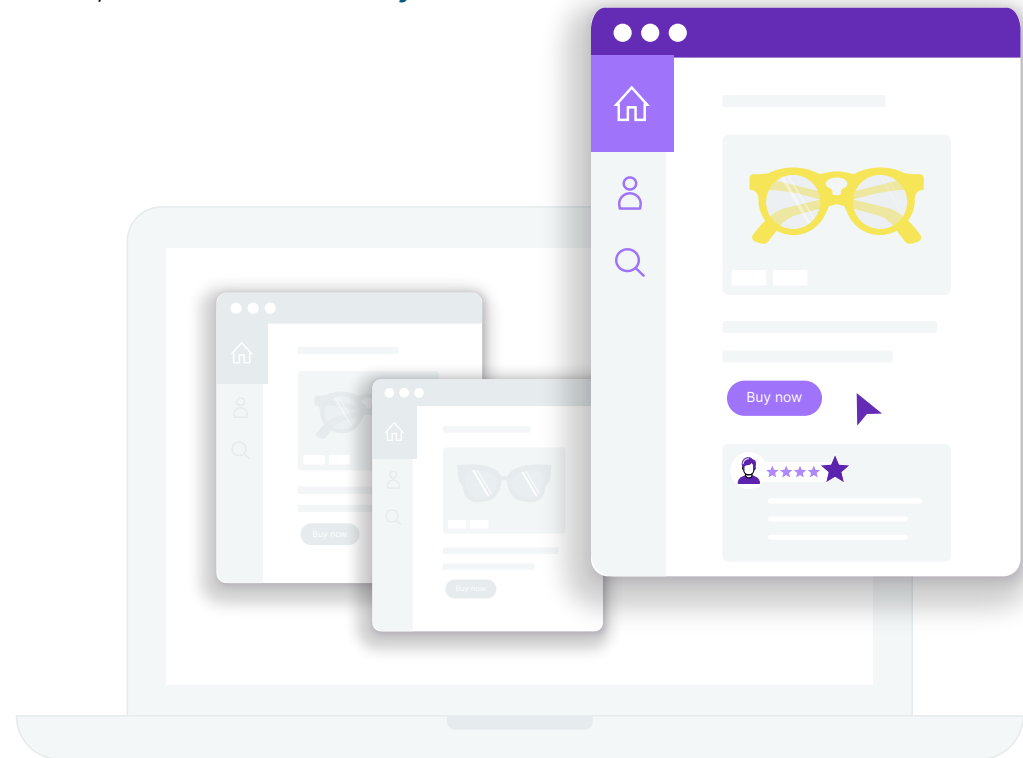


Summary

If your business is getting more complex and SAP CX is no longer able to support your online order management needs, you need a distributed order management system. Agility and flexibility are key if you want to stand out and offer a great customer experience—plus a boost to your bottom line.

And that flexibility you need? That's unique to Fluent Order Management. The powerful platform allows you to implement faster, lower your development costs and adapt quickly to ongoing change. Because change and complexity are inevitable.

Don't let the limitations of your commerce platform and ERP become barriers to your success. To learn more about Fluent Order Management and how you can solve these challenges and more, [schedule a demo today](#).



Learn how a distributed Order Management System can help you better manage online orders

See it in Action!

To learn more about how Fluent Order Management can support your needs, schedule a demo today.

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