EBOOK

OPAL's Distributed Order Management Guide

Smar t

No-Touch

Self-Driving

With OPAL's Distributed Order Management Platform, learn how brands, suppliers, distributors, warehouses and manufacturers are transforming their omnichannel order fulfillment business one order at a time.

opal

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Introduction

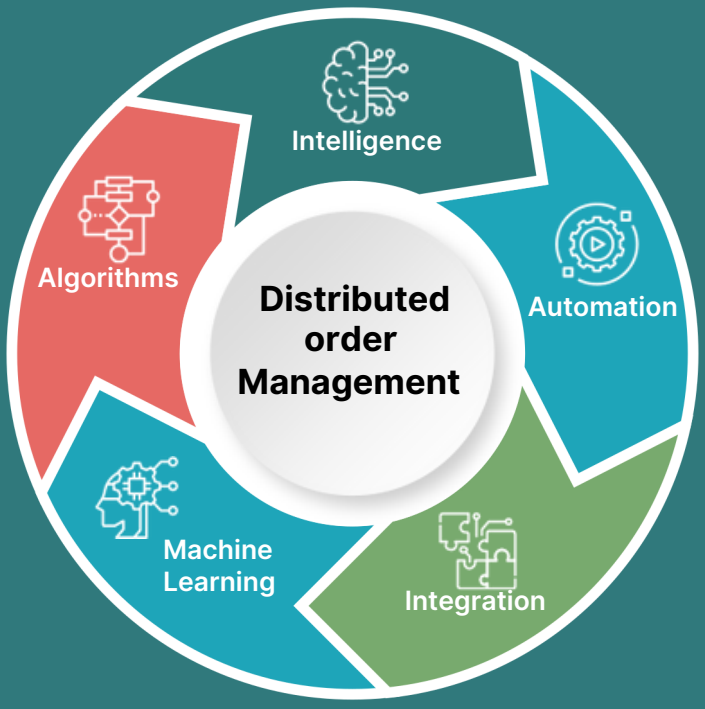
In the ever-evolving landscape of commerce, efficient order fulfillment stands as a cornerstone for success. Brands, suppliers, distributors, and warehouses striving to excel in today's competitive market are increasingly turning to innovative solutions like Distributed Order Management (DOM) systems. These systems offer a paradigm shift in operational efficiency, empowering businesses to streamline processes, optimize resources, and elevate customer satisfaction to new heights.

Enhanced Customer Experiences

In a hyper-connected world, where consumers expect nothing short of perfection, the need for DOM has never been more pressing. Brands, suppliers, distributors, and warehouses face mounting pressure to deliver seamless, personalized experiences while balancing cost-effectiveness and operational efficiency. DOM addresses these challenges head-on by optimizing order routing, inventory allocation, minimizing delivery times, ensuring order accuracy and fulfillment processes. By harnessing real-time data and advanced algorithms, DOM enables businesses to meet and exceed customer expectations and competitive advantage.

What is DOM

At its core, Distributed Order Management represents a sophisticated approach to orchestrating and optimizing order fulfillment across diverse channels, warehouses, vendors and 3PLs. DOM systems operate on a foundation of automation, intelligence, and integration. Leveraging sophisticated algorithms and machine learning capabilities, these systems dynamically route orders, allocate inventory, and optimize fulfillment across a network of warehouses, distribution centers, and vendors. By continuously analyzing data, DOM systems adapt to changing demands, ensuring optimal resource utilization and order accuracy.



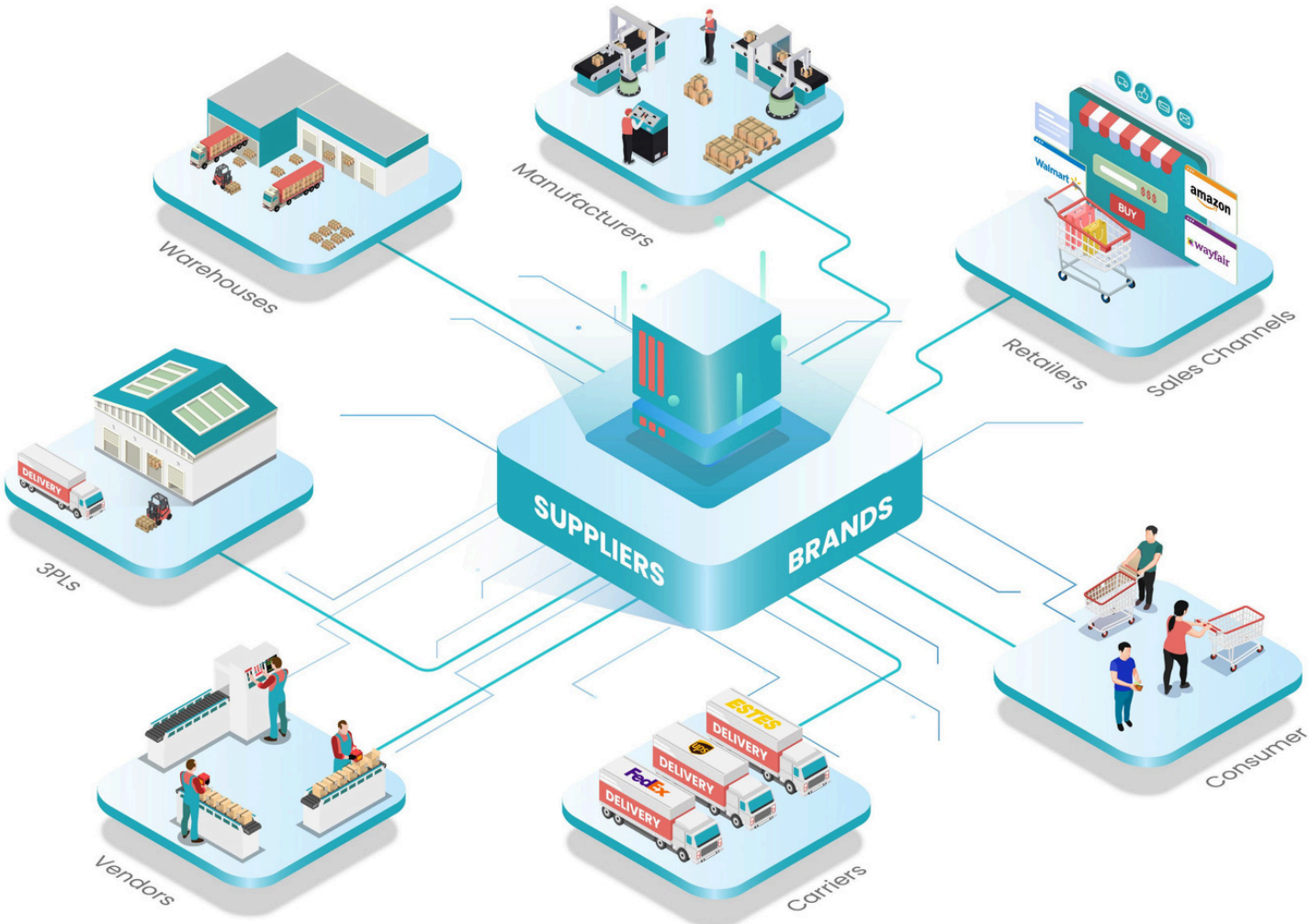
Order Visibility

ORDER SOURCE	ORDER ORCHESTRATION	FULFILLMENT METHOD
Retailers	**INVENTORY SOURCES**: Warehouses; 3rd Party Logistics; Vendor warehouses; Manufacturers	Dropship
Market Place	**INVENTORY CONSIDERATION**: On Hand; Allocated to Sales Orders; In Transit; Kits, Bundles or Item sets	Wholesale
Shopping carts	**DECISION CRITERIA**: Cost and Service; Warehouse Capacity; Item Attribution; Back Orders	Direct to Stores
Distributors		Cross Dock

Inventory Visibility

Centralized Platform

Distributed Order Management serves as a centralized platform that seamlessly connects with various entities and stakeholders involved in the order lifecycle. From order placement to delivery, Distributed Order Management ensures smooth coordination and execution, driving efficiency and agility across the supply chain.
Distributed Order Management can provide network inventory aggregation with enterprise inventory visibility across all warehouses, fulfillment centers, and distribution centers seamlessly. The enhanced inventory visibility and accuracy not only allows a company to be fully transparent about available-to-promise (ATP) inventory to match customer expectations, but it also allows them to optimize omnichannel order fulfillment.



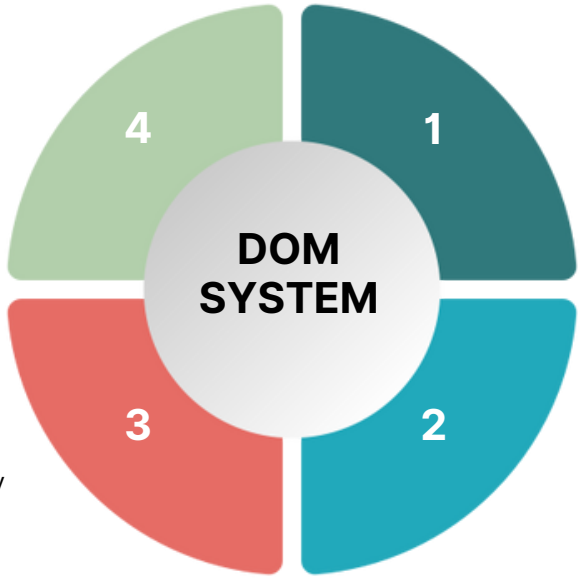
DOM's Integration Capabilities

One of the distinguishing features of DOM systems is their robust integration capabilities. Unlike traditional OMS, which may struggle to integrate with other systems and platforms, DOM systems are designed to connect with various technologies. This allows businesses to create a unified ecosystem where data flows between different systems, ensuring accurate and timely order processing, inventory management, and fulfillment.

Key Features To Look For in a DOM System

When evaluating DOM systems, it's essential to consider several key features that can make a significant difference in operational performance. These include:

Scalability:
The ability to scale seamlessly to accommodate growing business needs and fluctuations in order volume.



Robust Integration Capabilities:
Integration with existing systems and third-party applications, ensuring smooth data exchange and process synchronization.

Inventory Visibility:
Real-time visibility into inventory levels across the supply chain, enabling accurate demand forecasting and proactive inventory management.

Dynamic Order Routing:
Intelligent algorithms that optimize order routing based on factors such as retailers requirements, inventory availability at various warehouse, ship to zip code and shipping costs,

Traditional OMS vs. DOM System

While traditional Order Management Systems (OMS) excel at basic order processing, they often fall short when it comes to managing complex, multi-channel operations. DOM systems, on the other hand, offer a comprehensive solution that extends beyond order management. By integrating with diverse systems and channels, including eCommerce platforms, warehouse management systems, shipping system and third-party logistics (3PL) providers, DOM systems provide end-to-end visibility and control, driving efficiency and flexibility.

OMS

Traditional Order Management System (OMS)

- View and manage orders from one source at a time
- Out of sync inventory leading to overselling or underselling
- Manual touches are required to process orders as per work flow
- Available-to-promise (ATP) to omnichannel is not accurate
- Order fulfillment process is same for all type of orders and items

DOM

Distributed Order Management System (DOM)

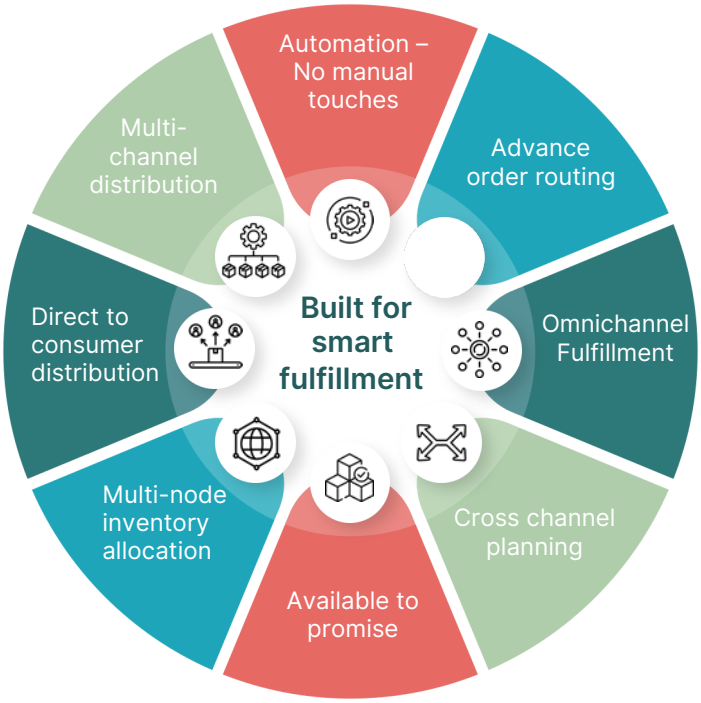
- Omnichannel order processing looking all orders
- Network Aggregation and enterprise inventory visibility
- DOM routes the orders based on algorithms and order fulfillment logic
- Dynamic Available-to-promise (ATP) to omnichannel
- Order fulfillment is based on items attributes and omnichannel compliance

How Does DOM Work with an ERP?

Integrating DOM with an Enterprise Resource Planning (ERP) system unlocks synergies that drive operational excellence and business growth. By combining the transactional capabilities of ERP with the agility and flexibility of DOM, businesses gain end-to-end visibility and control over their order-to-cash cycle. This integration enables seamless data exchange, process synchronization, and workflow automation, empowering organizations to optimize resources, reduce costs, and accelerate growth.

ERP

DOM



Customizing ERP?

Here are some key points that underscore the potential drawbacks of customization in ERP systems. Let's delve a bit deeper into each:

Cost: Customizing ERP systems can significantly increase costs because it requires specialized expertise, resources, consultants, and time, compared to using already built industry solutions.

Complexity: Customizations can make the ERP system more complex. This complexity can lead to challenges in maintenance and integration with other systems.

Upgrade: Customizations can complicate the process of upgrading the ERP system to newer versions due to extensive testing and modifications.

The Rise of Drop Shipping:

In recent years, drop shipping has emerged as a preferred fulfillment model for many businesses, particularly eCommerce retailers. By allowing businesses to sell products without holding inventory, drop shipping offers numerous advantages, including reduced upfront costs, expanded product offerings, and flexibility. However, drop shipping also poses logistical challenges, such as inventory management, order processing, and shipping coordination. DOM systems address these challenges by providing real-time visibility into inventory levels, automating order routing, and facilitating seamless communication between suppliers, distributors, and retailers.

Distributed Order Management (DOM) & Drop Shipping

Drop shipping, a popular fulfillment model, presents unique challenges and opportunities for businesses. DOM systems play a crucial role in managing drop shipping operations, facilitating seamless coordination between suppliers, distributors, and retailers. By automating order routing, tracking, and reconciliation, DOM systems streamline the drop shipping process, ensuring timely delivery and accurate order fulfillment.

Compliance, Score Cards and Charge Back

When drop shipping for large retailers or e-tailers such as Amazon, Walmart, Wayfair, Home Depot, Macy's, Target, complying with their requirements is a big challenge. You need to send order confirmations, tracking #s, invoices and inventory feeds in a specified time frame which varies retailers to retailers. Packing slips need to be branded for every retailer. Shipping documents such as shipping labels, BOL, UC-128, commercial invoice needs to be formatted as per the retailers. Another big issue is underselling and over selling. Not only any mistakes are charged back leading to financial losses, but your score card get impacted. Bad score card means you product listing will not appear on first few pages or recommended items on their portal.

Key Benefits of switching to a DOM system

1 Enhanced Order Accuracy

By harnessing the power of real-time data, DOM systems significantly enhance order accuracy. These systems analyze various factors such as inventory availability, shipping preferences, and customer location to ensure that orders are routed to the most suitable fulfillment centers. By minimizing errors and discrepancies in order processing, DOM systems contribute to higher levels of customer satisfaction and retention. Customers receive the right products in the right quantities and at the right time, fostering trust and loyalty towards the brand.

2 Faster Delivery Times

Through dynamic order routing and optimized inventory allocation, DOM systems revolutionize order fulfillment processes, resulting in significantly faster delivery times. By leveraging sophisticated algorithms, these systems determine the most efficient routes and fulfillment centers for each order, reducing transit times and accelerating delivery. As a result, customers receive their orders promptly, enhancing their overall shopping experience and perception of the brand. Faster delivery times also contribute to increased customer satisfaction.

3 Reduced Operational Costs:

DOM systems streamline processes, eliminate inefficiencies, and minimize manual interventions, leading to substantial reductions in operational costs. By automating repetitive tasks such as order receiving, creating sales order inventory allocation, packing slips, shipping labels, pick lists, and order tracking, these systems optimize resource utilization and reduce labor expenses. Furthermore, DOM systems enhance inventory visibility and control, enabling businesses to minimize carrying costs and avoid stockouts or overstock situations. By driving operational efficiency and cost-effectiveness, DOM systems contribute to improved profitability and sustainable growth for brands, suppliers, distributors, and warehouses.

Key Benefits of switching to a DOM system

4 Competitive Advantage

Businesses that embrace DOM gain a significant competitive edge in the marketplace. By offering superior service, faster delivery, and greater flexibility in meeting customer demands, these businesses differentiate themselves from competitors and attract a loyal customer base. DOM systems enable businesses to adapt quickly to changing market conditions, scale operations efficiently, and respond promptly to customer needs and preferences. As a result, businesses can outperform competitors, capture market share, and maintain a leadership position in their industry.

In an era defined by rapid digital transformation and evolving customer expectations, Distributed Order Management (DOM) systems emerge as a game-changer for brands, distributors, and warehouses. By embracing DOM, organizations can unlock new levels of efficiency, agility, and customer-centricity, positioning themselves for sustained success in the dynamic marketplace. As businesses navigate the complexities of modern commerce, DOM systems offer a beacon of innovation and opportunity. From streamlining order processing to optimizing inventory management, DOM systems empower organizations to stay ahead of the curve and deliver exceptional experiences to their customers. Furthermore, the benefits of DOM extend beyond operational efficiency. By fostering collaboration, transparency, and scalability, DOM systems lay the foundation for long-term growth and resilience. Whether you're a startup looking to establish your presence in the market or a seasoned enterprise striving to maintain your competitive edge, investing in DOM is a strategic imperative.