

A Manhattan Associates Magazine 2018/2019

# COMMERCE TRENDS

---

Global standards drive  
online growth adidas

---

Bleckmann to seize new  
opportunities with WMS

---

Levi's tries on a new  
Order Management System

---

**PUSH POSSIBLE™**



Next Generation

# POINT OF SALE

Experience the difference

[manh.com/active](http://manh.com/active)



**PUSH  
POSSIBLE™**

 **Manhattan**  
Associates®

# COMMERCE TRENDS



Henri Seroux  
Senior Vice President EMEA  
Manhattan Associates

## The art of staying active

Every customer has the right to expect appropriate service. In a fast fashion retailer's store, availability is usually what matters. For example, if a particular shirt is out of stock in the colour they want, it should be possible to arrange home delivery. Meanwhile, in an exclusive fashion brand's high street store, it revolves around personal attention. A customer choosing a luxury bag, preferably with their own monogram, expects tailor-made advice and not to have to queue at the checkout.

Technology is crucial in both cases. The fast fashion retailer wants full inventory visibility and automated decision-making about the most suitable location from which to ship the shirt. The exclusive fashion brand wants insight into the customer's purchase history and personal preferences, as well as a mobile Point of Sale solution. The retailer who has access to the necessary information in the right place at the right time and through the right channel will have a competitive edge.

This applies not only to stores, but also to supply chains. Different channels and different customers require different levels of service and hence different processes – and your own warehouse is no exception. A uniform operation fails to take account of the specific demands and characteristics of each recipient of your shipments. In other words, you need to differentiate: speed things up wherever necessary and slow them down wherever possible. This calls for technology that makes the right decisions at the right time.

This magazine highlights how technology can help you to provide tailor-made customer service. Thanks to the latest technology, you no longer have to react passively to events in your store or warehouse. Instead, today's technology gives you the tools to take action and maximise both your service levels and your profitability. Master the art of staying active!



## CONTENTS

A Manhattan Associates Magazine 2018/2019

Shoppers expect more from a smart store	4
Global standards drive online growth adidas	8
Personalised customer service is here to stay	10
Cloud-native: a blessing for the omnichannel retailer	12
The Elusive 'Connected Brand Experience'	14
Bleckmann to seize new opportunities with WMS	16
Man & Machine in the modern warehouse	18
How technology is driving the millennial retail market	20
The need for a modern TMS	22
Levi's tries on a new order management system	24
How to build a customer focused order system	26



### CREDITS

CommerceTrends is a joint publication from Manhattan Associates and RetailTrends Media.

**Chief editors:** Marcel te Lindert, Martine Toussaint  
**Contributors:** Eric Lamphier, Marcel te Lindert, Karthik Marudur, Nicole O'Rourke, Mark Thomson, Mark Vos, Henri Seroux, Lynn Radford, Martine Toussaint, Lewis PR, Logistics Business, Digital Commerce360  
**Design:** Inline Design  
**Photography:** Manhattan Associates and Shutterstock  
**Printing:** Veldhuis Media

### Manhattan Associates Europe B.V.

Buizerdlaan 2  
3435 SB Nieuwegein  
Netherlands  
T +31 (0)30 21430000  
E ce@manh.com  
www.manh.com/en-nl  
www.manh.com/en-gb  
ManhAssocUK  
ManhAssocBNL  
ManhAssocFR  
ManhAssocNews  
Manhattan Associates

### Page concept and publishing:

RetailTrends Media  
Postbus 78  
NL-6720 AB Bennekom  
Lindelaan 8, Bennekom  
Netherlands  
Editor: T +31 (0)318-431557  
Management administration:  
T +31 (0)318-431553  
E info@retailtrends.nl  
retailtrends.nl, retailnews.nl  
@RetailNews\_NL



(Disclaimer) © 2018 RetailTrends B.V. All rights reserved. No part of this publication may be duplicated, stored in an automated file or made public in any form whatsoever, whether electronic, mechanical, by means of photocopies, photos or any other manner, without obtaining the publisher's prior written consent. The publishers and authors state that this magazine has been collated in a careful manner and to the best of their knowledge, although the publishers and authors can in no way vouch for the correctness or completeness of the information. The publishers and authors do not accept any liability either for any loss whatsoever, resulting from actions and/or decisions based on the information referred to. Users of this magazine are strongly advised not to use this information in isolation, but to rely on their professional knowledge and experience and to verify the information to be used.



# SHOPPERS EXPECT MORE FROM A SMART STORE

Retailers are investing in smart stores. In-store technology provides valuable insights into customer behaviour, but shoppers expect to receive something extra in return. Retailers are now tasked with enabling their store associates to provide shoppers with the service and the information they demand.

By Marcel te Lindert

**A** smart store can generate a wealth of data about customer behaviour. Beacons connect with the retailer's mobile app installed on shoppers' smartphones, making it possible to not only send regular customers a message as they enter the shop, but also to record and analyse the route they take through the store. If they log onto the store's Wi-Fi network, it gathers information about the apps and websites they use while on the premises. Networked cameras record how long people stand in front of particular shelves. RFID tags register how often an item of clothing is taken into the changing room without actually being purchased.

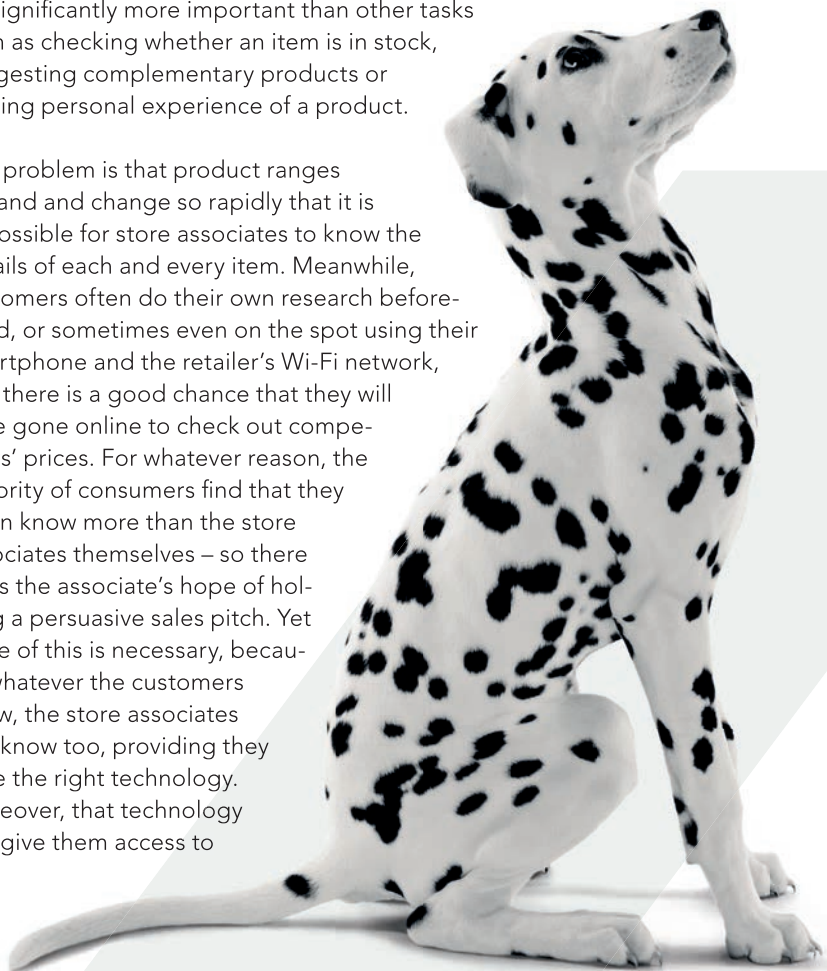
And that's not all. Thanks to the Internet of Things, new applications are on the horizon that offer even more information. In the Netherlands, for example, a number of food retailers will soon be trialling an intelligent display for special offers. It is fitted with a sensor that not only registers the location, movements and the temperature, but also the weight to monitor how full the display is. The sensor provides insight into the success of the special offers for both the retailer and the supplier and issues an alert if the display needs to be replenished or replaced. In combination with other technologies, it is possible to precisely analyse which customers are tempted by the display and which shoppers take the special-offer items from the regular shelf location. In other words, we will soon be able to know just as much information about visitors to brick-and-mortar stores as we already know about online shoppers.

## Sharing product knowledge

The information flow in a smart store must be a two-way process, however, customers might be willing to share some details about their behaviour, but they also want to receive information in

return – often from a store associate – according to the findings from research conducted by Onepoll on behalf of Manhattan Associates. The study, which investigated the expectations of several thousand consumers across Europe, revealed sharing product knowledge to be by far the most important role for store associates. This was indicated by 51% of shoppers in the UK, and an even higher percentage of consumers in Belgium (58%), the Netherlands (61%), Germany (65%) and Spain (79%). Consumers consider it to be significantly more important than other tasks such as checking whether an item is in stock, suggesting complementary products or sharing personal experience of a product.

The problem is that product ranges expand and change so rapidly that it is impossible for store associates to know the details of each and every item. Meanwhile, customers often do their own research beforehand, or sometimes even on the spot using their smartphone and the retailer's Wi-Fi network, and there is a good chance that they will have gone online to check out competitors' prices. For whatever reason, the majority of consumers find that they often know more than the store associates themselves – so there goes the associate's hope of holding a persuasive sales pitch. Yet none of this is necessary, because whatever the customers know, the store associates can know too, providing they have the right technology. Moreover, that technology can give them access to





**"IF THE CUSTOMER GETS HOME AND ASKS AMAZON'S ALEXA TO CHECK THE ORDER STATUS, THEY MUST RECEIVE THE CORRECT ANSWER."**

Henri Seroux,  
Senior Vice President EMEA  
Manhattan Associates

even more useful information such as instruction videos or customer reviews.

#### **Save the sale**

Customers have increasingly high expectations of store associates, including that they jump into action if an item is out of stock in the store. Not so long ago, an out-of-stock situation was a sure-fire way to lose the sale. The customer would either go elsewhere or go without. Nowadays, 40 to 50% of customers want a store associate to order the item for them, e.g. for home delivery or by reserving it in another store. Retailers that have access to the necessary inventory information can keep their customers happy and secure the sale. Customers' expectations are also changing when it comes to paying for their purchases. More and more shoppers like the store to offer a mobile point of sale system, or they prefer to use their smartphone for 'scan & go' based on an app that supports mobile transactions, so it is perhaps no longer enough to have just a traditional checkout desk as the point of sale.

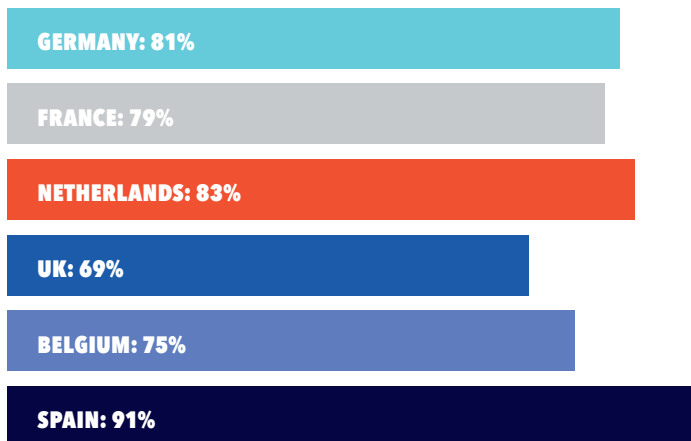
As these cases illustrate, in-store technology is indispensable, not only because of the 'wow' factor, which was mentioned by 10 to 20% of the respondents, but above all because technology is functional. It helps shoppers to find what they are looking for, it can recognise customers so that they can receive personalised advice and special offers, and it speeds up the payment process.

#### **Consistent customer experience**

Despite all this new technology, one thing remains as important as ever: a seamless digital and physical shopping experience. A store is only truly 'smart' when the consumer receives the same service, experience and treatment there as they do in all other channels. Whether a shopper opens the mobile app on their smartphone, visits the online store on their laptop or simply calls the store, they should be able to receive information about the status of their order or personalised special offers in every channel. Retailers are making progress in this respect; an impressive 63% of all European consumers perceive the customer experience to be consistent both online and offline. There are notable differences between countries, however. Only 47% receive a consistent customer experience in the UK, compared with 77% in France.

In his role as Senior Vice President EMEA at Manhattan Associates, Henri Seroux has seen evidence that retailers are indeed working to deliver a consistent brand experience: "In fast

## When you go shopping, do you ever find that you know more than the store associate?



Source: Onepoll on behalf of Manhattan Associates, 2018

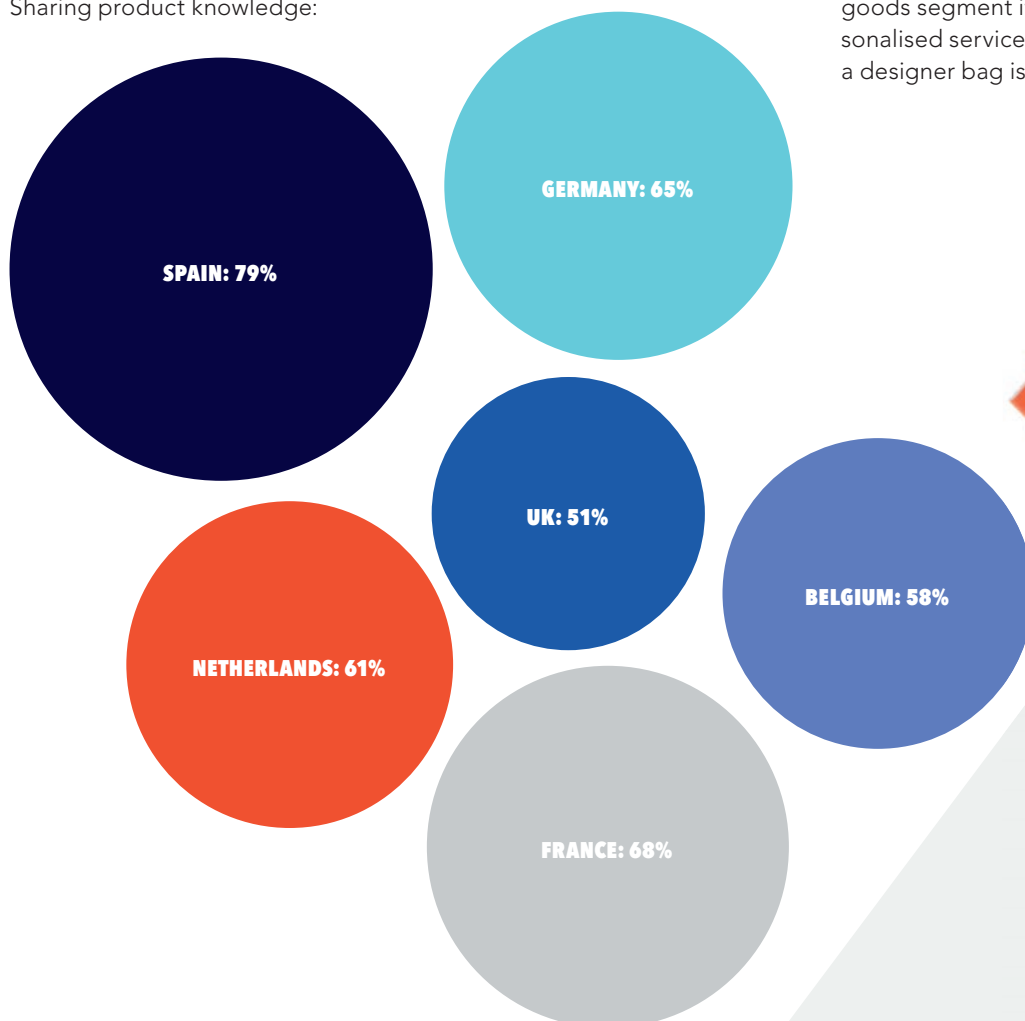
fashion that means offering not only low prices, but also high availability. It's particularly important to have online visibility of all the inventory locations in the entire distribution network when stores don't stock every shirt in every size or colour, for instance. A customer who then orders the shirt they want online might not necessarily need to have it home-delivered the very next day. They might be prepared to wait a couple of days and collect it from the store instead, to avoid having to pay the delivery charge. But if the customer then gets home and asks Amazon's Alexa or any other voice assistant to check the order status, they must receive the correct answer. For retailers, the challenge is to strike the right balance between costs and service."

### Luxury goods

Likewise, other retail segments are increasingly realising how important it is to offer a consistent brand experience, such as the designer-label stores in the exclusive shopping streets of New York, London, Paris and Shanghai. "In the luxury goods segment it's all about providing very personalised service," says Seroux. "The purchase of a designer bag is almost ceremonial, and personal

## What is the most important role for the store associate?

Sharing product knowledge:



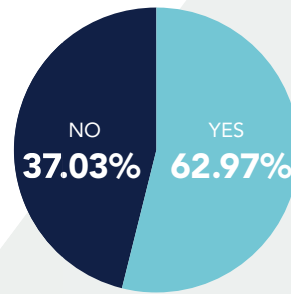
Source: Onepoll on behalf of Manhattan Associates, 2018







## Do you typically enjoy a consistent experience when shopping in store or online with the same retailer?



Source:  
Onepoll on behalf of  
Manhattan Associates,  
2018

### EUROPE

contact is extremely important. Imagine that a woman falls in love with a bag during a trip to New York. At the airport, she uses her smartphone app to reserve it from the Paris branch. The challenge is then to ensure that the bag will be waiting for her there, preferably along with all the other items that she is interested in according to her personal profile. Customers don't pay for a bag like that at the checkout either, but rather in an intimate face-to-face setting. Technology is the enabler."

Retailers are starting to invest more in brick-and-mortar stores again, according to a study by Forrester Research on behalf of the USA's National Retail Federation in spring 2018. Almost half (43%) of the retailers surveyed expect to grow their number of stores, while 24% are also trying out new concepts such as convenience stores and pop-up stores, and 12% are opening new warehouses. An increased physical presence is important because the top priority for retailers today is the ability to ship online orders quickly. Omnichannel services such as buy online, pick up in-store are an in-store priority for 21 percent, along with 15 percent that cite ship-from-store as a fulfilment priority.

### Investing in technology

Seroux reiterates the importance of technology: "Imagine a scenario in which a customer receives a personalised special offer, orders the product online but subsequently returns it to a store. This requires the store associates to have access to the online order so that the customer can receive the applicable refund. The transaction needs to be correctly reconciled internally too, and that calls for an integrated system. But other technology is also available, such as for setting up promotional campaigns, managing in-store inventory or generating 360-degree views of customers across all channels. Retailers that want to gain the optimum return on their investment in brick-and-mortar stores have no choice but to invest in technology."

### "THE CHALLENGE IS TO STRIKE A BALANCE BETWEEN SERVICE AND COSTS."

Henri Seroux  
Senior Vice President EMEA  
Manhattan Associates





# GLOBAL STANDARDS DRIVE ONLINE GROWTH ADIDAS

*This article was first published in Logistics Business Magazine (April 2018)*

Fast expansion of successful e-commerce retail and logistics is best achieved through standardisation of systems and processes and cross functional teams. adidas explains why.

**T**ry these for hair-raising figures, courtesy of adidas global household name in trainers for sports participants, sport wannabes and also people lounging on the sofa: e-commerce revenue in 2010: €0. Projected e-commerce revenue in 2020: €4 BILLION.

That is some uptick. And it's not achieved by accident. It's taken great forecasting, bold decision-making, some outstanding long-term planning, and installation of great systems. Michael Bode, who is VP Distribution Solution for adidas, also points out that the company has had to become expert in returns handling, a function that barely existed in 2010.

---

**WITH A HIGH-FASHION, BRUTALLY SEASONAL BUSINESS MODEL, IT'S ESSENTIAL TO MAKE SURE THAT RETURNS ARE BACK PROMPTLY AND AVAILABLE FOR NEW CUSTOMERS.**

---





Bode is speaking at a forum also attended by Manhattan Associates, who provide the WMS now used globally by the sports footwear giant. Henri Seroux, Senior VP EMEA for the global supply chain and omnichannel solutions provider, emphasises that it's important to maintain your cost structures while manipulating your business to support e-commerce, and it's clearly a message that the client needed in this case.

### Endless aisle

As it now stands, from a 2017 turnover figure of €21.2bn, adidas is targeting €25-27bn by 2020. E-commerce, focus on North America and a revised model of interchange with customers, is at the core of the plan. Bode says that Click and Collect and Ship from Store are key to the omnichannel model, while the digital store will offer an 'endless aisle' function.

"The keys for consumers in e-commerce are availability and speed," he says. Slick functioning of Returns also matters more than just in the vital area of customer satisfaction, too. With a high-fashion, brutally seasonal business model, it's essential to make sure that Returns are back promptly and available for new customers. Any delays and mismanagement will mean the shoes missing the opportunity to go out of the door at premium price and perhaps heading for a discount outlet down the track.

### Share the load

Global distribution network planning – which in this case largely means North America, Western Europe and China – is a cornerstone of the strategy. To achieve this without investing in extra facilities, the sports firm has 'reached out' to partners and key accounts to help 'share the load'. Some facilities are owned and managed by adidas others by partners. In France, the company will run its own webstore and will deliver out of a shared DC. In the UK, which Bode says has the most demanding e-commerce customers in terms of service expectations, the company has just started working with a 3PL out of the London area, in order to ensure standards are maintained. Fulfilment centres have been established with shared ethos at centre. Perhaps most important has been the sharing of IT and SCM serviced to form a single, united team. It brings together engineering and IT functions together in terms of project management.

### Piloting innovation

Productivity is optimised by lean methods and labour management (Manhattan Associates



### "THE KEYS FOR CONSUMERS IN E-COMMERCE ARE AVAILABILITY AND SPEED."

Michael Bode, VP Distribution Solution adidas

again), while digitalisation is part of the jigsaw in making sure those returns go straight back into stock. It's also vital in the personalisation of stock, a service which adidas relies on as part of its strong individual customer relationship. Automation and piloting innovation are essential to keeping the company at the technology forefront. Shared, unified global standards (as exemplified by the WMS) mean that processes, material handling equipment design, IT solutions and services are common to the global business. Strategic partnerships reduce risk and shorten supply chains.

### Two hours

All of the above is tailored to manage massive growth. Transformation is ongoing. Current expectations are that time from customer order to truck will take two hours; 25% of orders will be delivered next day and 80% will be delivered within two days in western Europe. Customer-centric focus – on the part of both Manhattan Associates and its customer – is the driver. adidas' mantra is that 'sport has the power to change lives'. And a few logistics practices.



# PERSONALISED CUSTOMER SERVICE IS HERE TO STAY

Retailers are under pressure, not least because consumer expectations are rising all the time. This is stimulated by the growth of online shopping, click & collect and the world of social media, all of which have transformed the buying experience. As the customer journey becomes increasingly fragmented, retailers need to find a way of bringing all the information together in order to provide consumers with a superior experience. Thanks to advancements in automation and artificial intelligence, truly personalised customer service is now within reach across multiple channels.



**Karthik Marudur**  
Director Product  
Management,  
Manhattan  
Associates

**C**ustomer service continues to be critical for a brand's success. Various studies have revealed that companies with poor customer service push customers away, resulting in them taking their business elsewhere. In a 2017 report titled 'Transform the Contact Center for Customer Service Excellence', for instance, Forrester stated that 63% of US customers have stopped doing business with a brand due to poor customer service. Meanwhile, based on its survey on customer expectations, PwC predicted that by 2020 customer experience would overtake price and product quality as the most important factor in consumers' purchasing decisions.

It is fair to say that customer service is at a tipping point. The growth of online shopping, click & collect and the world of social media have all transformed the buying experience, increasing customer expectations even further and putting retailers under ever-more pressure. Today, customers have more choice: more products to buy, more information to influence their purchasing decisions, and more devices

and channels with which to interact with brands – telephone, email, chat, social, web self-service, bots, messaging, virtual assistants and more. Speeding up the process is the most important thing any company can do to provide customers with good service, according to Forrester's survey, since time is the most important asset in people's busy lives today. Furthermore, customers often start their journey in one channel and complete it in an entirely different channel, yet they expect a consistent brand experience from pre-purchase to post-purchase. And with digital assistants and, more specifically, voice assistants such as Alexa, Google Home or Siri becoming more common in consumer households nowadays, today's consumers expect similarly natural, conversational interactions when they engage with businesses. This too is a game changer for retailers.

## Information trapped in silos

A recent study by Manhattan Associates revealed that 65% of retailers would like to provide the same quality of customer service, irrespective of the channel in which they are interacting with



the customer – including in stores. But as more channels and touchpoints emerge, customer service organisations can't react by simply adding more staff. Because the customer journey is no longer linear, each consumer leaves fragments of information in each channel. When there is a lack of integration between these channels – which is currently the case within most retail organisations – information such as transactional data and customer history remains trapped in silos. The key is to find a way of bringing all that information together so that their contact centre agents can have an integrated experience complimented by automation and artificial intelligence (AI).

This way retailers can understand the customer journey in order to offer a more personalised service.

### **Changing role of customer service representatives**

Because the customer has evolved, the customer service representative (CSR) has to evolve as well. Today's contact centres are aspiring to become high-touch centres that handle critical customer interactions. These organisations will focus on the quality of interactions as measured by customer retention and lifetime value.

Today's consumers expect retailers and service providers to be able to know who they are, pull up all their information, know that they've

already called about a problem as well as know what was in the email they sent last month. They then expect retailers to get to the root of the problem and solve it for them without wasting too much of their time. Today's CSRs are dealing with a myriad of applications including CRM but they don't get a blended CRM+OMS experience without which they are at a serious disadvantage. And customers are increasingly demanding – in the event of a problem, offering them a meagre discount on their next purchase or waiving delivery charges is no longer enough to keep them happy. In other words, the CSR needs to have at their fingertips the overall customer profile like lifetime value, return rate, social influence including past purchases, returns and interactions to engage with the right tone. They must be able to follow up on a customer interaction with the proper context along with actionable insights to save time for the customer. This requires the ability to connect interactions across multiple channels and to proactively identify and resolve issues to avoid escalations. Therefore, a growing number of retailers are transforming their 'contact centres' into 'customer engagement centres' – supported by AI tools and automated solutions that provide CSRs with actionable insights into the 'what, why, and how' of omnichannel shopping – in order to optimise the entire customer journey.

### **Making a difference with customer engagement**

One such solution is Manhattan Customer Engagement, the industry's only CRM tool purpose-built for the omnichannel business. It combines unstructured data from customer conversations on social media platforms such as Facebook and Twitter ('social listening'), phone, email and chat with structured real-time order information. Including a customer dashboard with a real-time view of customer transactions and customer interactions, the solution automatically creates cases for order exceptions and links customer transactions to cases. It even issues alerts, enabling CSRs to take proactive action before potential problems escalate. This is a key part of customer engagement and finessing the customer experience. The resulting unified view of customers is helping retailers to truly understand the customer journey. Personalised customer service has arrived at last – and it is here to stay.





# CLOUD-NATIVE: A BLESSING FOR THE OMNICHANNEL RETAILER

Modern retailing requires flexible solutions. Cloud-native systems offer the flexibility that omnichannel retailers need. Here is what you need to know about cloud-native.



**Sanjeev Siotia**  
Senior Vice  
President & Chief  
Technology  
Officer  
Manhattan  
Associates

**C**hange and uncertainty are intrinsic to the retail sector, which is in a perpetual state of flux – whether due to fluctuating demand for seasonal products, ever-changing customer preferences or other challenges linked to omnichannel retailing. Most retailers are keenly aware that they have to anticipate new developments while also minimising their operational costs. This is a struggle for many of them, simply because the systems they work with are too inflexible. Now, thanks to the emergence of cloud-native systems, retailers have the chance to eliminate unnecessary costs and overcome the technical limitations that have so far prevented them from offering an exceptional customer experience.

## What is 'cloud-native'?

Cloud-native systems are created specifically for the web and are designed to enable a long list of web-centric benefits such as elastic scaling, run-anywhere functionality, easy integration, single view of the truth and seamless administration. Elastic scaling, for example, has massive potential for the inherently seasonal nature of retailing. Why maintain expensive excess server capacity all year long when you only need it for the holiday season or other peak times?

Cloud-native's ability to give a single unified view of systems such as point of sale, clienteling and fulfilment empower teams across the board to leverage data and hyper-personalise brand engagement to drive a unique consumer experience across channels.

## Not all clouds are created equal

Although many retailers believe that they are already maximising the potential of the cloud, there is a big difference between cloud-enabled and cloud-native solutions. Cloud-enabled systems are initially designed for deployment in traditional data centres, with some of their characteristics adapted to enable cloud use with the software encased in an IP wrapper. When compared to first-rate cloud-native solutions, however, they are little better than lipstick on a pig.

In today's omnichannel retail world, companies are struggling to keep up with rapidly changing customer behaviour, supply chain networks, fulfilment options and evolving business processes.

To meet customers' expectations, successful companies need to experiment and adopt new technologies quickly and regularly. They also need to implement new systems and upgrade faster, and in a more streamlined way. Departments within organisations also need to work closer together than ever before to deliver an outstanding customer experience. Continuously updated and seamlessly interconnected, cloud-native technology is the best tool currently available to meet the challenges presented by modern omnichannel retail.

---

**WHY MAINTAIN EXPENSIVE EXCESS SERVER CAPACITY ALL YEAR LONG WHEN YOU ONLY NEED IT FOR THE HOLIDAY SEASON OR OTHER PEAK TIMES?**

---

### **Making the right choice**

Retailers who are embracing change are keen to transition to the cloud as quickly as possible. However, it is essential that they select the best cloud-native solutions for their specific situation. The following three questions will help retailers to make the right choice:

#### **1. Is the application always up to date?**

Continuous software delivery is all about being able to improve applications by adding the latest technology without requiring a wholesale upgrade. If your technology vendor tells you that support for a popular file conversion option, for example, won't be available until after the next upgrade cycle, chances are they are still dwelling in the cloud-enabled realm.

#### **2. Do updates and release of new features cause downtime?**

If updates are released every six or twelve months and need downtime, the solution is not cloud-native. With cloud-native software both new features and critical updates are deployed quickly to all customers without downtime or disruption.

#### **3. How easily does it adjust to demand or stress?**

Cloud-native software automatically scales up and down depending on demand, without any human intervention to massage or tweak the software settings for maximum performance. It simply applies more hardware as needed, on demand.

### **Minimising risks and utilising opportunities**

There are various reasons why cloud-native is a perfect match for omnichannel retailing, flexibility being the biggest advantage. Retailers still all too often become victims of their own success. What started off as a successful sales promotion can end up as a customer-service nightmare if the supply chain systems are not equipped to cope with the rise in demand which causes the fulfilment process to run into problems. For retailers, there is nothing worse than out-of-stock situations. Cloud-native solutions eliminate that risk, which is why the time has come for retailers to stop doubting and – just like various other sectors before them – make the transition to the cloud.



# THE ELUSIVE 'CONNECTED BRAND EXPERIENCE'

Updated language can't disguise that our fundamental opportunities remain unchanged.



**Nicole O'Rourke,**  
Senior Vice  
President and  
Chief Marketing  
Officer,  
Manhattan  
Associates

**T**he 2018 retail conference circuit joins retail experts and the many partners that serve the industry to focus on trends, issues, ideas, and the opportunities that will define the next advancements in the industry. Through multiple conferences and conversations, as an industry we continue to discuss many of the same challenges that we have over the past several years: customer experience, personalisation, authenticity, and how to succeed by creating 'seamless retail experiences.'

At one recent conference, this last phrase was offered as a replacement for 'omnichannel' in our lexicon, and perhaps it's an improvement on that term. But new phrasing simply can't disguise the fact that no matter what we call it, the challenge of creating a connected brand experience across all customer touchpoints remains.

In a recent research study of consumer and retailer perceptions, Manhattan Associates found that while 77 percent of consumers indicated wanting a seamless brand experience across channels, only 20 percent of retailers were investing in reducing channel friction this year. At what point do we stop discussing and take action? Rather than invent new phrases for the same old problems, shouldn't we focus on innovation? What if we create and implement solutions that bring together data from multiple sources into an intuitive toolset that provides actionable insights that enable the "seamless" experiences the retail industry is chasing?

As a consumer, I click, blog, review, tweet, research, and post, sometimes all while shopping within the confines of a physical store. I expect

that the brands I know and love will also know and love me. I expect to interact with that brand online with the same sort of experience I receive in the store. Is this omnichannel? Yes. Seamless? Yes. A new idea? No, not really.

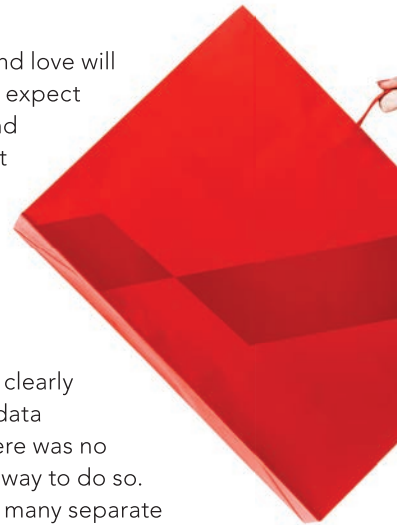
Until now, while retailers clearly understood the type of data they wanted to unite, there was no practical and affordable way to do so. Data was 'landlocked' in many separate operational systems, further siloed by 'online' and 'physical store' divisions. To gain a unified view, retailers had to string together multiple legacy tools that were never designed to be connected and were certainly not updated in real time, let alone visible to the associates who were tasked with providing exceptional customer experiences.

This made it nearly impossible to serve up customer data in an actionable format to the associates that I'm depending on to provide me with a positive brand experience. It's the opposite of frictionless when my phone pushes a notification about a flash sale while I'm standing in the store, but it's only available online so the associate standing next to me can't help me. Similarly, when I reach out to

---

**AS A CONSUMER, I CLICK, BLOG, REVIEW, TWEET, RESEARCH, AND POST, SOMETIMES ALL WHILE SHOPPING WITHIN THE CONFINES OF A PHYSICAL STORE.**

---







the contact centre about an issue with my order, I expect that the associate on the other end of the phone or chat is going to know what's wrong and, more importantly, be able to fix it.

We are past the days where the point of sale system can get away with acting as a glorified calculator at the front of the store. It is now a component of the seamlessly interconnected technology that store associates need in order to have a 360-degree customer view.

At Manhattan Associates, we have created the only solution in the market that, through cloud-native microservices architecture, helps our clients fully link their many sales channels. With a view of enterprise inventory and a 360-degree view of customer order history, we enable our clients to deliver on their omnichannel promises, profitably. This means that if our clients are ready today to replace their legacy order management suite they can do so, and then easily turn on point of sale or customer service capabilities at the same time or in the future, whenever they are ready for those solutions.

This solution does so by itself being 'omni' – our Manhattan Active™ Omni suite is a single app that unites data from multiple legacy systems (order management, point of sale, customer service, etc.). It brings together data showing how consumers engage, what they buy, when they buy it, how they discuss the brand, as well as how our clients have served those individuals in the past.

So, if you're ready to spend a bit less time coming up with new terms for old problems and instead are ready to jump into action, let's talk. It is possible to implement solutions that can deliver a 'modern, seamless, connected, unified, omnichannel brand experience' - the language is yours to choose.





# BLECKMANN TO SEIZE NEW OPPORTUNITIES WITH MANHATTAN'S WMS

Bleckmann is an experienced yet young-at-heart logistics services provider that is forever entering new markets and investing in new technologies. The warehouse management system is a constant factor in the development of the fashion & lifestyle logistics specialist. Jurrie-Jan Tap, Chief Sales Officer at Bleckmann: "The new version of Warehouse Management for IBM i has a number of very useful functionalities for us."



---

**"THE NEW VERSION OF WMI HAS SOME  
VERY USEFUL NEW FUNCTIONALITIES FOR  
US, SUCH AS SMART POOLING."**

*Jurrie-Jan Tap, Chief Sales Officer Bleckmann*

---

**D**espite its long history, Bleckmann is a young company that was created in its current form in 2014 when Belspeed acquired TNT Fashion. The firm actually takes its name from German entrepreneur Benjamin Bleckmann, who moved to the eastern part of the Netherlands back in 1862 with his horse and cart to serve the region's flourishing textile industry. Today, more than 150 years later, Bleckmann has grown into a leading specialist in global fashion logistics. The logistics services provider's network comprises over 25 warehouses, the majority of which are in the Netherlands and Belgium. Because the customer base includes international fashion brands such as Abercrombie & Fitch, J.Crew, Superdry, Aldo and Tapestry (Coach, Kate

Spade, Stuart Weitzman), the company also has warehouses in the UK, the USA and Asia.

Nowadays, Bleckmann has become a specialist in not only fashion but also lifestyle logistics, for a couple of reasons. Firstly, ever-more fashion brands are evolving into lifestyle brands by also offering home décor lines, for instance. Secondly, expanding the product portfolio opens up new revenue opportunities and enables the company to spread its risks. "We feel equally at home in both sectors. The products end up in the same high streets," comments Jurrie-Jan Tap.

### **Tremendously stable WMS**

WMI, Manhattan Associates' warehouse management system for IBM i, plays an important role in Bleckmann's operations, and the software even controls the company's newest distribution centre that has just been built in the east of the Netherlands. It was a logical choice, because Bleckmann has been using this system for almost 20 years. "In fact, we were Manhattan Associates' first-ever customer in the Benelux region! And what makes it even more special is that our current point of contact within Manhattan was involved in our very first implementation back in 1999. That says it all about the strength of our partnership," continues Tap. His colleague Steven Rymenans, who is responsible for strategy, IT and international expansion within Bleckmann, adds: "Manhattan is a respected WMS supplier worldwide, including among our customers. That builds trust."

Tap readily admits that not all of Bleckmann's operations run on WMI: "We mainly use the Manhattan system for our more complex operations, such as ones also involving sorter management. One of the key advantages is the tremendous system stability, which is particularly important in the case of mechanised operations. Plus we need a robust system now that many of our customers are growing, resulting in bigger volumes. For example, we have our own fibre-optic network connecting our warehouses in the eastern Netherlands, which is extremely stable. I can't remember our WMS ever going offline."

### **WMS with a workaround**

Most of the implementations of WMI in its warehouses are taken care of by Bleckmann's own WMI team, who have gained extensive knowledge and experience with the system over the past two decades. The logistics services provider also integrates new customers into its existing multi-



---

## **"MANHATTAN IS A RESPECTED WMS SUPPLIER WORLDWIDE, INCLUDING AMONG OUR CUSTOMERS. THAT BUILDS TRUST."**

Steven Rymenans, *co-owner of Bleckmann*

---

customer warehouses itself. "But we don't hesitate to enlist Manhattan's help for projects such as the integration of a sorting system. Implementations regularly run into unforeseen problems, so we need an agile system combined with a supplier that is on hand to solve those problems."

Although most of Bleckmann's facilities are still running on the 2004 version, the company recently decided to switch to the new version of WMI. "We've now made a conscious decision for the 2017 version, because it has a number of new functionalities that are very useful for us – such as Smart Pooling support. We generally tend to ship small quantities for our fashion customers, but in the lifestyle business we sometimes have to handle large-volume orders. Smart Pooling allows us to combine those orders so that we can minimise the workload involved in picking and shipping them," explains Tap. "Besides that, it's no longer just a matter of moving boxes around, but rather about value-adding activities such as adding monograms to bags. This WMS enables us to do all that."

### **Robots**

Bleckmann hopes to be able to implement many more innovations over the coming years, including some in partnership with Manhattan Associates. The logistics services provider has several robotisation-based pilots in the pipeline – ranging from Kiva-like systems in which robots fetch storage locations for order pickers, to robotised carts that follow order pickers around and can be sent back automatically when they are ready. Rymenans: "User-friendly software is another important area of innovation. Our warehouse activities are very seasonally driven, which means that we need to onboard a lot of new employees in a short space of time. The easier and more intuitive the software is, the quicker and better we can do that – and it's becoming more important in view of the growing labour shortage. Together with Manhattan Associates we hope to make good progress in that respect too."



# MAN & MACHINE IN THE MODERN WAREHOUSE

Forward-thinking companies around the world and across nearly all industries are challenging themselves to serve more customers, more quickly and more directly. In other words, omni-channel distribution projects aren't just for retailers. In response to digital transformation and connected commerce initiatives in the marketplace, Manhattan Associates announced the availability of WMOS v2018, the largest WMS release in our company history.



**Eric Lamphier,**  
*Senior Director  
Product  
Management,  
Manhattan  
Associates*

**S**upply chain leaders are taking note of gains in other businesses and they are taking action. The time has come to rationalise and optimise – to share, synchronise, and eliminate waste. It's no longer acceptable to live with segregated warehouse space, duplicative inventories, excess labour, and redundant automation. All of these assets are expensive and in order to improve throughput, profitability, and customer satisfaction, shippers must improve asset utilisation across the board. Continuous optimisation and orchestration of order fulfilment activities across all assets and channels is the solution, and that's why we have embedded a Warehouse Execution System (WES) and powerful new Order Streaming capabilities into WMOS v2018.

It's no secret that distribution centers are becoming increasingly automated as they are tasked with handling more SKUs, larger amounts

of smaller and more frequent orders, across more channels, all while shrinking processing times. Rising demand for human labour and resulting labour shortages in many markets is causing many shippers to investigate the new advanced automation and robotics options available today.

## **No communication**

The challenge is that different types of automation do not naturally communicate. They are not aware of each other, much less the supporting workforce. Further, they are being improved constantly – with innovations coming from numerous vendors around the world. As we look forward, we can only imagine the types of advanced automation technologies that will be available in the years to come. Getting maximum throughput within the distribution centre requires coordinating and orchestrating assets to work together – advanced automation and people. Over the last decade, as fulfilment leaders have introduced advanced automation into the fulfilment center, they have been forced to work with various systems: a warehouse management system (WMS) and a warehouse execution system (WES) or warehouse control system (WCS). Historically, the WMS was the single place to recognise supply and demand, optimise and allocate work – because it understood orders, capacity, and of course, inventory. But legacy WMS solutions were never designed to continuously manage against the capacity of advanced automation and robotics.





## IT'S TIME TO REMASTER THE ART OF FULFILMENT WITH WAREHOUSE EXECUTION SYSTEM AND ORDER STREAMING.

### Higher customer TCO

So, independent WES systems were developed and interjected to manage more real-time work tasking, prioritisation, and optimisation. But WES systems did not inherently understand order demand across all channels, they did not understand all inventory positions and availability, and so they depended upon the WMS to provide a bulk download of work to process. Unfortunately, these field-integrated WES implementations resulted in higher customer total cost of ownership in many scenarios.

The systems and resources were siloed, lacking orchestration capabilities across all asset classes. Fulfilment organisations were left trying to ensure inventories were not duplicated, and that resources were maximised – all while continuing to meet ever-increasing demands. We are excited to now offer an embedded WES module inside WMOS that will eliminate siloed integration challenges – in favour of a comprehensive orchestrated approach.

### The fifth resource

In any distribution centre setting there are five 'natural' resources to manage: orders, inventory, labour, work, and automation. WMOS has orchestrated four of those five with tremendous success for nearly 30 years. And now Manhattan has added the fifth to deliver complete command and control of the modern warehouse with the industry's first WES built into a WMS. Seamlessly integrated, it has been engineered from the ground up to work with any type of automation. It doesn't matter what kind you have or how much of it you use. While the use of technology in the warehouse is exploding, it is important to remember that more human

capital is being used than ever before. With the infusion of WES capabilities inside of WMS, it is now possible to orchestrate workflows across both man and machine, so warehouse leaders get the best of both: the power of repeatable and predictable process and the ability to pivot, and to think innovatively with their personnel, while still retaining full control of building-wide inventory that only a complete WMS can provide.

### Machine learning

Order Streaming, our approach to sophisticated order fulfilment has been a point of focus for several years as our customers and prospects have prioritised the need to operate with increased speed and flexibility. With WMOS v2018 we have shattered the boundaries between wave and waveless and we are excited to now offer our most advanced Order Streaming solution ever. Order Streaming optimally processes orders of all types with simultaneous wave and waveless alternatives at your disposal. Waveless manages every order as a discrete allocation of work instead of immediately bundling them together. It brings fast, responsive fulfilment for small, more urgent orders and it is ideal for direct-to-consumer order fulfilment.

As workers – or machines – fulfil orders over time, the system now leverages Machine Learning to estimate how long a task should take. When conditions change, Order Streaming adjusts the expectation of how long the task will actually require, given the combination of historic data and numerous other conditions. As the task completion patterns are learned, Order Streaming disperses exactly the right amount of work to the most appropriate resource. The longer Order Streaming listens and learns, the more optimised the distribution centre becomes.

### Total visibility

Coordination and collaboration across discrete pieces of advanced automation in the warehouse only gets more powerful when those systems are connected to, and aware of, each other. More than ever, warehouse management must be approached from a perspective that considers any combination of human and automation capacity together. With the combination of native WES and Order Streaming capabilities, WMOS is the only solution that enables total visibility across the distribution centre, complete flexibility for automation growth, and maximum utilisation of all resources.



# HOW TECHNOLOGY IS DRIVING THE MILLENNIAL RETAIL MARKET

Over the last decade, the retail industry has seen a shift in how it operates. The exponential increase in online shopping has had a significant impact on how we buy our products. Long gone are the days when purchasing items was done from Monday to Saturday, between a rigid office-hours timeline.



**Mark Thomson,**  
*Retail Industry  
Director EMEA,  
Zebra  
Technologies*

**T**he evolution of e-commerce culture has particularly affected one demographic: the millennial. This collective term we hear about in today's media and society is set to make up 75% of the working population by 2025. That means that this new generation of e-shoppers has incredible spending power.

At the heart of the millennial's modus operandi is consumption of technology. After all, this is the Facebook and Instagram generation. This obsession with technology is in turn influencing how retail sales are made all over the world. What services do retailers need to deliver to capture millennial sales? What is the technology driving the millennial market?

## **The omnichannel route**

In order to target millennials successfully, retailers have to go down the omnichannel route. This is important as it will support marketing strategies across all channels – including online and offline. Omnichannel is vital in capturing the millennial sale, as it can deliver personalised content to customers at the right place and at the right time. Linked to omnichannel is the growing popularity of click-and-collect. Put simply, the typical millennial mindset is one of instant gratification – an 'I must have it now' mindset. Step forward click-and-collect. In the case of in-store pick-up, a notification can be sent to the enterprise's picking systems when a click-and-collect consumer comes within a certain radius. This notification prompts staff to get the order ready. This is seamless retail in 2018. After the items are ordered, packaged and ready for collection, it's time for payment. For millennials, the preferred method is mobile payments as they prefer not to carry cash. Retailers need to ensure mobile payments are at the forefront of their offering.

---

## **MILLENNIALS MAKE UP THE MOST INFLUENTIAL KEY DEMOGRAPHIC IN THE GROWING RETAIL INDUSTRY.**

---

### **Driving sales with technology**

Identifying the services that millennials desire is an easy enough task, but what technology is needed to deliver these? Managing the operation behind the shop front is a vital factor in retail strategy. Central to the conversation here is the Internet of Things (IoT). Research by Zebra Technologies found nearly 96% of retail decision makers are ready to make changes required to adopt IoT. In today's omnichannel world, product availability is critical, and many retailers have in-store inventory visibility challenges. Technological advancements in areas such as machine vision, RFID and data analytics – underpinned by IoT – can change this. Aside from IoT, machine learning is playing a vital role in targeting millennials. This technology utilises analytics and predictive models to help retailers personalise customer experiences and enhance inventory demand, forecasting and visibility. The outcome is increased and repeat sales as well as great customer satisfaction.

### **The future checkout**

Millennials make up the most influential key demographic in the growing retail industry. This means that retailers must give them what they want, when they want it. If this doesn't happen, the retailer does not have a sustainable business. The way to achieve this 21st century challenge is to employ the right technology both in-store and in the back office. Failure to do this could result in millennials shopping elsewhere.

# Simplified **TRANSPORTATION MANAGEMENT SOLUTIONS**

Experience the difference  
**manh.com**



**PUSH  
POSSIBLE™**





# THE NEED FOR A MODERN TRANSPORTATION MANAGEMENT SYSTEM

The quality of your logistics network can make or break your customer service. If a delivery isn't completed correctly and on time, that single negative experience for the customer can overshadow the performance of your entire supply chain – and the current developments in the transportation and logistics sector are making things even more difficult. To overcome this challenge, shippers will have to invest in modelling, visibility and connectivity.



**Mark Vos,**  
Business  
Development  
Manager,  
Manhattan  
Associates

**T**here is a severe shortage of truck drivers in Western Europe. Ever-fewer young people are choosing a career behind the wheel, and yet demand for drivers continues to rise – not least for the last mile in e-commerce – due to a strong surge in freight volumes. It is becoming increasingly difficult to find truck drivers in Southern and Eastern Europe too, and these growing shortages are predicted to cause serious problems in the years ahead.

## **Environmental factors**

At the same time, transportation is playing a critical role in supply chains. Customers are not only ordering more frequently, but they also expect ever-shorter delivery times and, to top it all, want to know exactly when their orders will arrive. With traffic congestion getting worse all

the time, the situation is becoming increasingly challenging. And as if that weren't enough, various government bodies are creating new obstacles for freight transportation, such as CO<sub>2</sub> emission standards or regulations for temperature-controlled transport.

## **IT is a cornerstone**

The only possible conclusion to be drawn from all of this is that if shippers want to avoid transportation issues in the future, they need to start tightening their grip on their logistic flows right now. Modern technology systems have progressed from being a useful resource to being the cornerstone of logistics transportation activities, along with trucks and drivers. Shippers will have to invest in tools that give them real-time visibility of their logistic and transport flows so that they can anticipate every scenario. Those tools must enable them to carefully consider data-driven decisions at all times by helping them to optimally balance service against costs, speed and sustainability. Digitalising logistics and transportation activities at an operational, tactical and strategic level will put shippers in the best position to tackle future challenges.

---

**DIGITALISING LOGISTICS AND TRANSPORTATION ACTIVITIES AT AN OPERATIONAL, TACTICAL AND STRATEGIC LEVEL WILL PUT SHIPPERS IN THE BEST POSITION TO TACKLE FUTURE CHALLENGES.**

---



### Scenario analysis

One key element is modelling and the ability to model all the freight flows:

- How is the transportation network structured?
- Which routes are busiest?
- Where could the load factor be improved?
- Where is most CO<sub>2</sub> emitted?

In addition to answering these questions, a model can provide many more insights, such as by enabling the analysis of various scenarios:

- If the freight volumes increase by 10%, which bottlenecks will that create?
- If an extra hub is opened in the transportation network, how will that affect the freight costs?
- If the company wins a big tender, which investments will it need to make?

Shippers often tend to answer questions like these based on gut instinct, supported by some rough calculations on a scrap of paper. A modelling tool enables them to arrive at a much more reliable solution, helping them to reduce their average distance travelled by 5 to 10% or to improve their load factor by 2 to 5%.

### Overview of modalities

Modelling provides the insight that shippers need to make the right medium-term and long-term decisions. In the short term, they need visibility into their current freight flows so that they can respond quickly and optimise them. But road transportation is not the only option for those flows; in view of the increasing societal pressure to reduce greenhouse-gas emissions, other modalities such as rail and water are gaining in popularity. The use of those modalities can negatively impact on lead times, however, so visibility is essential – not only into the freight flows but also into things like the weather forecast – to enable shippers to always choose the right modality. Inland waterways could be the best modality today, for instance, but it may be necessary to switch to road transportation halfway along the route if the boat carrying the goods becomes delayed due to bad weather. That's a prime example of what is called 'synchro modal transport'.

### Tracking & tracing

Mobile transport apps that interface with the transportation management system (TMS) play an important role in improving visibility. After installing such an app on their smartphone or other mobile device, truck drivers can use it to manage transportation orders and immediately submit a proof-of-delivery document after every delivery. Meanwhile, the app gives shippers real-time insight into the status of their transportation orders and they can track the geographical location of their shipments every step of the way. Because the app operates separately from the on-board computers, shippers can extend their visibility to cover carriers and the charters they use. Geofencing functionality means that shippers can receive automatic alerts when a truck is approaching the warehouse or distribution centre. Temperature monitoring functionality enables them to immediately see whether the goods received have been transported under the right conditions, which is particularly useful in the case of perishable products. In other words, shippers have better visibility of in-transit stock and can align their activities with the freight that is due to arrive, which helps to keep things moving at the loading and unloading bays.

### Connecting with partners

The final key factor is connectivity. No one can optimise a complex transportation network alone; you need help from carriers, parcel delivery firms, last-mile specialists and other partners – perhaps even other shippers. And the partners you need today might be different from the ones you need tomorrow. That requires a TMS that not only helps you to issue and evaluate tenders, but which also enables you to connect quickly both with new transportation partners and with digital platforms – because logistic and transportation marketplaces that match supply and demand are increasingly important in improving the load factor and saving costs. And surely that's what everyone wants, isn't it?





This article was published on Digital Commerce360 (June 2018)

# LEVI'S TRIES ON A NEW ORDER MANAGEMENT SYSTEM

Levi's overhauled its backend system for better inventory visibility. This gives its call centre employees more functionality and helps them resolve issues faster. The new system also lays the groundwork for in-store inventory visibility for online shoppers.

**B**lack Friday is serious business at apparel manufacturer and retailer Levi Strauss & Co. The IT employees come into their San Francisco office in the wee hours wearing all black for the serious task ahead of making sure its systems can handle the increased traffic, Varun Bhambri, Levi's senior manager for IT e-commerce, told attendees at the Manhattan Associates Momentum conference in Florida in May. "Peak season is huge," Bhambri said. And the pressure is only higher when the brand is overhauling its backend systems. Levi's is in year two of a five-year omnichannel overhaul project that includes changing its order management system to Manhattan's. The goal is to have a platform that can scale globally, integrate with multiple fulfilment third-party logistic companies, be stable during peak season, alleviate payment

reconciliation issues, such as exchanges, and set a foundation to expand omnichannel capabilities, such as in-store inventory and splitting orders across distribution centres. Levi's started the project in February 2016 and is rolling out elements in different geographic regions for its Levis.com and Dockers.com brands.

## Many challenges

Previously, Levi's had its former SAP Hybris e-commerce platform handle order management; however, that platform wasn't built for all of the functionality Levi's was making it do, Bhambri said. For example, once a customer placed an online order, Levi's could not view the order in its system until it shipped. That meant if a shopper placed an order, forgot to enter a coupon code and called its customer service centre, Levi's could not pull

up that shopper's order and could not help the shopper with putting in the coupon code until the order shipped.

Levi's also had challenges managing exchanges. For example, if a shopper returned a pair of jeans and the warehouse sent her a replacement, she could do that countless times. The system wasn't tracking the number of times a shopper did this, so the customer could keep exchanging products with no limits, he said.

Levi's selected the Manhattan order management system to resolve these issues because the vendor could integrate with Levi's quickly, plus all of the features it wanted were bundled together in the system, Bhambri said.

#### Positive results

As of March 2018, the Levis.com and Dockers.com brands in the U.S. have had positive results.

Because the Hybris system is no longer handling order management, Levi's reduced the platform's backend architecture by 15%. The website's performance improved and its front-end servers no longer go down.



For its call centre, these changes are huge, Levi's says. The time it takes agents to resolve an issue decreased by 20% in the first week of implementation. Plus, the system the agents use is faster. In particular, the search function that enables an agent has to find a shopper's order is speedier. Better functionality decreased the average time of a customer service call by 90 seconds per call, which is a 20% reduction. Levi's also was able to reduce the headcount of its support team, Bhambri said without revealing specifics. During peak season, Levi's has to ensure that even though the systems are new, it is still fully functional and can handle the high volumes of shoppers on its site.

#### Unexpected problem

For Q4 2017, Levi's ran into an unexpected problem that its order management system helped it solve. Over the past two holiday seasons, traffic and sales from European shoppers have increased on Black Friday, even though this shopping day is associated with the U.S. Thanksgiving holiday and is not a traditional shopping day in Europe. However, by 4 a.m. Pacific on Black Friday, European traffic "was going nuts," and by the end of the day, its hot SKUs were selling out. The retailer didn't know what it would sell for Cyber Monday as its distribution centres were running low on inventory. Levi's decided that it would turn on backorders, so that the retailer would still sell the same products and offer the same promotion, but alert the shopper that it would take longer to ship. While this sounds like an easy fix, it was an impressive new feature for Levi's. Bhambri: "This is flexibility we didn't have two years ago."

---

**DURING PEAK SEASON, LEVI'S HAS TO ENSURE THAT EVEN THOUGH THE SYSTEMS ARE NEW, IT IS STILL FULLY FUNCTIONAL AND CAN HANDLE THE HIGH VOLUMES OF SHOPPERS ON ITS SITE.**

---



# HOW TO BUILD A CUSTOMER FOCUSED ORDER SYSTEM

ERP systems can still play a significant role in meeting the customer challenge. However, they lack some critical functionality. What is needed is a best-of-breed order management system.



**ADDING AN OMS LAYER TO YOUR ERP SYSTEM CAN HELP YOUR RETAIL BRAND CONNECT PERSONALLY WITH YOUR CUSTOMERS.**



## MORE THAN 50% OF CONSUMERS FREQUENTLY ENGAGE ON SOCIAL MEDIA TO WRITE REVIEWS AND DIRECT COMPLAINTS.

(CUSTOMERS ARE CALLING THE SHOTS – PWC)

**C**onsumers do not care about 'digital', 'omnichannel' or 'ecommerce'. They do not care how an order is fulfilled, and if the process proves frustrating in any way, they are likely to shop elsewhere and expose retailer frailties on social media.

Consumers also expect retailers to know and interact with them personally and to maintain this personal conversation right through the full customer journey - especially when fulfilling an order - and beyond, including returns. If the bar was not already set high enough, retailers are no longer benchmarked against their nearest industry peers and competitors, but against innovative global brands such as Amazon, Uber and Alibaba.

These brands were built from the ground up using transformative technology. As such, they are totally unencumbered by legacy systems and siloed processes driven by low-confidence data. To compete, retailers must understand both the strengths and weaknesses of their current processes and supporting IT systems. While enterprise resource planning (ERP) solutions can still play a significant role in meeting the customer challenge, they lack the critical functionality that can be fulfilled by a best-of-breed order management system (OMS).

### What is the solution?

For more than a decade, ERP systems have sufficiently managed store, inventory and supply chain operations, pushing goods to stores in lockstep with relatively static and stable demand forecasts. Any attempt to 'rip and replace' the retailer's operational 'heart' could be expensive, risky and ultimately could threaten the life of the patient. The good news is that the addition of a distributed order management system layer, integrated with, and sitting above the existing ERP, can quickly and cost effectively meet the challenge of the modern consumer.

### The benefits of OMS

The modern consumer's expectation is to engage at any time, from anywhere and have orders fulfilled at the place and time of their choice. This leaves retailers, who should be focusing on

their customers, faced instead with a significant IT dilemma: upgrade existing ERP system, build their own system or invest in best-of-breed order management for omnichannel to complement their ERP system?

A best-in-class OMS layer, working in tandem with an existing ERP, enables a retailer to deliver the functionality and innovation that modern consumers expect, without sacrificing the robust accounting and finance functionality ERP excels at.

When deployed correctly, OMS becomes an essential element in delivering 'one version of the truth':

- Real-time information such as a view of 'available to promise' (AtP) inventory
- A seamless and consistent customer experience across channels
- Personalised customer engagement and interaction
- Single view of customer, order and inventory
- Real-time visibility of order status, independent of fulfilment channel
- Configurable and dynamic order orchestration
- A wide range of delivery/collection options driven by customer convenience
- Complete access to the retailer's full inventory in every channel

### OMS versus ERP

With an OMS as your first layer of interaction with the customer it's possible to significantly boost agility and innovation while retaining your existing ERP system. Most retailers implementing OMS are doing so to enhance, rather than replace, their legacy ERP systems. The main advantage of using the two systems together is that it allows retailers to achieve front-end business agility without sacrificing accounting and finance functionality.

Using an OMS layer in tandem with ERP ensures that both systems can be used for what they are best at and less modifications are needed.

*This article is a summary of our 'OMS versus ERP in tandem' report. For more information please contact a member of the Manhattan Associates team.*



# SAVE THE DATES

2019 /// Manhattan

## MOMENTUM<sup>®</sup>

JW MARRIOTT PHOENIX  
DESERT RIDGE  
RESORT & SPA

---

Phoenix, AZ

---

May 20th - 23rd, 2019

---

[manh-momentum.com](http://manh-momentum.com)

2019 /// Manhattan

## EXCHANGE

SALONS HOCHÉ

---

Paris, France

---

October 7th - 9th, 2019

---

[manh.com/exchange](http://manh.com/exchange)