



DATASTREAMOMS⁺

Fixing the Foundation: Why Modern Retail Needs Real-time Order Management

Retail is defined by customers' desire for ease and convenience.

All customers, whether in B2C or B2B spaces, have been conditioned to expect seamless delivery of exactly what they need, when they need it. But this is only possible when you have fully modernized order management systems on the backend.

When a shopper wants a sweater in a particular color that's sold out in one location, you need an interconnected order management system that shows up-to-the-minute inventory levels across store branches so you can meet customer expectations.

When a contractor needs all the hardware and lumber for their client's new kitchen cabinets to arrive together, you need a backend system that can compile complex, multi-line orders with a few clicks and let you track inventory levels so you can guarantee timely delivery.

These kinds of use cases are difficult for legacy tech to achieve, but to the average customer, they're the baseline expectation.

To make things even more complicated, the very structure of most retail organizations has become more involved over the past few years. Now that customers use more touchpoints to shop, brands are expanding across more channels, and integrated retail, in which one company is at once manufacturer, wholesaler, and retailer, is on the rise.

These complex retail arrangements make inventory and order management especially convoluted, but that doesn't



Know you need to upgrade your OMS technology, but not sure where to start? Keep these features in mind as you evaluate your options.

CROSS-CHANNEL FLEXIBILITY

Modern OMS platforms should connect all your channels such as brick-and-mortar stores, ecommerce, wholesale and distribution operations. A unified view across channels ensures real-time visibility, smooth order flow and responsive customer service.

BUILT-IN AI AND AUTOMATION

Repetitive manual processes slow your team down. Look for an OMS system that uses automation and AI to accelerate processes, reduce errors and help your team work smarter.

AN INTUITIVE USER EXPERIENCE

Ease of use matters. Choose a system with a clean, intuitive interface that reduces training time and empowers employees to get up-to-speed quickly. This often translates to increased customer satisfaction.

A SOLUTION THAT'S EMBEDDED, NOT BOLTED ON

When your OMS is embedded within your ERP, life becomes dramatically easier. Embedded solutions support "clean core" principals that reduce complexity, technical debt and deliver a more streamlined, sustainable tech stack.

mean the customer will let you off the hook. They're still expecting ease and convenience every step of the way.

The only way to meet these expectations is with fully modernized order management. Without cleaning up your backend and refining your order management processes, you can't achieve the inventory accuracy, process automation, or flexibility that let you compete in modern retail.

The Inventory Crisis: A Symptom of Broken Order Management

A core ingredient of successful order management is good inventory management, something that has only gotten more difficult in recent years. Slow-updating software and poor connections between data silos combine with the day-to-day complexities of retail to make confirming inventory numbers near-impossible in some cases.

Chain Store Age reports that these challenges, combined with tariffs and similar upheavals, mean 63% of retail managers struggle at least once a week to find stock their system says is on-hand, and 77% to report losing sales because



INTRODUCING KING ARTHUR BAKING

- Number 1 flour brand in the U.S.
- Serves both B2C and B2B markets across retail, wholesale, ecommerce, and even owned bakeries and baking schools
- An employee-owned benefit corporation

The challenge:

- A homegrown order entry system made order placement difficult and meant complex wholesale orders needed to be entered manually
- Scalability was hindered by the company's order entry system and its aging ecommerce platform
- A lack of organizational cohesion meant problems achieving inventory visibility

The solution:

- King Arthur Baking deployed OMS+ in conjunction with a new SAP S/4HANA implementation to fully modernize its operations.

The results:

- Thanks to improved visibility and operational cohesion, call center staff have cut times and seen a **25% reduction in clicks**
- **Accurate, real-time inventory** numbers that allow King Arthur Baking to scale by serving more customers more effectively
- Complex, multi-line orders can now be processed in bulk, resulting in **significant efficiency gains**

they could not locate stock quickly enough.

One of the most common culprits behind inventory issues is a disconnect between point-of-sale, fulfillment, and ecommerce systems. When too many point solutions and silos proliferate, a complete view of your inventory becomes elusive. In fact, employees may see different numbers depending on what screen they're using.

Systems that update slowly also cause confusion and delays. Meanwhile, legacy software bolted onto older ERP systems is often difficult to navigate, which leads employees to make mistakes. As a result, most retailers struggle with:



- **Phantom inventory** because their systems show stock that is no longer there
- **Missed fulfillment or SLAs** because promises were made to customers based on inaccurate inventory numbers
- **Overstocks** caused when inventory numbers in the backend are lower than they are in reality
- **Pricing inaccuracies** between in-store or ecommerce channels, leading to customer dissatisfaction
- **Frustrated employees** who struggle to do their jobs and serve their customers



INTRODUCING THE TILE SHOP

- Specialty retailer of over 5 thousand high-end tile products
- Operates across 140 storefronts plus an ecommerce site
- Sells to both B2C and B2B customer bases

The challenge:

- A complex mix of siloed digital and paper solutions made order placement and management overly complex
- Convoluted order management made follow-ups with customers difficult and lengthened the sales cycle
- New employees took several months to get up to speed

The solution:

- Implementing OMS+ within The Tile Shop's SAP instance to increase order processing speed and improve employees' user experience

The results:

- A **1-2% increase in in-store conversions** due to easier customer service
- Staff training time **reduced by 25% - 50%**
- A **three-fold increase in sales follow-ups** with prospective customers

Why Have Retailers Overlooked Order Management?

How did we get here? Much in the same way that technical debt and other legacy tech issues usually happen, businesses adopted the tech they needed at the time, but then their needs evolved and outgrew their tech.

This is fairly common among all organizations that often find themselves adopting point solutions and custom integrations they feel they need at the time. Then business changes, customizations grow on top of customizations, and before you know it, you find yourself saddled with convoluted processes and a messy backend.

It doesn't help that many retailers are, understandably, focused on front-end innovation. Things like mobile apps, loyalty programs, and personalization services are a hot topic for retailers today, and software enabling customer experience personalization is expected to reach \$11.6 billion in 2026. But none of these innovations will show ROI without an order management system to power all the sales this software is meant to encourage.



INTRODUCING PACIFIC COAST SUPPLY

- Building materials distributor selling to contractors and subcontractors across 16 states in the Western U.S.
- Operates 50 stores and sells approximately 6 thousand products
- Delivers on-site orders customized to contractors' unique projects

The challenge:

- PCS operated on an SAP R/3 instance installed in 2001, operating point-of-sale in a modified version of the existing SAP GUI. This led to an outdated and complex order management process rife with errors.
- Without a convenient way to search for products, check inventory, or confirm pricing, employees were forced to use their complex order management system for those tasks, slowing down processes and frustrating customers.
- Onboarding new employees on this convoluted tool took several months.

The solution:

- PCS chose to partner with OMS+ to simplify order management while maintaining the SAP system it had invested in.

The results:

- Due to faster order placing and customer service, **inventory turnover is now 30% higher** at PCS
- **Gross margin has increased by 1%** as a result of faster processes and reduced manual errors
- Employee training times have shortened from **four months to just four days.**

When you have a sales order management environment mired down in legacy customizations and bolt-on tools, it can cause problems that can negate most customer-facing innovations that may be happening, such as:

- Delays in order visibility
- Inaccurate inventory numbers
- Stock-outs and empty shelves
- Data silos that inhibit omnichannel commerce
- Employee frustration or higher employee turnover

All of these issues culminate in lost time, lost sales, and ultimately, lost revenue. However, modernizing your order management can prevent these issues and satisfy customers so they keep coming back for more.



What Retail Needs Now: Modernized, Automated Sales Order Execution

Modern sales order management is defined by some key traits:

- It's **intelligent** enough to surface the information you need when you need it with the help of AI
- It's **connected** to every channel your organization sells through, whether that's retail, wholesale, ecommerce, or otherwise
- It's **embedded** directly into your ERP, not clumsily bolted on
- It's **intuitive** to use so employees can master it quickly

Imbuing your order management with these traits requires a little clean-up of your existing ERP environment to minimize customizations, as well as modernized software that centralizes data in one workspace and simplifies tasks with AI and automation.

This work can be involved, but the results are powerful. Some of the benefits you may see from updating and centralizing your order management include:

- Quick access to up-to-date information across the organization
- AI search to help you find products, materials, and other key pieces of information instantly
- The ability to instantly validate customer-specific pricing and availability
- Automated data entry and other forms of process automation
- Quicker employee onboarding and retention due to simpler tech
- Increased customer satisfaction and fewer lost sales

The Business Impact: Growing Customer Trust

The impact of improved order management trickles throughout the organization, contributing to faster fulfillment, fewer returns, and greater customer trust.

When your team can quickly find exact inventory levels or locate every single product needed in a complex order, customers are happier. They gain enough visibility to be confident in their purchase, leading to fewer complaints or returns. And because they got what they wanted in a timely manner, they learn to trust your business and come back to place their next orders with you.

It also saves your team time. When employees have accurate, up-to-date information consolidated in a centralized dashboard, the hours saved can be significant. The amount of frustration employees deal with every day goes also down, improving your retention and keeping employees happy.

Happy employees translate to happy customers. Their energy impacts how customers view your business, whether they have a pleasant time looking for what they need, and whether they want to come back again.

Real businesses that have updated their order management systems have seen*:

- A 15% growth in sales
- A 25% improvement in customer satisfaction
- A 40% increase in order input speed and accuracy
- A reduction in employee onboarding from four months to four days
- A 1% increase in gross margin.

**Based on result from DataXstream customers Roxor and Pacific Coast Supply.*

What Retailers Should Do Next

Interested in refining your approach to order management? Here are some high-level steps to take to begin transforming your sales execution.

Re-think how you view order management

Order management may not be flashy, but if it's not functioning well, your business grinds to a halt. It's time to stop thinking of it as something to check off your list and start thinking of it as a core business driver.

Think about how you approached order management in the past, and brainstorm what it would look like if you started treating order management as the core part of your business strategy it is.



Assess the current sales order flow

What happens between the time someone places an order and the moment they receive it? How many systems are involved, and how many different pages must an employee navigate?

Do a complete audit of your current order management processes so you have visibility into where inefficiencies and bottlenecks exist. This will make it easier to pinpoint what problems you need to solve when you upgrade your order management tools (and may reveal process improvements you could implement even before you change your technology).

Evaluate opportunities for automation or AI

Take another look at the sales order flow. Where are employees performing manual tasks that could be sped up with automation?

It's common for organizations to stick with manual processes long after technological advancements have made them obsolete simply because they never took the time to reevaluate these processes. But today, few things need to be done manually. Automation technologies can move orders through workflows faster and with fewer errors, while generative AI can speed up search queries and let employees use natural language to find exactly what they need.

Build toward a clean core strategy

ERP experts recommend building towards a "clean core" approach, which minimizes technical debt by discouraging custom bolt-ons and integrations. While many third-party tools do serve some purpose, the more you can "clean" your ERP instance, the more efficient your tech stack will be in the long run.

In particular, it's recommended to replace bolt-on solutions with apps that can be embedded into your ERP system whenever possible. This reduces the need for integrations and guarantees that all your data will be instantly available in those solutions.

FUTURE-PROOF YOUR BUSINESS WITH MODERNIZED SALES ORDER MANAGEMENT

In an era when customers have higher expectations than ever, you can't risk letting outdated, cobbled-together tech slow you down. You need a backend sales order management system that's easy to use, flexible, and able to deliver real-time visibility.

This visibility into order status and inventory data improves employee and customer experiences alike, helping you thrive in today's market.

Talk to our team about how you can future-proof your retail business from the inside out.

Schedule a strategy call or visit www.dataxstream.com to learn more.