Buyers Guide:

Order Management for Logistics Service Providers

BlueYonder

Fulfill your potential™

An OMS Empowers Logistics Service Providers to Drive Innovation, Efficiency, and Growth

An Order Management System (OMS) is crucial for Logistics Service Providers (LSPs) to meet the demands of a complex logistics environment, revolutionize their operations, and stay ahead in a competitive market.

An effective OMS equips LSPs to excel in three key areas:

Growth Partners: An OMS equips LSPs with scalable, flexible solutions, transforming them into vital allies for business expansion and market adaptability.

Innovation Leaders: An OMS propels LSPs to the forefront of logistics innovation, fostering a culture of continuous improvement and setting new industry benchmarks.

Stability Anchors: An OMS provides LSPs with the resilience to ensure service consistency and reliability, becoming a reliable support in a fluctuating market.

Our companion Industry Brief, "**Why LSPs Need To Invest in Order Management To Accelerate Vision 2030**" delves into details of what an OMS is, and why it is a critical enabler of LSPs' growth strategies.

A Strategic Framework for LSPs to Prioritize Key Capabilities of an OMS

This Buyers' Guide is tailored for LSPs and outlines the critical business and technology capabilities they should prioritize. It is dedicated to helping LSPs harness key business strengths to enhance precision in logistics and customer experiences while adopting cutting-edge technology to navigate the evolving logistics landscape.

This guide empowers LSPs to make well-informed decisions on their journey towards logistics excellence. The framework lays out **5 key business capabilities** and **3 key technology capabilities** that LSPs must focus on when developing their selection criteria for order management software.

Business Capabilities:

1 Elevate Inventory Management to Strategic Heights

2 Refine the Science of Delivery for Peak Performance

3 The Art of Balancing Efficiency With Customer Expectations

4 Transform Data Into Decisive Action

5 Craft a Synchronized Supply Chain Ecosystem

Technology Capabilities:

6 Embrace Composability and Interoperability for Global Adaptability

7 Craft a Legacy of Trust With Scalable and Secure Operations

8 Harness the Power of AI for Enlightened Logistics Decisions

Elevate Inventory Management to Strategic Heights

In logistics, knowing what is in stock is critical. Advanced inventory visibility and availability in an OMS gives LSPs the tools to know the location and status of all inventory and ensure customers have accurate availability and delivery information and guarantee every customer promise is met. It is like having a clear map of where every product is, ensuring nothing gets lost, and every order is delivered as promised.
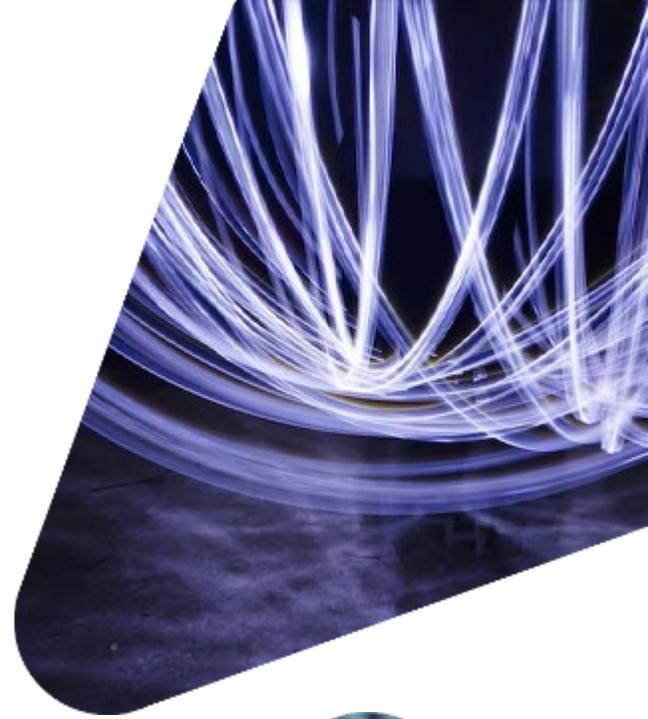
360-Degree
Inventory Visibility:

A comprehensive, real-time view of inventory across all channels is no longer a luxury but a necessity. With full visibility, LSPs can make informed decisions, reduce stockouts, and optimize inventory levels. It is similar to having an all-seeing eye over your stock, empowering you to stay ahead of demand curves.

Holistic Inventory
Availability and Promising:

Robust Available to Promise (ATP) capabilities across network and location levels mean LSPs can confidently manage customer expectations and deliver on their promises, enhancing trust and reliability. This feature bridges customer expectations and logistical realities, ensuring a smooth flow of commitments.

Inventory Protection With
Machine Learning Safety Stock:

ML predicts stock levels against demand and adjust safety stock, helping LSPs balance inventory and avoid overstocking. This smart approach saves costs, prevents stockouts, and boosts profitability in a competitive, low-margin industry. It is a flexible safety net for the unexpected.

Advanced inventory availability transforms logistics operations, enabling smoother workflows, efficient resource use, and improved customer experiences. It sets LSPs apart in a competitive market through enhanced efficiency and reliability.

Refine the Science of Delivery for Peak Performance

Dynamic fulfillment optimization is the engine room of an OMS, powering the last mile with intelligence and agility. The strategic finesse turns complex logistics into a competitive advantage, making an outstanding last mile for customers.

Sourcing Optimization:

By selecting efficient sourcing options that consider cost,
demand forecasts, and supply conditions, LSPs can craft a fulfillment strategy that is both cost-effective and customer-centric. It is about finding the spot between efficiency and expectation, ensuring every delivery is a win-win.

Cost and Capacity Optimization:

Balancing operational costs with warehouse capacities is a delicate act that LSPs can master with the right OMS, ensuring resources are used to their fullest potential. This balancing act turns constraints into opportunities, optimizing every inch of warehouse space and every dollar spent.

Last Mile Excellence:

Integrating carriers and optimizing routes is the final, critical step in the fulfillment process, ensuring timely and effective deliveries that leave a positive impression. The final touch defines the delivery experience, turning logistics into customer delight.

Dynamic fulfillment optimization is not just about moving goods; it is about moving customers to complete satisfaction and securing their loyalty with every successful delivery. This approach transforms the last mile into a strategic advantage, ensuring that each delivery meets and exceeds customer expectations.

The Art of Balancing Efficiency With Customer Expectations

Comprehensive order orchestration and management is the central hub of an OMS, where all customer interactions converge into a seamless flow of order processing and fulfillment. It is the core of customer service, where every click, call, and conversation turns into a tangible product journey from cart to doorstep.

Adaptive Fulfillment Integration:

By accommodating various fulfillment types with scalable solutions, LSPs can offer bespoke solutions that cater to the unique needs of each Customer. This flexibility is the key to personalizing logistics, making each delivery feel tailor-made.

Order Visibility and Advanced Tracking:

Detailed order tracking provides transparency and reassures customers, fostering a sense of security and trust throughout the order lifecycle. The reassurance builds customer loyalty, turning tracking numbers into trust points.

Dynamic Order Orchestration:

Real-time optimization of order processing ensures that efficiency and accuracy are not mutually exclusive, but rather, they go hand-in-hand to deliver customer satisfaction. This is where precision meets pace, ensuring that speed does not compromise service.

Comprehensive order management streamlines the entire order process, ensuring precision and customer satisfaction. It's a key differentiator for LSPs, enhancing relationships and driving growth through seamless coordination from order to delivery.

Transform Data Into Decisive Action

Unified order intelligence is the analytical brain of an OMS, turning vast amounts of data into actionable insights. The deep dive into data turns information into a strategic asset, driving smarter, faster business decisions. This capability empowers LSPs to anticipate market trends and customer needs, ensuring a proactive approach in their operations.

Aggregated Data:

By combining data from OMS, WMS, and TMS, LSPs can make holistic decisions that transcend traditional boundaries, offering a competitive edge in strategic decision-making. This consolidation is a game-changer, breaking down silos to paint a complete picture of the logistics landscape.

Analyst Workbench:

Access to detailed order insights and intelligence equips business users with the information they need to make informed decisions, fostering a culture of data-driven excellence. It is the tool that turns data points into a narrative, helping to chart the course of business strategy.

Comprehensive Artificial Intelligence and Machine Learning:

The use of AI and ML for predictive insights and operational foresight is revolutionizing the logistics industry, offering LSPs a glimpse into the future of their operations. This is where future trends are predicted and prepared for, placing LSPs ahead of the curve.

Unified order intelligence is the guiding force for LSPs, enabling them to navigate logistics complexities confidently. It transforms data into a powerful tool for anticipating challenges and seizing opportunities, ensuring every decision contributes to service excellence and customer satisfaction.

Craft a Synchronized Supply Chain Ecosystem

Collaborative supply chain integration is an OMS's connective tissue, binding disparate elements together into a cohesive whole. It is the synergy of multiple moving parts, creating a unified force in the face of logistics challenges. This integration fosters a collaborative environment where information flows seamlessly, enhancing efficiency and driving innovation across the supply chain.

End-to-End Supply Chain Visibility:

Transparency across the supply chain allows LSPs to preempt issues, ensuring that every step from supplier to customer is taken with foresight and precision. This visibility is the foresight that anticipates and navigates disruptions, keeping the supply chain resilient.

Seamless Partner Ecosystem:

An integrated operations network with suppliers and carriers means that LSPs can offer a service that is as smooth as it is efficient, enhancing the flow of goods and information. It is the harmony of collaboration, where every link in the chain strengthens the other, creating a seamless service experience.

Joint Planning and Execution:

Collaborative planning and execution are the hallmarks of a supply chain that is not just functional but truly synergistic, leading to greater efficiency and innovation. This collaboration is the cornerstone of innovation, where collective expertise leads to breakthrough efficiencies.

Collaborative supply chain integration forms the backbone of a robust logistics network, fostering a community of partners united in their pursuit of excellence and growth. It creates a resilient ecosystem where each member's strengths are harnessed, leading to a supply chain that is efficient and adaptable to evolving market demands.

Embrace Composability and Interoperability for Global Adaptability

In the dynamic realm of logistics, the adaptability of technology is paramount. Composable and interoperable technology within an OMS forms the agile backbone, enabling Logistics Service Providers (LSPs) to efficiently maneuver through the ever-evolving landscape of technology and regulations.

Composable Solutions for Tailored Journeys:

Moving beyond mere customization, composable technology allows LSPs to construct tailored solutions that align precisely with their unique operational needs and customer journeys. This approach enables LSPs to assemble and reassemble components to create optimal solutions for evolving business scenarios.

Global Compliance through Interoperability:

In the global logistics arena, adhering to diverse regulations is critical. An OMS designed for interoperability effortlessly aligns with various international compliance standards, ensuring LSPs can operate without friction across different regulatory landscapes.

## Enhancing Existing Systems with Microservices:

The integration of an OMS into existing enterprise systems like WMS, TMS, ERP, and CRM is revolutionized through microservices architecture. This approach not only ensures interoperability but also augments existing solutions, allowing for more agile and responsive system enhancements and updates.

The shift towards composable and interoperable technology is a game-changer in the logistics sector. It empowers LSPs with the flexibility to adapt to diverse market needs and regulatory environments, ensuring robust global operations. By leveraging microservices and focusing on composability, LSPs are well-equipped to lead and excel in the rapidly changing world of logistics.

Craft a Legacy of Trust With Scalable and Secure Operations

Future-proof and secure operations form the foundation of a trustworthy OMS. In a world where both data breaches and rapid changes are common, these pillars are non-negotiable for LSPs. They ensure that the OMS remains robust, reliable, and ahead of the curve as the logistics landscape evolves.

Scalable and Robust Performance:

As LSPs grow, their technology must scale with them. A robust OMS ensures that increased demand does not mean decreased performance but a seamless transition to larger operations.

Data Security and Privacy:

Protecting sensitive information is paramount. An OMS with ironclad security measures ensures that customer data is safe, building a reputation of trust and reliability. This commitment to security safeguards data and strengthens customer confidence in the LSP's ability to handle their information responsibly.

Ongoing Evolution and Support:

The logistics industry does not stand still, and neither should an OMS. Continuous updates and support mean that LSPs can always count on their technology to meet the latest challenges head-on.

Proof and secure operations are essential for LSPs to excel in today's fast-evolving logistics world. They provide a robust and adaptable foundation, ensuring LSPs stay ahead of industry trends and challenges. This focus on security and adaptability is key to maintaining a competitive edge and confidently navigating the complexities of the global market.

Harness the Power of AI for Enlightened Logistics Decisions

The intelligent decision-making Infrastructure of an OMS acts as the brainpower driving logistics operations. It is where data is collected and intelligently analyzed to guide every decision along the supply chain.

Real-Time AI driven Analytics:

In the logistics world, timing is everything. Real-time AI driven analytics provide the insights needed to make quick, informed decisions that keep goods moving and customers happy. This capability is like having a crystal ball, offering foresight and agility in decision-making.

Actionable Business Intelligence:

Beyond raw data, actionable intelligence is a gold mine for LSPs. It translates complex data patterns into clear, strategic paths that can be acted upon confidently. It's like turning a puzzle of numbers into a clear roadmap for success

Streamlined Business Outcomes:

The best OMS is designed to continuously optimize specific business outcomes, such as customer experience, sustainability, and profitability, based on a variety of parameters. This ensures that LSPs are always at the forefront of operational efficiency and can adapt to evolving challenges effectively.

With intelligent decision-making infrastructure, LSPs are equipped to make smarter, faster, and more reliable decisions, propelling them forward in the logistics arena. This capability enables them to anticipate market shifts, optimize operations, and deliver exceptional service, setting a new standard in logistics management.

LSPs can realize significant value through improvements across key supply chain processes by adopting Blue Yonder's Order Management Solution. Benchmarks from multiple customer implementations reveal a rich flywheel of value across key metrics such as:

Order Fill Rate Improvement **~7.50%**	Transportation Expenses Reduction **~2.0%**	Impact on Conversion Rate from Enhanced Order Promising **~1.0%**
Warehouse Labor Expenses Reduction **~10.0%**	Planner Efficiency Improvement **~50.0%**	Inventory Carrying Cost Reduction **~10.0%**
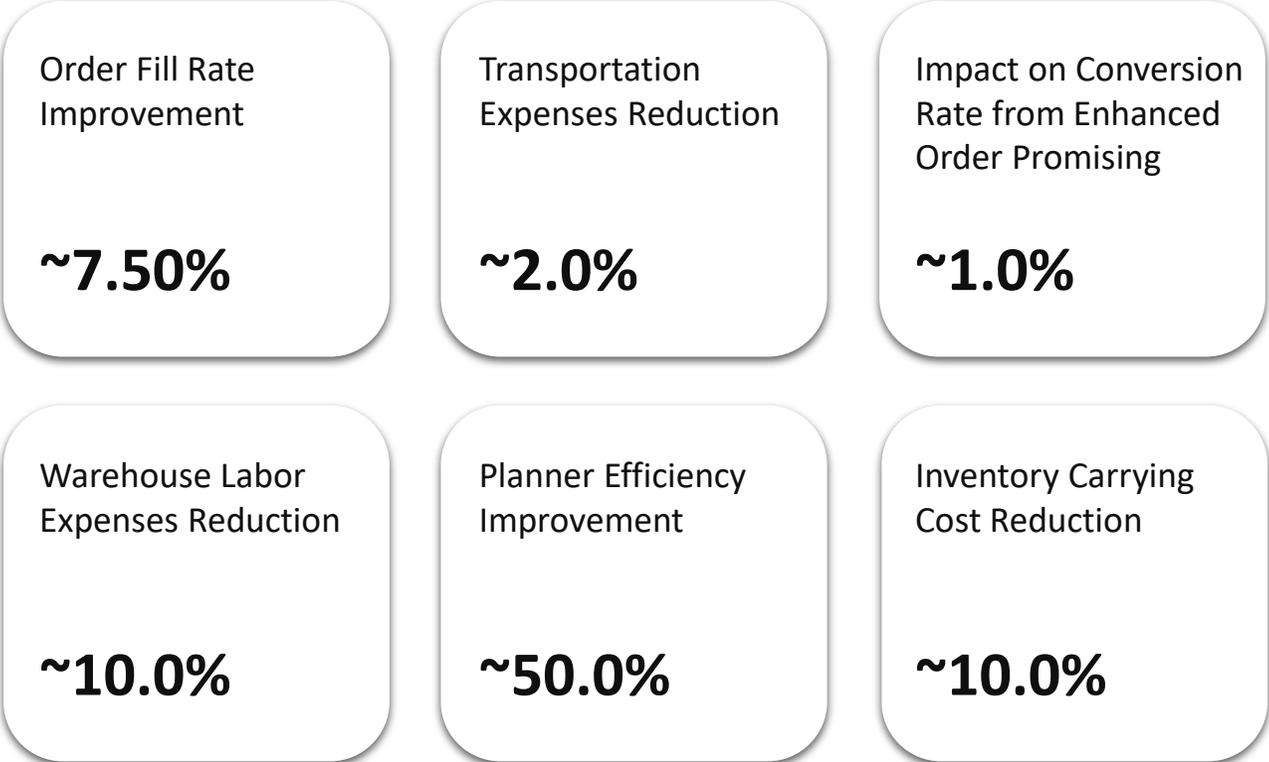
LSPs that adopt an OMS solutions are at the forefront of the logistics industry.

Their commitment to integrating cutting-edge technology, constantly innovating, and focusing on client needs is reshaping industry standards. In a rapidly evolving logistics landscape, these LSPs are not merely adapting; they are driving change, paving the way for a future that is more efficient, responsive, and in tune with customer demands.

Visit Blue Yonder to learn more:
https://blueyonder.com/solutions/order-management

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