



# Five Reasons You Need Intelligent Order Decisioning



Selling across channels is no longer optional, it's table stakes. Blue Yonder takes your omni-channel cost and service results to the next level by supporting profitable, real-time order management choices.



# Every retailer has invested in the omni-channel journey.

For retailers, the conversation is no longer about whether to sell across channels. It's about how to optimize their omni-channel sales efforts.

That's far from easy. Growing logistics complexity and costs require retailers to find ways to move products through various fulfillment channels with maximum accuracy, speed and profitability. Increasing competition demands that retailers continuously innovate and differentiate their customer experience. And consumers' increasing fulfillment and delivery expectations mean making informed trade-offs about costs and service, on the fly.

Adding to the challenge? The majority of retailers are using legacy systems that simply aren't equipped to enable real-time, fact-based decision-making and otherwise support success in today's fast-paced, omni-channel world.





# But few are maximizing their returns on that investment.



While every retailer is selling across channels, few have invested in omni-channel with the future state in mind. They're trying to improve omni-channel results with tools and processes that were built as a quick response to growing customer demands for e-commerce and omni-channel retailing. As a result, they have siloed processes, siloed inventory, gaps in their visibility of inventory across the network, costly fulfillment practices and growing transportation costs, including frequent expediting.

Lacking real-time data, visibility and transparency, many retailers deliver expensive, sub-optimal customer experiences, make promises they can't keep, and fail to convert consumer interest to an actual sale. They often make uninformed service-cost tradeoffs that erode their profit margins.



But there is an answer. This eBook defines the path to improved margins, conversion rates and other omni-channel success factors: **Intelligent order decisioning.**





# What separates the omni-channel winners from the losers? **Decision quality.**

Consider the problem of the blue blouse. Retailers typically only show static inventory and delivery information on their product description pages. The inventory information may be accurate in the sense that there is one blue blouse available in size medium — which can be delivered to the consumer in two days. But most retailers' order management systems fail to consider where the blouse resides in the network, the shopper's location and exactly how much two-day delivery will cost.

While some retailers have the advanced technology to consider all these factors, not many can adjust their sourcing rules to make fulfillment and delivery decisions that are profitable and meet customers' experience expectations. Most retailers are flying blind, with often disastrous results. They make promises they can't keep, resulting in disappointed shoppers and lost loyalty. Or they make promises that don't make good business sense, resulting in expedited shipping costs and lost margins.

To truly compete, retailers need to make high-quality, profitable decisions in real time, across channels. They need to locate the single blue blouse and make an accurate consumer promise that balances their costs with the shopper's service expectations. In microseconds.





# Welcome to the world of intelligent order decisioning.

Blue Yonder's capabilities in intelligent order decisioning are democratizing the omni-channel commerce experience, placing high-quality, profitable decision-making within the reach of every retailer. Blue Yonder's suite of services, from inventory to order promising to returns — coupled with advanced AI and ML — provide retailers with the real-time data and visibility they need to optimize the omni-channel order management experience for both cost and service. Retailers can maximize revenues and inventory turns, protect margins, reduce cart abandonment, minimize order cancellations and increase loyalty with these solutions that are purpose-built to drive intelligent order decisioning.

From the first search, these solutions expose real-time, accurate inventory availability and enable retailers to reserve items for consumers as they move through the shopping process, ultimately to the shopping cart and checkout. The result? More conversions, fewer cancellations and improved fill rates. Behind the scenes, these robust solutions optimize product sourcing, improve item positioning in the network, and expose the right inventory to shoppers—leading to increased service levels and profit margins. Fulfillment and freight costs are automatically minimized via ML, as optimization engines consider item location, shopper location, node availability and capacity, and other factors to arrive at the best possible fulfillment plan. Blue Yonder is the only software provider that delivers both pre- and post-order optimization. Retailers can offer shoppers a completely transparent, satisfying purchasing journey, while also maximizing their own financial results on the back end.



# Discover the five compelling reasons why you need it.

The following pages summarize five key reasons you need Blue Yonder's intelligent order decisioning capabilities:



An enhanced shopping experience



Strategic inventory exposure



Optimized product sourcing



Seamless returns



Continuous service and cost improvements





# Five Reasons You Need Intelligent Order Decisioning

## 1. Give consumers what they're looking for: An enhanced shopping experience.

In a world where retailers need to co-exist with the likes of Amazon, a consistent, accurate shopping journey has become a necessity. Consumers want to see, at a glance, what products are actually available — and what their delivery options and costs are.

There's no surer way to frustrate shoppers than removing items from their cart because they're no longer available — or sending an order cancellation email after the fact. In today's hyper-competitive world, disappointed shoppers simply have too many other options, and they likely won't be coming back. They're looking for nothing less than accurate, consistent, trustworthy information on product availability. If a specific retailer can't provide that, they know competitors can.

In addition to revealing real-time availability, Blue Yonder raises the bar by also supporting “limited stock” urgency messaging, real-time product reservations, dynamic safety stock rules and inventory protection. Intelligent order decisioning from Blue Yonder creates a win-win situation in which shoppers can see real-time availability, while retailers can create meaningful incentives to buy.





## 2. Expose your inventory — to enable strategic, profitable decisions in microseconds.

Inventory represents a huge gamble for every retailer. Stock too much, and you end up with markdowns and reduced margins. Stock too little, and you've lost revenue opportunities and disappointed your shoppers. It's essential that the omni-channel selling platform maximizes inventory exposure — so you can see relevant data in microseconds and make optimal decisions that maximize both margins and efficiency.

Blue Yonder solutions provide a 360-degree, real-time view of inventory across every location in the network. Available-to-promise (ATP) inventory is made visible from the earliest stage of the browsing journey, and it's updated in real time as consumers continue to shop. To minimize frustration, inventory can be reserved once it's in a shopper's cart — and, again, urgency messaging encourages consumers to purchase quickly when quantities are low. While the benefits for retailers are obvious, strategic inventory exposure also increases shopper confidence and satisfaction.







### 3. Minimize costs and maximize shopper confidence via optimized fulfillment sourcing.

In the sprint to join the omni-channel marketplace, many retailers rushed into e-commerce without the right decision-support technology framework. Legacy systems may say a product is available when it's not. Or they may not know exactly where it is. And they're not capable of predicting shipping costs and making smart, profitable tradeoffs when they commit to delivery promises. As a result, retailers have lost a lot of money — and consumers — by making impossible promises, or unprofitable ones.

Intelligent order decisioning solutions from Blue Yonder are designed to optimize order fulfillment sourcing and help retailers make only profitable shopper commitments. Retailers can set rules based on desired margin, delivery cost and speed, safety stock levels, likelihood of markdowns, capacity utilization and other factors. They can simulate various sourcing and fulfillment scenarios and predict outcomes in advance, to arrive at the best path. Once rules are defined, optimization engines autonomously determine the right sourcing strategy, on the fly, in real time. Advanced machine learning means the results just get better and better.





## 4. Make your returns process work to your advantage.

Returns have always been part of retailing, but the modern omni-channel marketplace has driven a seismic shift in their significance and scale. Today nearly half of all online shoppers order multiple items with a plan to return some of them.<sup>1</sup>

While both retailers and consumers view the returns process as a necessary evil, smart retailers are creating a competitive advantage by offering a returns capability that's a seamless part of the shopping journey. Ease of the returns process matters to consumers — 97% of them say that effortless returns increase both their loyalty and repeat purchases.<sup>2</sup>

That means an intuitive, easy-to-manage process that's paperless, is fully tracked, optimizes the use of customer and product data, and is completely transparent — one that can reduce both waste and cost, while offering an easy customer experience. Blue Yonder can help with every aspect: returns initiation, rules and data management, returns processing, and drop-off kiosks. Blue Yonder supports an end-to-end returns experience that provides convenience and efficiency for both shoppers and retailers.





## 5. Drive continuous cost and service improvements

Blue Yonder's capabilities in intelligent order decisioning not only address today's pressing order management challenges. They also create a foundation for continuously better cost and service outcomes.

For probably the first time, retailers can analyze their omni-channel cost and service results, defining and tracking a series of key performance indicators (KPIs) that are specifically linked to omni-channel commerce. They can visualize data, generate reports and continuously improve critical metrics. With visibility across the extended ecosystem, they can obtain a 360-degree view of all their commerce activities. Employees can be automatically alerted about anomalies, and can use analytics and scenario-building tools to resolve any issues in mere minutes. The entire supply chain can stay on track to increase the number of perfect orders and drive consistent omni-channel results, even in an unpredictable market environment. Retailers can also steadily increase their utilization of inventory, labor, transportation and other assets.

Blue Yonder's deep learning models and advanced algorithms enable its solutions to self-learn and continuously improve in their analysis and decision-making. They can scale at an unconstrained rate and ingest huge volumes of real-time data as retailers' sales grow and their omni-channel model expands.





# Why wait? Start making more intelligent order decisions today.

The rise of omni-channel commerce has brought a flurry of fast-moving trends, developments and new business requirements. Blue Yonder recognizes that it's nearly impossible for retailers to keep up with these changes if they need to rely on traditional, monolithic software implementations that could take months to roll out.

That's why Blue Yonder has designed its intelligent order decisioning capabilities as cloud-native, composable, packaged microservices that can easily be added to a retailer's existing technology stack. There's no need to rip and replace the existing order management system; instead, Blue Yonder's commerce microservices can simply be layered on top. Pre-built connectors and easy integration points mean a rapid launch and a quick return on investment — along with lasting bottom- and top-line benefits.

With Blue Yonder, retailers can experience the best of both worlds: The most advanced artificial intelligence, machine learning and predictive analytics — launched quickly, cost-effectively and intuitively. [Learn more](#) about how you leverage Blue Yonder solutions to make more intelligent order decisions.





# BlueYonder

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