

## Order Management System Best Practices

1. **Look for Order Management Systems (OMS) that can help you address key improvement areas.** OMS generally refers to the entire cycle, from taking the initial order, collecting payment for delivery of the product, order exceptions, customer management, inventory management, and reverse logistics. Solutions may address some or all of this process. Reduce costs by reducing errors; improve cash flow by speeding up the entire process; and increase customer satisfaction by improving communication.
2. **Involve your entire organization when selecting and implementing.** Any department can sabotage the effort if they're not on board. Get the team together early and align their objectives.
3. **Identify and analyze the key bottlenecks in your order management process before implementation.** Spend time focusing on these high-impact areas. A successful implementation encourages automation and successful process reengineering. Make your compromises in other areas, if you must, but get these right.
4. **A single database is the key to an effective order management process.** If you're going to the trouble of changing your systems and processes, ensure that this results in a single database structure. Minimize the amount of redundancy in data set up. This can eliminate potential problems and improve efficiencies.
5. **Continually look for ways to improve and optimize your use of your OMS.** Following implementation, companies typically utilize only 25-35% of a system's functionality. Proper training is key to improving your adoption rates. Review performance with the OMS team and the selected provider 60-90 days after implementation to find other ways to improve performance.
6. **Quantify benchmarks early in the process.** "If you can't measure it, you can't manage it." Develop key performance indicators (KPIs) and create a corporate dashboard for effective reporting of each function or department. Understand what kinds of analytics are offered to you "out of the box" versus ones you need to write yourselves. Keeping visibility on these metrics will ensure they get attention.
7. **Manage the labor force.** Labor is probably the largest controllable expense item on your income statement. Successful implementation of an OMS should free up labor for other uses. If it doesn't do that, the ROI will not be there.
8. **Minimize the times orders are touched by your team.** The fewer touches of the order and the product itself (no matter how "inconsequential" the touch), the less the total cost of order processing and fulfillment. A good OMS manages exceptions and pushes those exceptions to the right person for proper handling. Errors and delays happen where there are too many touches. Minimize them.
9. **Think hard before you customize software and make sure it's worth the effort.** Customization, while an attractive option, introduces new costs and uncertainties to a project. While changing a department's ways is also risky, that can often be more easily and visibly managed than customization. Think about how to change your processes before you look to customizations.
10. **Customer management is as much a part of order management as any back-office logistics component.** Customer follow-ups, including order changes, tracking inquiries, cancellations and returns are costly, and even more so if the CSR is looking into multiple systems with inconsistent data.

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