The Brains Behind Omnichannel Retailing

Uncovering the real omnichannel challenges and keys to success.

July 18, 2013
2:00 EST / 11:00 PST
Today’s Speakers

Bernardine Wu
Founder and CEO, FitForCommerce
• Strategic and operational executive
• Frequent speaker and author
• Board of Directors, Shop.org

John Kinsella
SVP Consulting, FitForCommerce
• Strategy lead for FFC
• Executive retail experience

Larry Promisel
SVP Digital Commerce, Vince Camuto
• Responsible for ecommerce & omnichannel strategies/operations
• Over 17 years experience with Barneys, Bluefly, Coach

Vince Fabrizzi
CSMO, Jagged Peak
• Co-founder & Principal
• Responsible for Sales, Marketing & Corporate Strategy
What We’ll Cover

Introduction (5 min)
Bernardine Wu, CEO, FitForCommerce

Uncovering the Real Challenges of Omnichannel Operations (10 min)
John Kinsella, SVP, FitForCommerce

Building the Omnichannel Foundation: Vince Camuto (15 min)
Larry Promisel, SVP Digital Commerce, Vince Camuto
Vince Fabrizzi, CMP/Sales, Jagged Peak

OMS: The Brains Behind the Scene (10 min)
John Kinsella, SVP, FitForCommerce

Q&A (10 min)
About FitForCommerce

• **FitForCommerce** is a consultancy founded to help online businesses ‘figure out what they need and how/where to find it’
  – Team of former multichannel retailers, marketers, technologists and service providers, with hands-on expertise in ecommerce and mcommerce

• **eCommerce Diligence™** is a philosophy and methodology based on diligent preparation and decision-making to ensure success

• **Recruiting** for strategic and senior talent that aligns with e-strategy

• **eCommerceKnowHow.com** is the first ecommerce knowledge base:
  – Best practices, feature evaluations, expert advice and info on 100s of features, functions and topics
  – 100s of provider and solution comparative info

• **FFC Benchmarking** are structured detailed benchmark studies
  – Ecommerce, mcommerce and cross-channel capabilities and processes across competitive sets – helping clients know where they stack up and prioritize investments
Some of Our Many Clients
It’s a Brave New Retail World

From Single Channel

To Omnichannel

- Mobile
- Offline commerce
- Ecommerce
- Marketplace
- Print catalog
- Call center
- Social commerce
- Clienteling
- Kiosks
- Loyalty
- Coupons & promotions
Let’s Do a Quick Poll

Is your organization’s current technology foundation equipped to support your omnichannel strategy?

*We’ll share the results at the end of the presentation.*
FitForCommerce Omnichannel Operations Survey

Uncovering the real challenges of omnichannel retailing from the **retailer’s perspective.**

Quantitative Survey
(70 respondents)

Qualitative Interviews
What areas of omnichannel retailing are you most focused on?

- Consistent branding and messaging
- 360 view of customer data
- Distributed order management
- Inventory visibility and manageability
- Crosschannel marketing
- Promotional consistency
- Use of business rules to create consistency
- Reverse logistics
A Holistic Approach to Consistency

Consistent branding and messaging

“Customers don’t think about retail in terms of channels – as long as they get what they want, the experience is seamless and service meets their expectations.”

Milton Pappas, President of ecommerce, The Jones Group

True consistency goes beyond branding and messaging

The brand creates a “promise” to the customer – the backend must deliver on this promise
What areas of omnichannel retailing concern you the most?

1. Managing front-end and consumer-facing platforms
2. Managing back-end tools
3. Establishing, measuring and reporting the correct KPIs
4. Coordinating customer data
5. Managing inventory across locations
6. Disruption of existing systems and/or business operations
7. Leveraging investment in existing systems
It’s Not Just About the Frontend

The frontend controls the shopping UX and customer expectations

The “moment of truth” customer receipt experience is driven by the backend

A solid backend foundation will impact all areas
What are the top challenges of planning for and managing omnichannel retailing?

- Implementation & integration of technology systems
- Delivering consistent customer experience across all channels
- Breaking down channel silos and handling channel conflict
- Operational challenges - e.g. associate fulfilling an order from website

[Survey Results]

**Least challenging**

**Most challenging**
Don’t force a square peg into a round hole

Top challenges of planning for and managing omnichannel retailing

- **Centralized backend system for complete visibility and shared data across channels**
- **Fully integrated system that can support all channels can help break down barriers and operational silos**

- Delivering consistent customer experience across all channels
- Implementation & integration of technology systems
- Breaking down channel silos and handling channel conflict
- Operational challenges - e.g. associate fulfilling an order from website

Survey Results
Building a solid foundation to support omnichannel strategy and operations
About Vince Camuto

Superior quality, unsurpassed value and consistency of branding

- American lifestyle brand distributed globally
- 20 categories including footwear, rtw, handbags, accessories, fragrance, and men’s
- Vince Camuto Brand & Licensing
- Retail, wholesale, eCommerce
The VC Brand Footprint
Are We Omnichannel-Ready?

Service as a Vince Camuto Customer, not a Channel Customer

Other Priorities
- Mindsets and Money
- Top-Down Support
- Cross-Channel Cooperation
- Organizational Change
- Revenue Recognition
- Operational Execution
- Right Technology
A Phased Approach

- Build solid foundation
  - Roadmap and prepare the organization
  - Build technical foundation (Internal before External)

- Phase deployment
  - Phased deployment vs. big bang
  - Deploy and test

- Expand footprint
  - Utilize technical foundation to deliver customer experience
  - Execute to achieve goals
Building a Solid Foundation

**Organization**
- Assign leadership & responsibilities
- Ensure cross-channel synergy
- Provide training & incentives

**Operations**
- Break down channel barriers
- Instill new processes
- Use data and adjust tactics

**Technology**
- Deploy backend to support operations
- Ensure complete integration of all systems

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CELEBRATE THE BIGGEST SHOPPING FESTIVAL IN TOWN WITH VINCE CAMUTO

ENJOY UP TO 50% OFF SELECTED STYLES!

Offer valid exclusively at Vince Camuto Dubai store locations from 06/20/13 - 08/15/13
Implementation Approach

- Website & Mobile
- OMS/ECP Integration
- PIM Integration
- WMS Integration
- POS Integration
- International Fulfillment
- BUY ANYWHERE
- FULFILL ANYWHERE
- RETURN ANYWHERE
About Jagged Peak

- Enterprise Solution Provider
- Best-in-Class OMS Platform
- Gartner Magic Quadrant
- Advanced Logistics Network
- In-house Implementation Svcs.
- TotalCommerce Solution
- Est. 2000, Tampa, FL, Public
- Blue-Chip Client Roster
The Ideal Omnichannel Platform

• Real-Time Enterprise Visibility (Orders, Inventory, Customers, Logistics)
• Order Aggregation (Sources and Formats)
• Order Life Cycle Management (Perfect Order)
• Rules-Based Order Sourcing (DC, Store, Drop-Ship)
• Multi-Point Inventory Management (Real-Time ATP)
• CRM/360° Customer View
• Store Order Settlement/Fulfillment
• Returns/Reverse Logistics
The Hub that Connects Channels

Retailer OMNI Channel Sales

- ECP
- EDGE UI
- Internet
- Data

Fulfillment
- POS Integration
- EDGE Back Office
- WMS Integration
- EDGECRM
- EDGECVP
- EDGECM

API (Business Rules)
- EDGE - B2B/B2C
- Mobile
- Call Center
- Retailers(EDI)
- Marketplaces
- Email

Source
- ERP
- BI
- Financial
- CRM
- PIM
- Other

Stores
- Client DCs
- 3PL
- Dropshippers
- EDGECM
- FlexNet
**OMNI Channel Scenario**: CSR Order Capture / Split Shipment / Pickup at Store / Store Fulfillment

<table>
<thead>
<tr>
<th>Line Item #1 Delivery</th>
<th>Line Item #2 Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Store Pick-Up</td>
<td>Ship to Home</td>
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**Store is Fulfillment Provider**

**Order Source is Customer Service**

**Inventory On-Hand at Store**
About EDGE

- Mature, Highly Scalable Platform (Battle Tested 13+ Years)
- Comprehensive ECP · OMS
- Web-Based, Modular Constructed, J2EE
- SaaS and Licensed Delivery/Single- or Multi-Tenant
- Real-Time, Multi-Channel Solution
- Extensive Native Integration Tools
- Customizable
Delivering on the Omnichannel Promise

Key requirements for omnichannel success
Are we there yet?

Do your existing technology systems support your omnichannel strategy?

69% do not think their current systems are equipped to handle omnichannel requirements.
What are the key capabilities needed for omnichannel retailing?

- Order capture and processing
- Cross-channel order routing
- Centralized inventory visibility
- 360 view of customers & orders
- Customer service tools
- Order online/pick up in store
- Integration with all channel platforms
- Pricing and promotions tools
- Advanced marketing tools
What capabilities does your organization currently have?

- **Order capture and processing**: 96%
- **Cross-channel order routing**: 46%
- **Centralized inventory visibility**: 29%
- **360 view of customers & orders**: 28%
- **Customer service tools**: 54%
- **Order online/pick up in store**: 18%
- **Integration with all channel platforms**: 39%
- **Pricing and promotions tools**: 49%
- **Advanced marketing tools**: 22%
The most important platforms in omnichannel retailing

Survey Results

Very Important
Important
Somewhat Important
Not Important

ECP  ERP  OMS  CRM  PIM  POS
Investment Priorities

Planned investment priorities next 12 months

- ECP & mobile
- OMS
- CRM
- ERP
- POS
- Integration of existing systems
- Marketing tools
- PIM
- BI/Analytics
- Other
### Investment Priorities

**Planned investment priorities next 12 months**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<td>ECP &amp; mobile</td>
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It doesn’t matter how glossy the frontend is – if there is a crack in the foundation, the customer experience will not live up to customer demands.
Pre-requisites for Omnichannel Success

- Consistent and seamless experience
- Advanced fulfillment options
- 360° customer data insight across all channels
- Inventory visibility across all channels
The role of the order management system

- We have a centralized order management system: 23.53%
- We deploy an order management system for the online channel only: 19.61%
- Our ERP handles all order management functions: 21.57%
- Our ecommerce platform includes order management capabilities: 21.57%
- Other: 13.73%

Survey Results
The Brains Behind the Operations

OMS
- Product info/Pricing
- Real-time Inventory check
- Order processing
- Payment processing
- Order routing
- Customer database
- Returns
- Call center tools

Order Capture
- Product info/Pricing
- Pricing/promotions
- Inventory status
- Product availability

Customer data
- Order routing
- Order tracking

Warehouse
3PL
Dropship/Vendors
Retail stores
Things to look for in an omnichannel-ready OMS

- Technology agnostic
- Scalability
- Security
- Crosschannel order capture
- Order creation
- Order routing
- 360° customer data
- Store order settlement & fulfillment
- Vendor/dropship support
- Multi-point inventory management
- Business intelligence data
Disrupting the Organizational Design

- Break down barriers
- Create knowledgeable staff
- New processes and use of supporting technology
- Avoid channel conflict
Key Takeaways

• It’s not just about the frontend
• A consistent brand promise is delivered by the frontend, but fulfilled by the backend
• Forcing legacy technologies to support new channels will not pay off
• Breaking down operational and organizational barriers is necessary
• Build a solid backend foundation
• Build for today, but make sure system can scale and grow as new channels are added
• Omnichannel-ready order management system is a cost-effective way to build solid foundation
• Not all OMS solutions are omnichannel-ready - thoroughly evaluate functionality before selection a solution
Q&A

Download complementary whitepaper


Thank you!