IBM Watson
Order Optimiser

Leverage cognitive intelligence to minimise total cost-to-serve

Watson Customer Engagement

IBM

Benefits

– Continuously improve cost to serve
– Optimise inventory capacity
– Execute sourcing decisions in real-time to minimise shipping costs
– Increase confidence in fulfillment planning decisions
– Accelerate sell-through and minimise markdowns
– Gain actionable insight into Omnichannel fulfillment performance.

As online sales grow and take a larger bite out of in-store revenue many retailer's very survival depends on their ability to adapt quickly and give customers the Omnichannel fulfillment flexibility that they expect.

59 percent of consumers choose a retailer based on Omnichannel capabilities

Retailers have scrambled to deliver on these shifting expectations but are finding that the cost and complexity of offering the fulfillment flexibility that consumers expect is eating away at already thin margins.

Retailers have seen:
- A 300 percent increase in the cost-to-serve the Omnichannel customer
- 18 percent of every dollar spent goes toward order fulfillment.

Omnichannel fulfillment doesn't have to negatively impact the bottom line

Successful retailers have leveraged Omnichannel as a way to increase traffic into stores through offers of buy online and pick up in store, or the ability to return online orders to the store. And they have found that once a consumer is in the store, the value of their order increases.

- 79 percent of consumers will pick-up their online purchases in-store[1]
- 71 percent of consumers will buy additional products while picking up orders in-store.[2]

Omnichannel choices that customers are demanding have dramatically increased the complexity to fulfill orders. The ability to cost-effectively promise and deliver an order must now take into account way more data points in order to be successful. More cognitive methods must now be used to profitably meet the ever-changing demands of the consumer.

A new vision for Omnichannel fulfillment

IBM®'s Watson Order Optimiser provides Fulfillment Operations teams with capabilities to optimise against competing business objectives such as how and where customers want orders shipped, time-to-delivery and cost.

With Order Optimiser, fulfillment executives can leverage advanced analytics to help them make real-time optimisation choices that maximise capacity, while reducing shipping costs. These more informed sourcing decisions can dramatically increase profits, especially during peak periods.

Order Optimiser helps retailers to understand and act upon changes in the market as they occur to perfectly balance between protecting margins, utilising store capacity, and meeting customer delivery expectations.

Benefits
- Easily execute optimised fulfillment plans at the lowest cost-to-serve
- Prove out fulfillment scenarios prior to go-live to ensure improved performance
- Scale existing fulfillment capacity to accommodate increased customer demand
- Leverage real-time sourcing flexibility to make better use of 'at risk' and returned inventory
- Gain a better understanding of the impact of Omnichannel decisions across eCommerce, Merchandising, Logistics, Store Operations and Supply Chain.
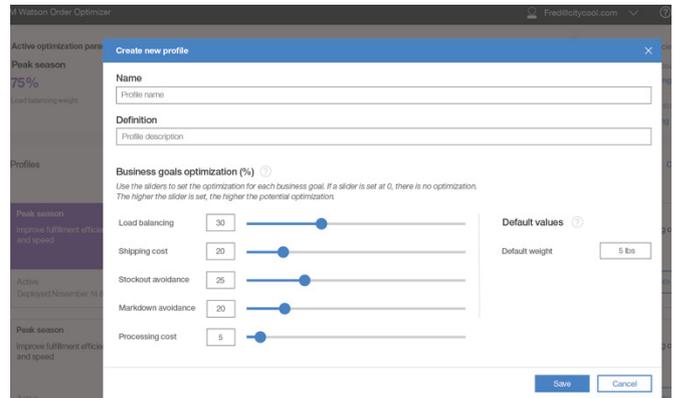
Store product page

Enhances your order management solution

Order Optimiser is designed to integrate with any order management solution, making it easy to apply advanced analytics and real-time optimisation to your existing capabilities.

A proven order management platform that provides intelligent fulfillment capabilities along with real-time order promising and inventory visibility, is the enabler for Omni-channel Commerce. However, to improve profitability, Fulfillment Practitioners need a cognitive solution that can easily utilise multiple data points to execute optimised fulfillment plans at the lowest cost to serve.

Gain greater clarity on business results

- Understand and evaluate factors impacting fulfillment performance down to the individual SKU and node level
- Identify and continuously monitor patterns and trends across both normal and peak business periods
- Adjust proactively through actionable insights when performance differs from expected results
- Utilise inventory at its most profitable price point
- Prioritise slow moving or obsolete store inventory to support e-Commerce demand
- Improve inventory sell-through.

Real-time order sourcing & optimisation

- Execute new sourcing decisions in real-time to minimise shipping costs
- Balance across different business priorities based on time of year (peak, non-peak) while reducing cost-to-serve
- Leverage cognitive capabilities to continuously learn and improve outcomes for Omni-channel fulfillment.

Multi-objective Optimisation

- Optimise transportation costs and SLA at time of selecting sourcing node
- Intelligent weight allocation
- Intelligent upgrade and downgrade to optimise customer satisfaction and lower cost
- Automatic order splitting to reduce costs
- Ability to optimise delivery dates
- Includes order processing labour rates as part of the calculation to present a full cost picture.
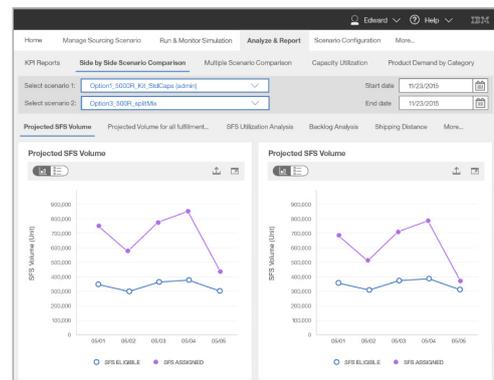
Coming Soon - Simulate fulfillment strategies

- Compare simulations of fulfillment planning scenarios to ensure alignment with business priorities
- Predict fulfillment cost factors across all dimensions of Omni-channel operations.
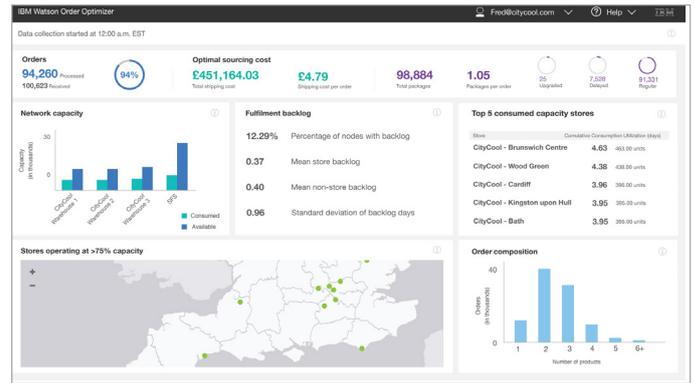
IBM Watson Order Optimiser dashboard
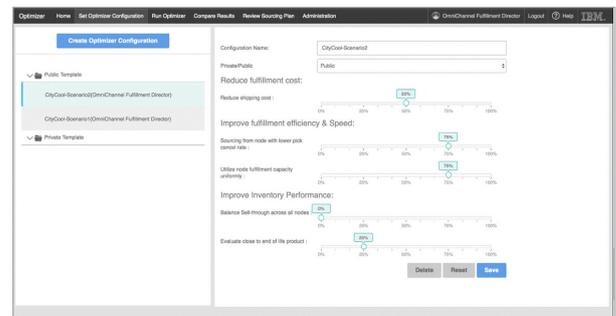
Set optimiser configuration

What-if Simulation

Why IBM?

Traditional simulation and supply chain optimisation solutions do not address last mile fulfillment sourcing decisions and can not optimise cost-to-serve against multiple business objectives. To achieve profitable Omni-channel results retailers need capabilities that can intelligently balance fulfillment costs against service to enhance their order management systems.

IBM Watson Order Optimiser is a last mile intelligent fulfillment solution that leverages advanced analytics and cognitive capabilities to give line of business users who are responsible for eCommerce, Merchandising, Store Operations, and Supply Chain new capabilities to execute optimised fulfillment plans at the lowest cost-to-serve.

For more information

To learn more about IBM's last mile fulfillment capabilities, please contact +44 2392 282340, quoting Commerce or visit ibm.biz/order-management.

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