IBM Order Management drop ship capabilities

Expand product assortment without increasing inventory costs

Overview

In this solution overview, you will learn:

- How to gain visibility into available inventory and order status information

- How to effectively manage exceptions with proactive alerts

- How to integrate business processes with all your trading partners

Benefits

- Increases revenue by expanding product assortment without increasing inventory costs

- Reduces operational costs and shortens order fulfillment lead time by automating the order processes

- Improves customer satisfaction with visibility into supplier fulfillment and real-time tracking of shipments.

Executive summary

Drop shipping is a best practice many companies have adopted. As companies seek ways to expand product assortment without adding inventory costs, they are looking for ways for manufacturers and distributors to drop ship directly to their end customers, in support of initiatives like endless aisle. Manufacturers can also benefit from drop ship as it helps them to shorten order lead times by having the merchandise shipped directly from contract manufacturing companies. However, along with these benefits comes the responsibility of being the single face of customer service. Customers expect the seller to get the orders to them on-time and complete. They do not care that they are coming from another supplier. Managing a drop ship program can be a challenge when companies attempt to integrate their business processes with those of their trading partners and gain visibility into available inventory and order status.

IBM® Order Management helps enable a drop ship order hub that allows you to effectively implement and manage order fulfillment directly from your trading partners, orchestrate and automate the order collaboration process and monitor the execution of the fulfillment throughout the order-to-cash process.

Visibility in real-time

Lack of visibility into your supply chain can create a performance gap, whether it be visibility into order status or inventory availability information needed to be able to provide an accurate promise date. This results in poor customer service or high inventory levels. IBM Order Management drop ship capabilities help enable you to gain real-time visibility into trading partner inventory availability for accurate promise dates and on time delivery of the order. It also provides complete visibility into any part of your order lifecycle from point-of-sale through delivery, so you can provide timely updates regarding order status to your customers or determine alternative fulfillment options before there is a disruption, thereby increasing customer satisfaction levels.

End-to-end order collaboration

Many organizations rely on inefficient manual processes to collaborate between trading partners and complete transactions. Handling orders manually increases the order processing time, creates errors, and results in high per-order fulfillment costs. Enhanced integration and efficient execution of order processes delivers significant reductions in costs and time.

IBM Order Management de-composes each line of an order for fulfillment and identifies the applicable fulfillment process for each of the order lines. For order lines that will be drop-shipped, the solution will automate the order collaboration process across all your trading partners, thereby streamlining every phase of your order process, including fulfillment, customer service, payment, and returns.

Effective execution with exception management

IBM Order Management drop ship capabilities offer advanced exception management capabilities and the performance reporting necessary to eliminate fulfillment errors. You can enforce specific business rules and establish automated alerts so that you can proactively monitor the performance of your trading partner community. And when an order problem arises, the event notification and exception process within IBM Order Management can immediately alert your customer service representatives so that they can respond properly and take appropriate action to maintain customer commitments.

Sourcing at its best

As your trading partner network grows, you need an order management solution with a capable sourcing engine that will allow you to manage fulfillment outside the four walls as well as orchestrate the fulfillment of each order line independently.

By leveraging IBM Order Management's intelligent order sourcing engine, you can determine the most efficient and cost effective location to fulfill an order, while still meeting the customer's delivery date on the order. The fulfillment options can be based on configurable rules that you establish, such as customer type, geographic region of the ship-to location or ship-to node, and item classification. To further manage your trading partner network, IBM provides participant modeling. This allows you to define business entities and their relationship to your organization along with business rules, entitlements, and fulfillment processes specific to each entity.

Connect rapidly with trading partners

EDI communications are key for improving efficiencies and facilitating supply chain integration. You need a sound platform of collaborative practices in order to streamline the systems by which you interact with trading partners – big and small – in your extended network.

IBM® B2B Collaboration Network provides a single, comprehensive integration platform that supports any data type, any format, or any communication protocol, assuring delivery while moving, securing, and managing all critical data. It enables you to connect rapidly with all your trading partners through direct connectivity. Direct connectivity means you can exchange data with several trading partners directly, regardless of the protocols (e.g. FTP, secure FTP, AS2).

The IBM B2B Collaboration Network hub provides the ability to outsource some or all of your trading partner onboarding services, ongoing connectivity, and community management, enabling you to better monitor and manage your business. IBM also provides a supplier portal offering that enables companies that do not communicate via EDI to provide a web portal for communication with supply chain partners.

Empower your trading partner network

Implementation and management of a drop ship program directly impacts your bottom line and the customer experience. It is important when making decisions to stay focused on the primary objectives: effective management of the trading partner network and providing high-quality service to your customers.

IBM Order Management drop ship capabilities help you reduce the overall cost of managing your network of drop ship vendors, provides complete order visibility, and orchestrates a previously difficult to manage order-to-cash process with trading partners.

Realize the benefits of a drop ship hub now

Increase revenue and improve customer satisfaction without increasing operating costs by enhancing collaboration with trading partners and automating the drop ship order process. IBM Order Management drop ship capabilities:

- Enables inventory visibility and ordering of drop ship items across channels
- Optimizes sourcing via a rules-based engine
- Executes and manages the drop ship order fulfillment process
- Provides process visibility, monitoring and exception management

IBM Order Management Drop Ship

Collaborative order management	Aggregates inventory information, sources drop ship orders, and sends purchase orders to trading partners for fulfillment.
Order sourcing configurability	Selects fulfillment options based on configurable rules and criteria (customer type, geographic region of the ship-to location or ship-to node, item classification, etc).
Real-time order status	Provides visibility of order shipment status in real-time starting from placement to delivery.
Available-to-promise inventory visibility	Offers an accurate view of available-to-promise inventory including on-order, on-hand, and in-transit inventory across all trading partners.
Direct connectivity	Enables trading partners that are compliant with EDI or XML to receive and send transactions directly from the seller through a single, secure connection.
Non-EDI access	When a portion of the supplier base does not have the technical capability to receive electronic orders and create the appropriate parcel labels and packing slips, IBM Supplier Portal can be added to enable non-EDI suppliers to bridge that technological gap.
Exception management	Proactively monitors the trading partner community for problem orders to take appropriate action and maintain customer commitments.
Performance reporting	Provides complete visibility into the performance of the trading partner community with community-based reporting capabilities.
Brand continuity	Enables trading partners to comply with seller-branded labels and ship through preferred parcel carriers.

Did you know

IBM B2B and Commerce solutions provide secure integration, process automation, and cross-channel management to more than 30,000 customers.

- Our secure connectivity, integration, and process automation solutions are used by leading companies in the retail supply chain including more than: 1,200 retailers (including all 25 of the top 25 retailers), 2,800 distributors, 11,000 suppliers, and 9,000 carriers
- Our hosted integration solutions connect more than 360,000 entities and securely connect the the customer bases of more than 120 additional networks
- The most innovative retailers in the world use our cross-channel selling and fulfillment applications to redefine the customer experience, create unique competitive advantages, and drive operational efficiency
- Only IBM offers end-to-end, cross-channel selling and fulfillment applications; secure connectivity, integration, and process automation solutions; and the power of community to instantly access a global network of tens of thousands of integrated, automated companies