PERSPECTIVE

The New Order in Order Management

- Shashi Bhojwani, Mothi Raj

Abstract

As in life, the old adage "change is the only constant" is true for supply chain too. Today, supply chain is experiencing rapid changes. Consequently, the whole supply chain ecosystem is in a dynamic state, with developments in technology and customers' usage of technology bringing a sea change in the way business is done. This has led to a paradigm shift in the way businesses are carried out, emphasizing the need for service providers to innovate and re-skill to keep abreast with change. Automation and process re-engineering have emerged as the key levers in driving convenience to customers in delivering products / services at their doorsteps – with real-time visibility, accuracy and real-time status through each stage of the supply chain.

Clearly, with changes in supply chain processes, the order management process has also undergone significant changes. Technological changes such as web enablement, the rise of the social media, and accessibility through mobile devices are the underlying factors causing changes in the way customers are placing orders.

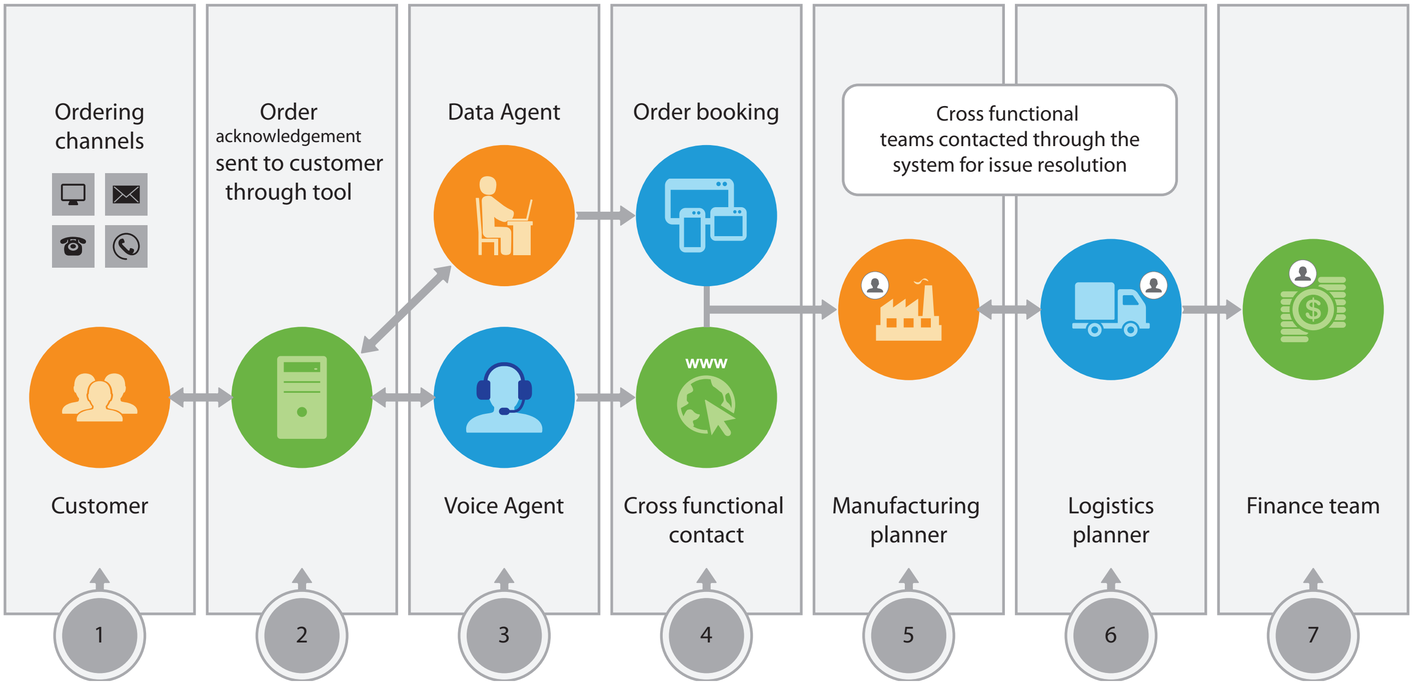
Introduction

In this paper, we examine the impact of changes in supply chain on order management in today's environment and evangelize how the future order management process will be carried out – the new order in order management. These changes are dynamic, both service providers and supply chain organizations have to take necessary measures to address all potential impacts to their business.

We have outlined traditional order management processes, some of the key challenges that most service providers and organizations are facing today, and an approach that would help address these challenges. Technology plays a vital role in current environment in empowering customers by providing access to information anytime. In addition, the expectations from the service providers in helping supply chain organizations to meet customer needs are also increasing. We examine the steps that service providers must take to address customer needs in this rapidly changing environment.

Traditional order management process from a business process perspective

Fig.1 explains the traditional order management process with multiple hand-offs and numerous stakeholders involved in addressing the order entry and other related activities for managing the order. The entire process was time taking and impacted the overall turnaround time making it significantly high for fulfillment of orders. Customers had less visibility on their orders and had to depend on the customer service helpdesk (via email or phone) to get status updates. These processes were also siloed and showed lack of integration between underlying systems.



Ordering channels
Order acknowledgement sent to customer through tool
Data Agent
Order booking
Cross functional teams contacted through the system for issue resolution
www
Customer
Voice Agent
Cross functional contact
Manufacturing planner
Logistics planner
Finance team
1
2
3
4
5
6
7

The three key characteristics of the traditional process were:

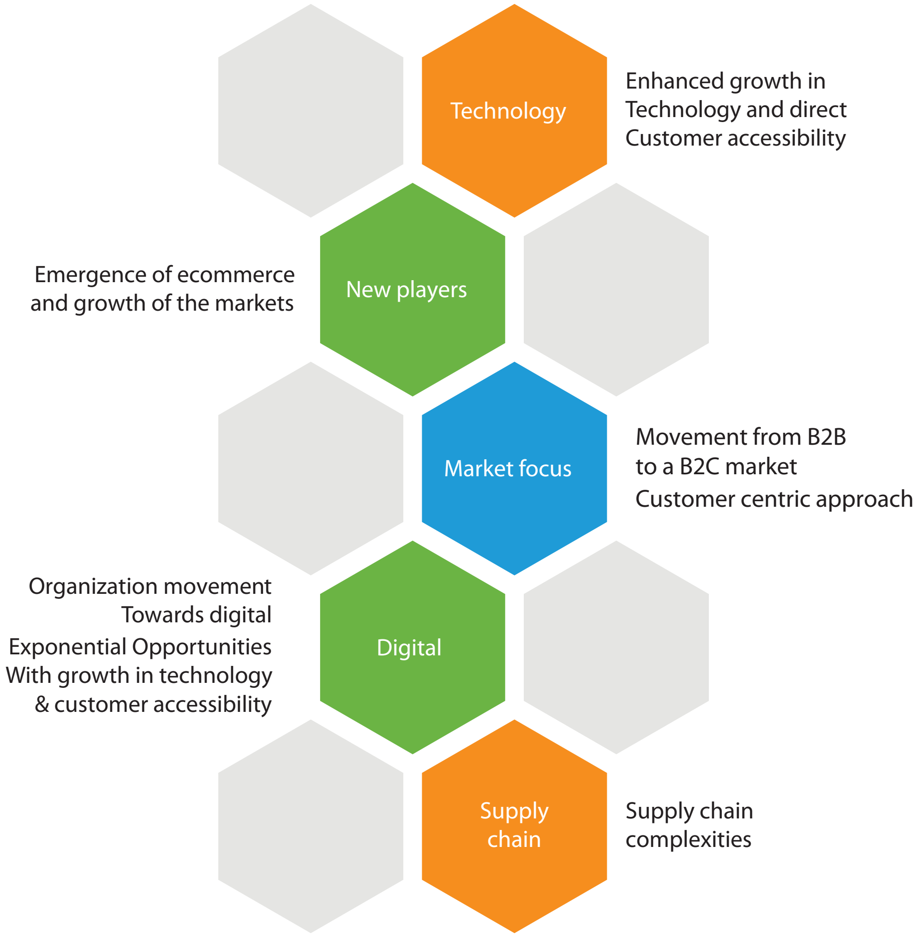
1. Separate voice and data team to handle customer issues
2. Individual teams to handle customer queries for each activities
3. Limited tool integrations

The way traditional order management process was done gave rise to five major challenges:

- Multiple handoffs: Multiple teams involved and therefore disposed to duplication
- Legacy systems: Systems did not interact with each other
- Lack of visibility into downstream activities: Limited visibility on orders and dependence on customer service, manufacturing , and logistics teams for order status
- Higher cost of operations: Multiple processes and resources involved to perform the activities, adding to cost
- Higher dependencies on cross functional partners: Multiple partners involved in the delivery with limited system integration

These challenges were mainly addressed through outsourcing, the primary objective of which was cost arbitrage. Service providers were able to deliver value and rise up to the challenges posed through time tested methods such as process centralization, standardization, tool integration, and process re-engineering.

The paradigm shift: The marketplace of tomorrow


Technology
Enhanced growth in Technology and direct Customer accessibility
Emergence of ecommerce and growth of the markets
New players
Market focus
Movement from B2B to a B2C market Customer centric approach
Organization movement Towards digital Exponential Opportunities With growth in technology & customer accessibility
Digital
Supply chain
Supply chain complexities

Enhanced growth in technology leading to direct customer accessibility

Technology has been evolving dramatically over the last few decades, from an era of no internet to anything you can imagine on the net. Internet has grown 30% (Internetworldstats.com June 30 2014 statistics) over the last decade. This is driving better access to technology for customers - "on the go" services are growing with customers expecting real-time data and information on their products / services. Organizations have moved from legacy systems to centralized ERP / CRM systems to cloud enabled systems that are dynamic and provide information to relevant stakeholders real-time, facilitating the process. Services provided to customers have scaled up from traditional email / phone channels to chat and virtual assistance with the ability of real-time information tracking. Automation and robotics are also helping deliver customized services to the customer round-the-clock.

Emergence of ecommerce / marketplace services:

Technology advancements are driving a shift in business models, giving rise to new services, and facilitating ease in the fulfillment process. Customers today are in a position to utilize the growing e-commerce markets and use the digital medium to buy products / services. These new markets have effectively brought organizations closer to their customers and are enabling a quick fulfillment process. The "door" is wide open for customers, enabling them to compare products / services to buy at the best price.

Movement from B2B to B2C:

The growth in technology and customers accessibility has forced organizations to change their market strategies and re-look at strategies to move closer to their customers. Organizations are looking at ways to shift from the B2B market to B2C markets and engage with the customers more often. Though organizations would practically not be able to shift markets completely given the nature of business, proactive efforts are underway to get closer to end customers to enhance customer experience.

Going digital:

Customer needs are changing based on what they are able to do and how they are able to communicate and do business. It is important for organizations to continuously innovate to provide customer delight, and engage with them relentlessly. To create brand loyalty, organizations need to focus on the digital medium to get closer to their customers and engage them consistently. Today's markets are driven by customers; digital existence is the need of the hour for them to be in business.

Five key demands of the current landscape

Technology
Visibility
Data Intelligence
Personalization

Technology

1. Seamless process with minimum intervention, ability to resolve issues for the customer, effective returns and payment process.
2. Enhance technology augmentation to improve efficiency in the process and lesser manual interventions.

Visibility

1. Visibility to upstream activities and ability to track information on a real-time basis "on the go".
2. Investments in technology to enable real-time status tracking and "on the go" information system.

Data Intelligence

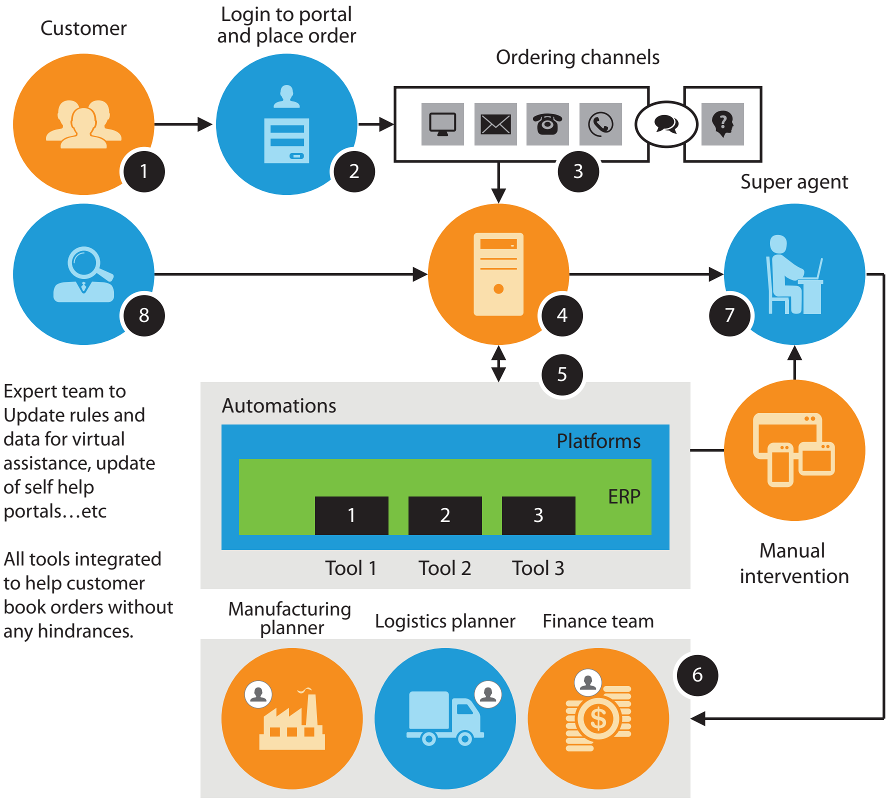
1. Data collation with the ability to predict customers demand.
2. Data forecasting to plan and execute order management processes with shorter delivery times.

Personalization

1. Dedicated team to manage customers, to be able to resolve customer queries efficiently, understanding the end-to-end process and client ordering history for proactive approach on customer issues.

Getting future-ready: Order management of tomorrow

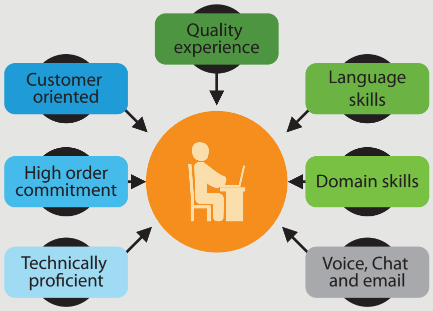
Though the future looks challenging, it also provides opportunities for both organizations and their service providers. While there is an ocean of opportunities, leveraging them would need additional competence in resources, therefor up skilling of the resources becomes imperative. Advancements in technology have empowered customers and have raised their bar of expectation.


Customer
1
Login to portal and place order
2
Ordering channels
3
Super agent
4
5
6
7
8
Automations
Platforms
ERP
1
2
3
Tool 1
Tool 2
Tool 3
Manual intervention
Manufacturing planner
Logistics planner
Finance team

Expert team to Update rules and data for virtual assistance, update of self help portals…etc

All tools integrated to help customer book orders without any hindrances.

Super agent skill sets


Quality experience
Customer oriented
Language skills
High order commitment
Domain skills
Technically proficient
Voice, Chat and email

Work effectively to deliver smooth customer experience

- Across adjacent process systems to manage end to end value stream work
- Focus on customers to manage all end to end queries

Characteristics of order management of tomorrow:

- Additional channels to place orders and resolve order issues
- Single agent handling end-to-end activities for customer
- Automations to enhance process and integration with all tools for quick order resolution
- Transformation and expert team to enhance technology
- High skilled super agents to handle complex customer queries

One-touch order processing:

Seamless order processing with a single touch from the customers. No intervention to process customer orders and technology to facilitate one-touch processes.

Data excellence:

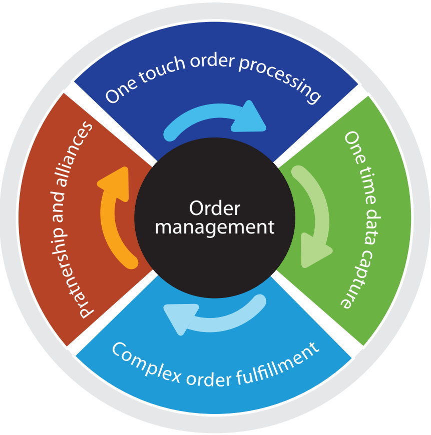
The ability to capture customer data one time and leverage technology to data excellence. Invest in technology, skilled resources to handle big data and maintain high data standards.

Complex order fulfillment:

Emergence of e-commerce market and multiple players involved in the delivery of the products to end customers have made delivery processes complex. Logistics companies have revived due to complex process and expectation from customers for quick turnaround times.

Partnership and alliances:

Last mile delivery and outsourcing of outbound logistics have paved way for partnerships. Organizations today are in persistent need of niche technology partners and third-party players to ensure outstanding customer experiences.


One touch order processing
One time data capture
Complex order fulfillment
Partnership and alliances
Order management

Conclusion

Technology advancements and revolutions are driving a sea change in the way order management business is carried out. In the yesteryears, processes were siloed with limited communication ability that led to inefficiency at multiple touch points. Any errors or omissions in the order would require a series of communications that led to considerable delay in processing the orders.

Today's customers are smarter and technologically savvy. Service providers will be successful only if they are able to leverage technology and deliver on customer expectations through a combination of super agents and technology. Super agents will need to fulfil requirement not only in the core order management space but also in adjacent areas. Additionally, they would need skills to enable them to leverage new ways of communication through chat and social media in real-time, with an underlying backbone of smart systems to deliver all the necessary information to the customers. This change would enable organizations to achieve better customer service at a lower cost, through quicker and error-free execution of orders.

About the Authors

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Shashi Bhojwani has 22 years of experience and heads the Centre of Excellence (COE) for the Sales & Fulfillment Practice and is responsible for thought leadership at Infosys BPO. He has rich experience in the area of Sales & Fulfillment, having worked in this space in the core manufacturing, IT and BPO industries. In his current role Shashi drives the development of new service like, envisioning and evangelizing future requirements of the practice, as well as talent development for the practice. He holds a B.E.(Mech) and a Masters in Business Administration.

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Mothi Raj has over 12 years of experience spanning customer service, operations management, training, center of excellence and solution design. In his current role as a solution design consultant, he is responsible for designing and customizing sales & fulfillment solutions. He holds a bachelor's degree in business management and a post graduate diploma in business administration.

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