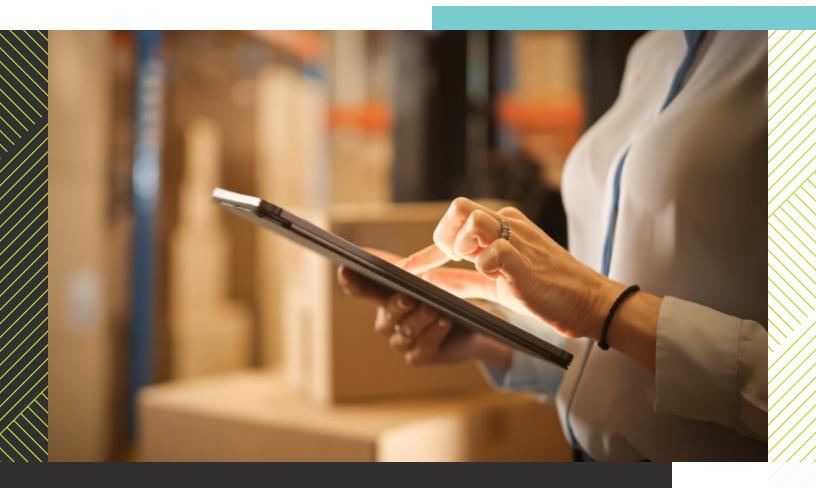
aptôs.



CHAPTER 4:

Elevating your operations with an omnichannel approach

Elevating your operations with an omnichannel approach

The retail market waits for nobody. When a new channel clicks with customers, retailers must add it to their omnichannel ecosystem as fast as possible, regardless of how it will integrate or interfere with their current operations. Every channel adds another layer of

complexity and, if left unchecked, increases the odds of incompatibility. And in a time where channels emerge at a breakneck pace, and with more taking shape, your organization may struggle to keep up.

Consider the core channels you may already have to juggle: Store eCommerce Marketplace Mobile Social Media IoT Catalog Kiosks

Now think about how your organization runs each channel. If you're like many retailers, each feels like a cohesive piece of your omnichannel on its face. But behind the scenes, you're likely still treating each as an individual, disconnected channel with redundant or inefficient processes.

Omnichannel operations is the process of mirroring the seamless flow of your cross-channel brand interactions in your *customer-interfacing operations* to reinforce and elevate the customer experience. Making it a core component of your Unified Commerce transition.

What are the key benefits of omnichannel operations?

Faster time to market

Retailers operating with legacy technology are often forced into implementation cycles lasting a year or longer — glacial compared to the pace of the modern retail market. Unified Commerce services can be tested, iterated and implemented in a fraction of the time and money, redefining what's possible for your omnichannel experiences and from your R&D department.

Empowered associates

Bought-in associates can be one of your most valuable assets. Contrary to popular belief, many associates actually want to work harder and do more, so long as it gives them a sense of pride, ownership or connection to your organization. Omnichannel operations support their ability to complete meaningful tasks with efficiency and solve problems on the fly (and on their own).

Inventory productivity everywhere

Inventory inconsistencies can cause two big problems: They can undermine even the best omnichannel interactions and grind inventory turnover to a halt. Unified Commerce gives you access to an accurate and real-time single point of inventory truth, helping you move inventory faster by making every item available on every channel — no customer confusion required.

Improved customer retention

Customers have more options than ever. It's easier for your competitors to reach your customers more than ever. There's never been a lower barrier to leave your brand behind. The key to retention today is a differentiated, consistent and trustworthy brand experience. Omnichannel operations ensure you can live up to your customer's expectations and earn their loyalty.

Increased operational efficiency

The goal of omnichannel operations is to integrate technology across every department and sales channel in the enterprise to streamline and support customer experiences. With Unified Commerce, your store technology helps associates be more productive (fulfill orders, view inventory data and access CRM with ease, for example) while reducing redundancies and aggregating data that will help the organization improve.

Unified Commerce gives you access to an accurate and real-time single point of inventory truth, helping you move inventory faster by making every item available on every channel — no customer confusion required.

Your stores are your next distribution centers

Stores are the most impactful channel for a variety of reasons.

But in the context of omnichannel operations, stores are the most adaptable and readily available channel for moving the customer journey forward, even if the customer never steps foot in one. Stores are typically much closer to customers than distribution centers, and less dependent on highways and vast, cheap land for storage. Back rooms can house inventory for the store front and digital channels at the same time. Planograms can be adapted to meet market demand.

By and large, retailers are recognizing the essential role stores play now and in the future. Seventy-one percent of retailers currently have, or plan, to implement a Unified Commerce solution. At the same time, 71% of retailers also say stores are part of their future growth plans.¹

To close gaps in supply and demand, shorten delivery times, reduce costs *and* improve customer experience across every channel simultaneously, retailers can gain a substantial edge by transforming their back rooms into supplemental distribution centers.



In-demand services like Buy-Online-Pickup-in-Store (BOPIS) and Ship-from-Store are made easy. Organizations can fulfill short delivery times without paying for expedited shipping fees. Data collection for merchandising and assortment planning becomes more specific; for example, if a retailer sees a product move at a higher volume through digital channels in a certain area, they can add it to the planogram immediately, without the delay of distribution.

Stores-as-distribution-centers turn the inventory management process from a disconnected experience to a unified one. A single point of truth becomes a singular tool to leverage.



Consider the following when planning for supplemental store distribution:

- Evaluate your floor space for profitability and cost-effectiveness. How can your current floor space be utilized to strike the optimal balance between in-store selling and distribution for other channels? This may change by layout or location, but the goal is to set a standard. Flexibility is key to driving the best profits for each location.
- Audit your recurring yearly promotions. How does each promotion impact sales volume? Which SKUs sell the most? What are their footprints? Where are the orders coming from? A successful inventory strategy is a dynamic one. Store space can change to meet projected demand, particularly for peak versus off-peak seasons.
- Determine holiday cost fluctuations. How can your store layouts and distribution strategy help reduce costs and delivery times without interfering with in-store merchandising? Shipping and transit costs skyrocket during the holiday season. Even if storesas-distribution-centers aren't the best fit off-peak, it may be valuable for Q4.

Integrate your front office and your enterprise

In Unified Commerce, the entire retail organization works in harmony to serve a common goal: delivering a seamless retail experience through the customer's brand interactions and the organization's systems and services. To make that work, the front office and the enterprise can't run parallel to each other. Their functions and goals must all be interwoven together.



It may seem almost insurmountable to align your departments, distribution and channels, but the results are well worth your effort. Virtually every business process and system reaps mutually beneficial rewards through unification, notably:

- Sales and POS
- OMS
- CRM
- Inventory management
- Fulfillment and returns

Microservices, the building blocks of Unified Commerce, make that possible. Unified Commerce vendors create these microservices — individual blocks of code that give retailers additional capabilities — within the vendor's ecosystem. Most microservices tend to support individual capabilities under the umbrella of complete solutions (i.e., store fulfillment for OMS). Think of microservices like the muscle and the connective tissue: they make in-demand services possible and contribute to the greater system in one smooth move.

Retailers have two options for incorporating microservices into their organizational integration strategies: either create a fully custom technology stack, where microservices and software products are individually sourced and compiled; or a unified solution where microservices and software products are collected into a vendor's ecosystem.



The following chart will help inform you on how to proceed with the steps outlined later in this section. To learn how to apply your preferred approach to your IT transition, read "Preparing your technology infrastructure for Unified Commerce."

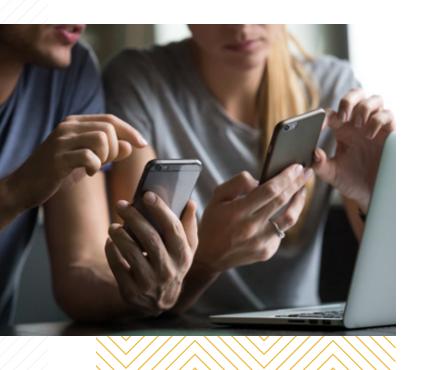
Which Unified Commerce solution structure is right for your organization?

	PROS	CONS
Custom technology stack	 Intuitive compatibility via API architecture Complete flexibility Greater degree of customization 	 More steps to unification Resource-intensive (more time-consuming and expensive) Added complexity
Unified solution or ecosystem	 Easier, more cost-effective and more durable Greater adaptability: all levers in one place Faster turnaround 	 More exposure to vendor Lesser degree of customization If vendor lacks offline resiliency, higher impact of downtime

Here's how to integrate your office and enterprise processes:

Identify your organization's most critical pain points and limitations. Which processes continually put you behind your competition? Which processes demand the most resources? What services are frequently requested in your customer feedback?

Decide whether you want to create a custom stack or pursue a unified solution. Many retailers will find a single solution or vendor ecosystem to be the more agile option. But a custom stack may be a better fit for retailers willing to trade complexity for control.



Evaluate vendors with the following questions:

- Are their solutions comprehensive enough to solve existing problems and adapt to new or unforeseen ones, without sacrificing agility?
- Are their solutions grounded in significant retail experience, with an empathetic understanding of your needs, expectations and pain points?
- What is their approach to microservices? Which microservices do they offer?
- Can their solutions work as effectively within the ecosystem and with your existing solutions? (In other words, are they API-capable)?
- What is their methodology for development, quality assurance and deployment?

Align key stakeholders in every relevant process.

Outline the mutual time, efficiency and data benefits of an omnichannel operations strategy over a siloed one and build organizational buy-in to streamline the Unified Commerce transition.

Map your Unified Commerce goals to your current processes and systems. This will help you identify current gaps, while revealing which microservices you need to satisfy your customers and integrate your stores. distribution centers and front offices.

Align your operations for seamless success with Unified Commerce

From the store to the office, Unified Commerce integrates your operations to become more agile, resilient and efficient. To stay competitive in a constantly changing market.

By working with departments across the enterprise, you can drive meaningful change through Unified Commerce — and help your organization lead the market despite dynamic conditions.





Visit the Aptos Unified Commerce Resource Center to learn more or book a demo now.

References

¹ "2022 POS & Customer Engagement Report." Aptos.

aptôs.

aptos.com

Aptos is the worldwide leader in Unified Commerce. For more than 40 years, we have specialized in helping retailers deliver unified brand experiences by connecting customers in every channel to products across the extended retail enterprise. Our Merchandising, Inventory, CRM, Sales Audit, POS and Order Management solutions work seamlessly together to help hundreds of retailers always stay prepared for whatever shoppers will expect of them in the future. Aptos solutions are live in more than 125,000 stores around the world, where they

ensure that the store experience — still the centerpiece of the vast majority of omnichannel shopping journeys — remains relevant, empowering and engaging.

Our rich history as one of retail's leading technology solution companies ensures that every client, in every part of the world, is always prepared to thrive, no matter what the near future may bring. Learn more about how we can help your stores prepare for the near future of retail at aptos.com.



Visit the Aptos Unified Commerce Resource Center to learn more or book a demo now.