

Supply Chain Digital Transformation with IBM Sterling Order Management System

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Lack of inventory visibility is a major drag on omnichannel performance

For 1 in 2 retailers, the lack of accurate inventory visibility is the biggest challenge impeding their ability to improve customer experience

State of the Industry: Supply Chain Survey, Incisiv

Increase revenue and profitability by achieving unified, global, omnichannel, real-time inventory visibility

NORDSTROM



“We are able to sell more without having to buy more inventory. That plays through to margins and, ultimately earnings.”

Jamie Nordstrom
President, Nordstrom Direct

34%

Increase in online sales after implementing omnichannel capabilities.

9.9%

Increase in same-store sales after implementing omnichannel capabilities.

Islands of inventory locked into specific channels create sub-optimal experiences and outcomes

43%

of retailers do not have integrated store and online inventories

State of the Industry: Supply Chain Survey, Incisiv

Power omnichannel experiences such as ship-from-store by unifying store and retail inventories

“Ship from store will go down in Best Buy history as one of the most important and strategic decisions that we made because it is allowing us to utilize both our online and our retail inventories to serve customers.”

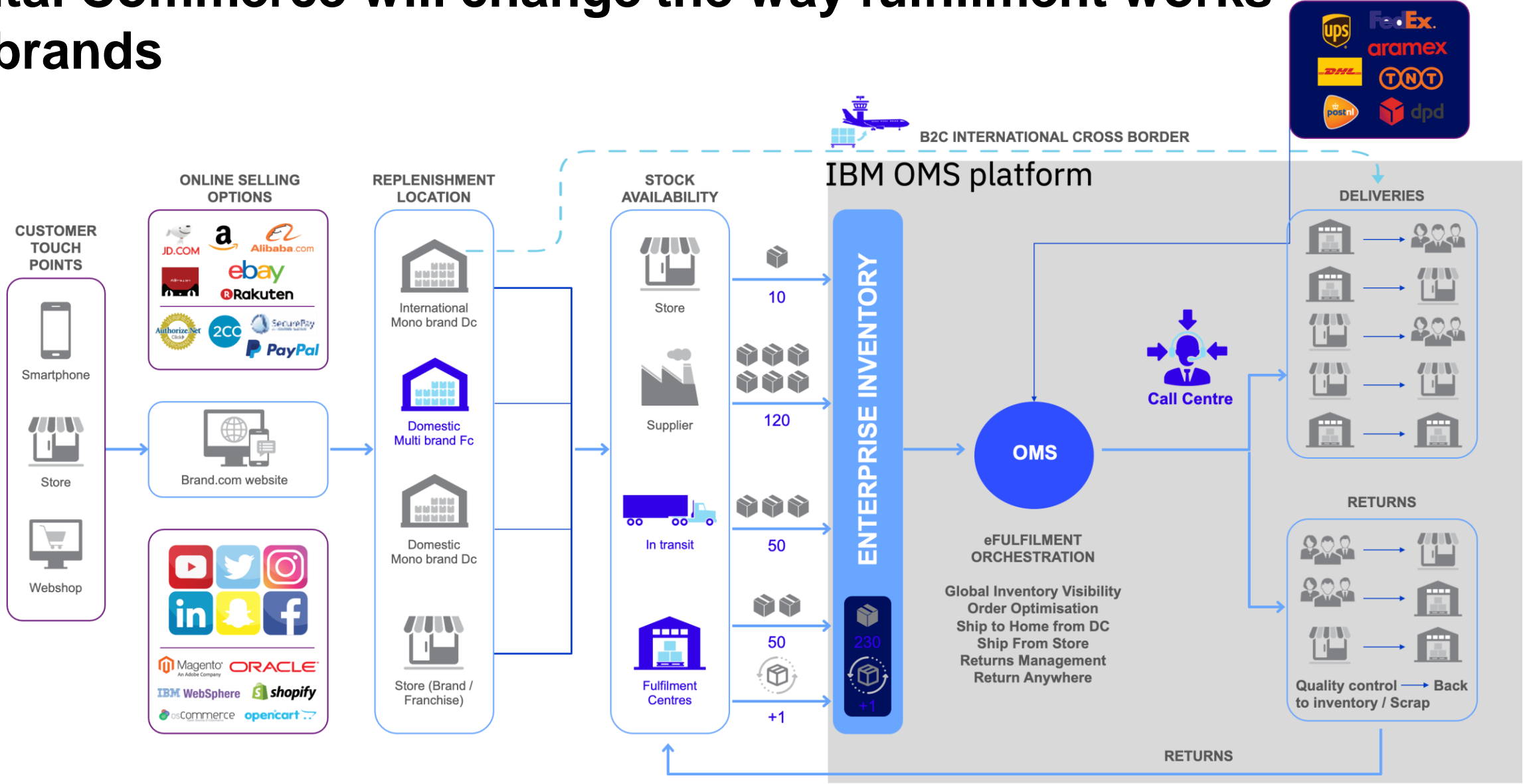
Sharon L McCollam
CFO, Best Buy



70% of US population is able to get same-day delivery orders fulfilled from store

50% Online orders are picked up in store

Digital Commerce will change the way fulfillment works for brands



Supply Chain Architecture: Command and Control

Order Capture

EDI eCommerce Common Sales Entry

Enterprise Systems

- ERP
- CRM
- MDM
- Pricing & Promotions
- Loyalty Programme

Order Management

- Inventory Management
- Order Promising
- Order Orchestration & Sourcing
- Order Configuration
- Reverse Logistics
- Resource Management & Appointment scheduling
- Store Engagement
- Call center

Sterling OMS API Framework –Ex: Front End APIs

- Find Inventory
- Create Order
- Get Order Details
- Get Item Details
- Reserve Item
- Get Order List
- Update Inventory
- Change Order
- Get Surrounding Nodes
- Send Invoice / Financial Update

Inventory Visibility Intelligent Promising

Fulfillment Optimizer

Inventory Check

Available to Promise Check

Fulfillment Sourcing Request

Order Data

Inventory Check

Available to Promise Check

Fulfillment Sourcing Request



Order Fulfillment

- Order Releases
- Purchase Orders
- Shipment Updates
- Inventory Adjustments
- Warehouse
- Suppliers
- Value Added Services

Supply Chain Intelligent Suite

- Inventory Control Tower
- Work Queues
- Insights & Prediction
- AI Assistant
- Suggested Resolution
- Food Trust/ Transparent Blockchain Supply

Inventory Planning Data

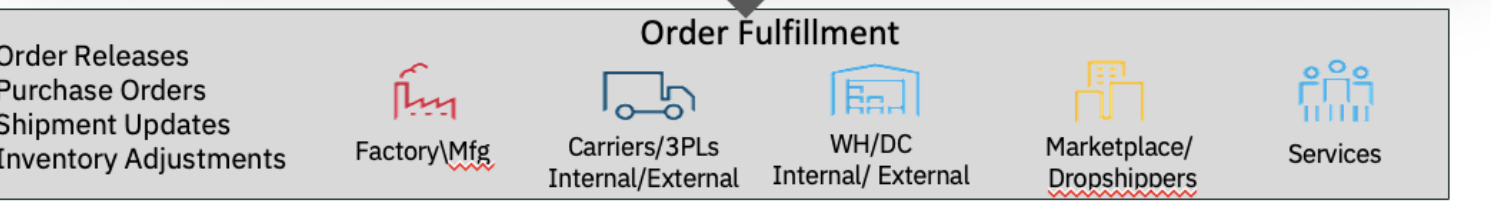
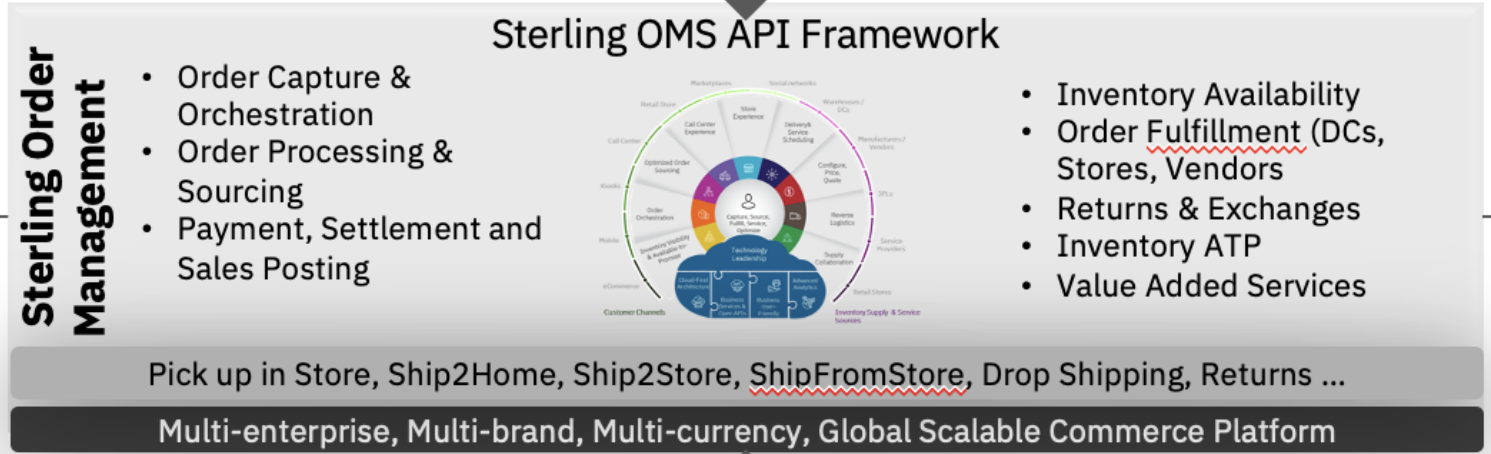
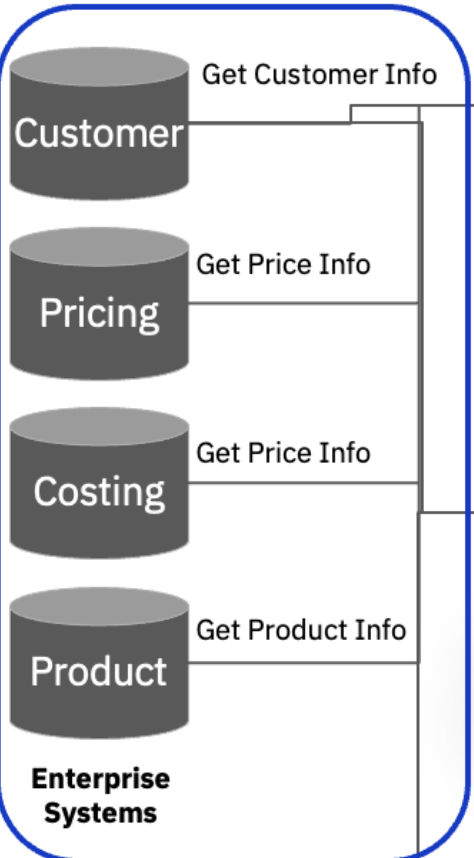
Inbound shipments

Transportation Data

Weather Info

Human Capital

OMS Architecture: Command and Control



Inventory AR / AP / Financials ...



Example Front End APIs

- Find Inventory
- Create Order
- Get Order Details
- Get Item Details
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Security/ LDAP

Manage User Info

Example Fulfillment APIs

- Pick, Pack, Ship Updates
- VAS Work Order Updates

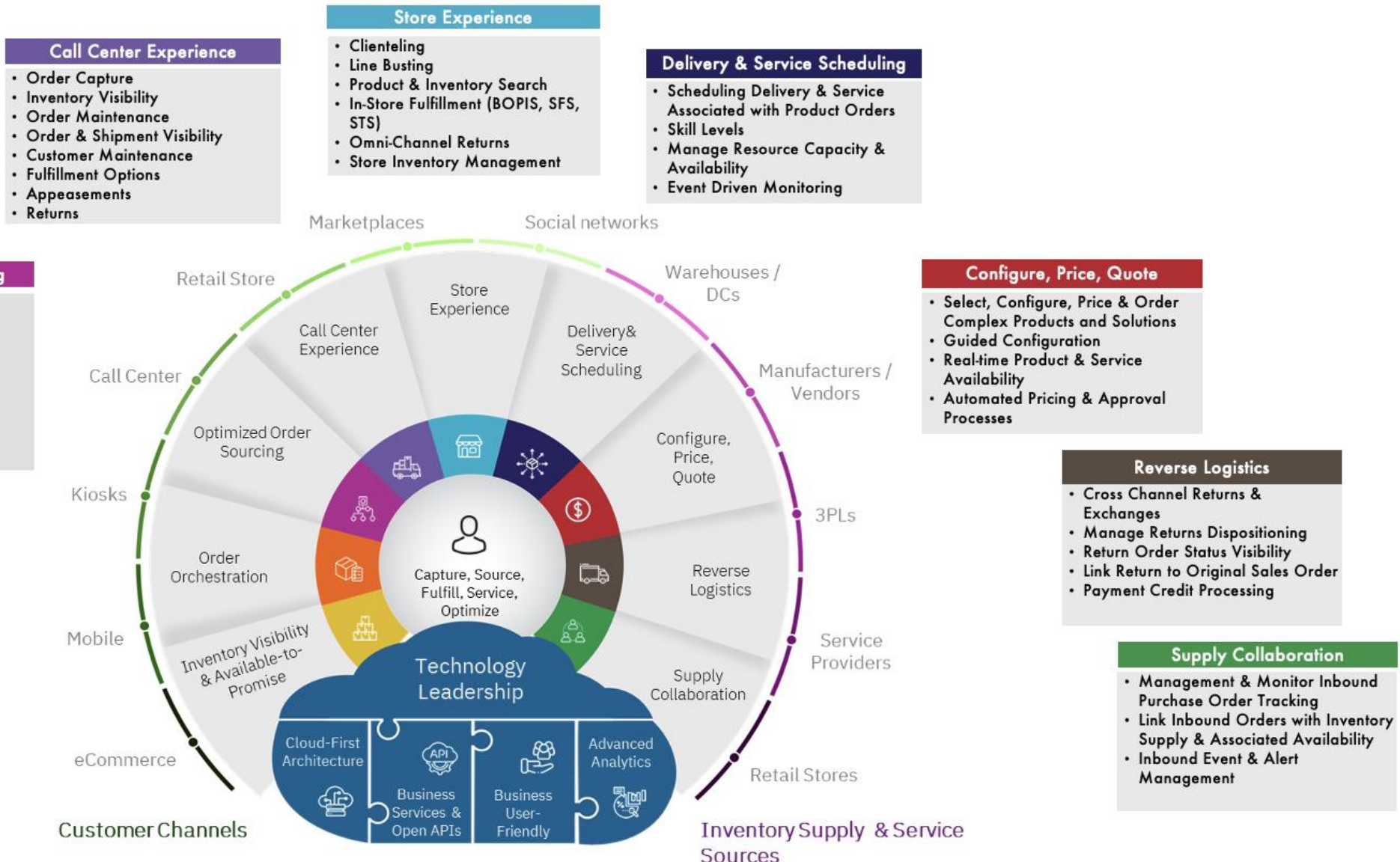
17+ years of maturity

200+ Global Clients

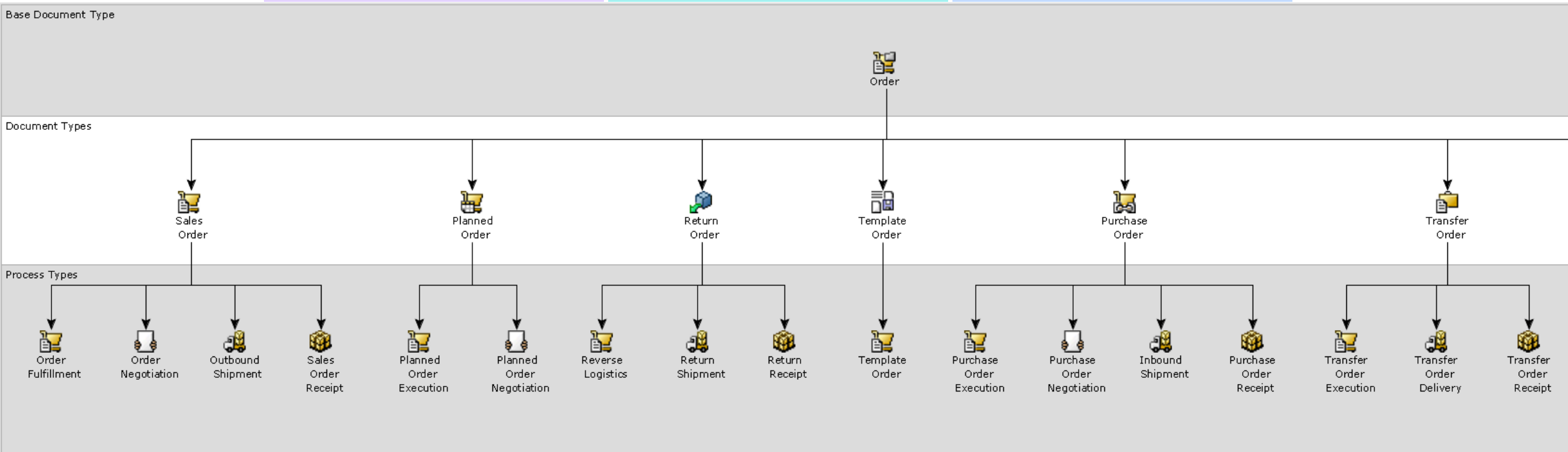
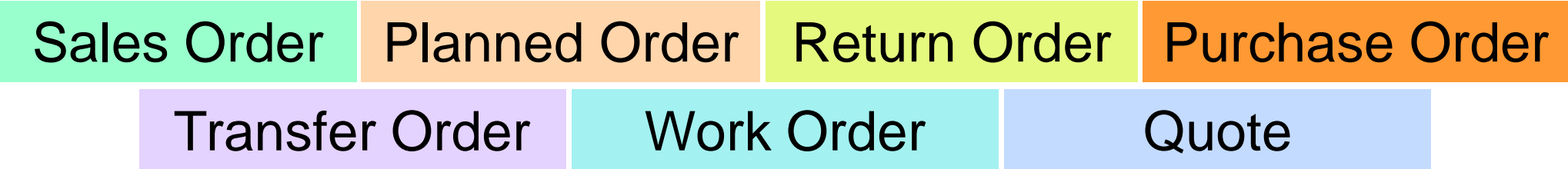
2500+ person-years of development



Order Management Solution Footprint



An Order is not an Order is not an Order

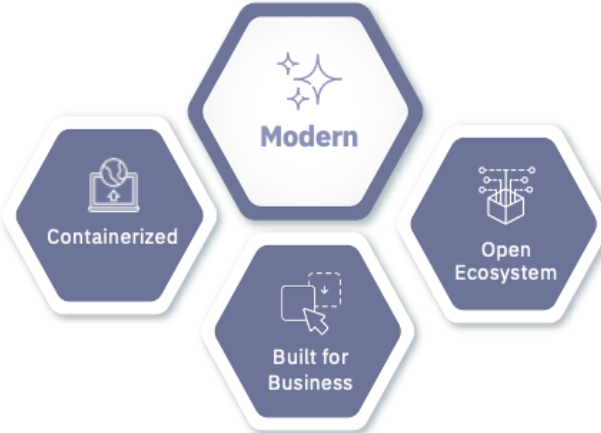


Technology Differentiators



Built for modularity, extensibility and easy integration so your solution adapts to you, not the other way around.

- **Modular business services** built on a nuanced, optimal microservices architecture.
- **Extensible** at the API, database, integration and UI levels, while preserving upgradability.
- Bi-directional **integration** and plug-and-play convenience with integration assets and accelerators.



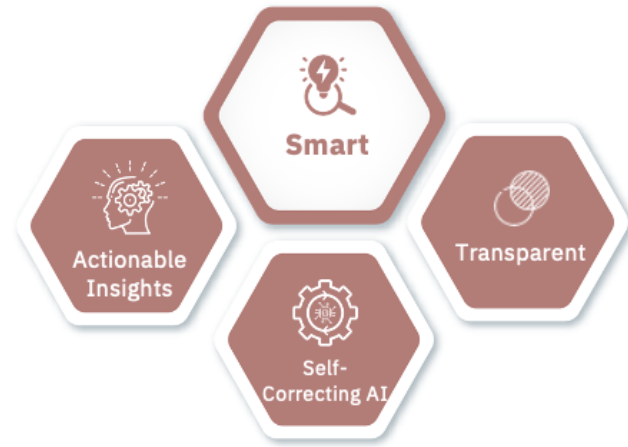
Built on the latest technologies to give you infinite openness, thoughtful ease-of-use and flexible deployment options.

- **Open ecosystem** – Allow best-of-breed technologies to be integrated without lock-in to a closed platform or specific partner.
- **Built for Business** – User centered design, drag and drop process modelling, and configurable participant inheritance and overrides.
- **Containerized** - Build once, deploy anywhere: Our cloud, Your cloud, Any cloud.



Industry leading scalability, security and performance offers unmatched resilience during peak-load such as holiday and worst-case scenarios such as multi-region disaster recovery.

- **Secure** - Industry leading security with 24 x 7 security scanning and 35 billion security events managed.
- **Scalable** - Elastic scalability so you respond differently to functional growth, peaks and bursts.
- **Resilient** - Unmatched hardiness and performance, including services that are multi-active across regions.



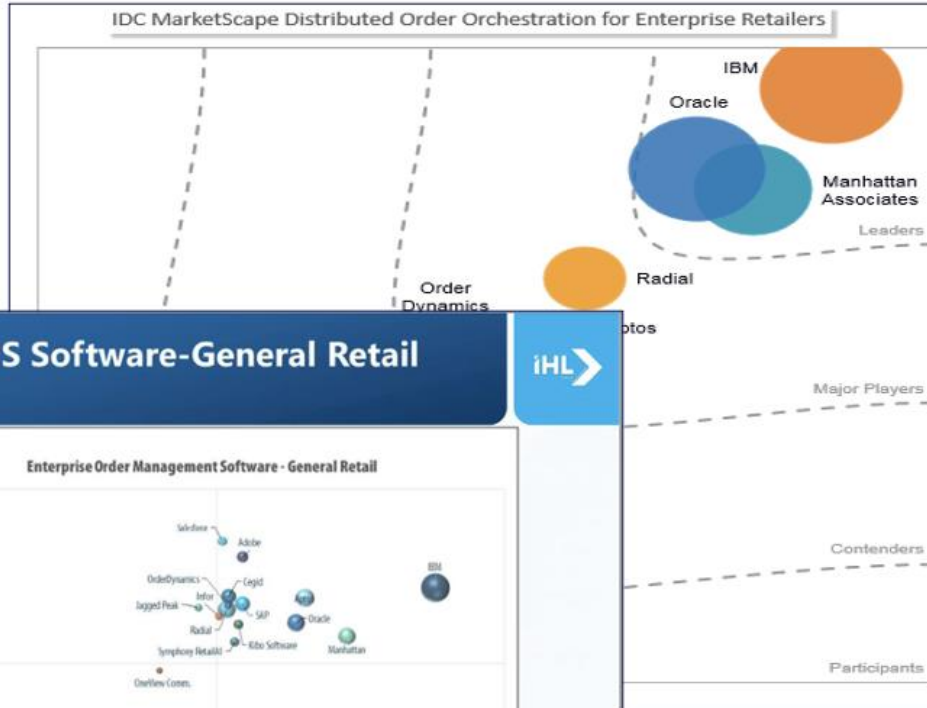
Self-correcting artificial intelligence that offers actionable insights, business outcome optimization and decision-making transparency.

- **Actionable insights** - Artificial intelligence that delivers actionable insights to recommend or automate actions.
- **Self-correcting AI** - Optimization models finely tuned to your business that continuously learn from the decisions you make.
- **Transparent** - Look under the hood of the AI and understand why certain decisions were made or are being recommended.



Trusted

Recognized as the market leader by leading independent industry analysts.



The world's leading retailers, brands and logistics companies trust IBM Sterling.



Modular, Elastic, Flexible Architecture

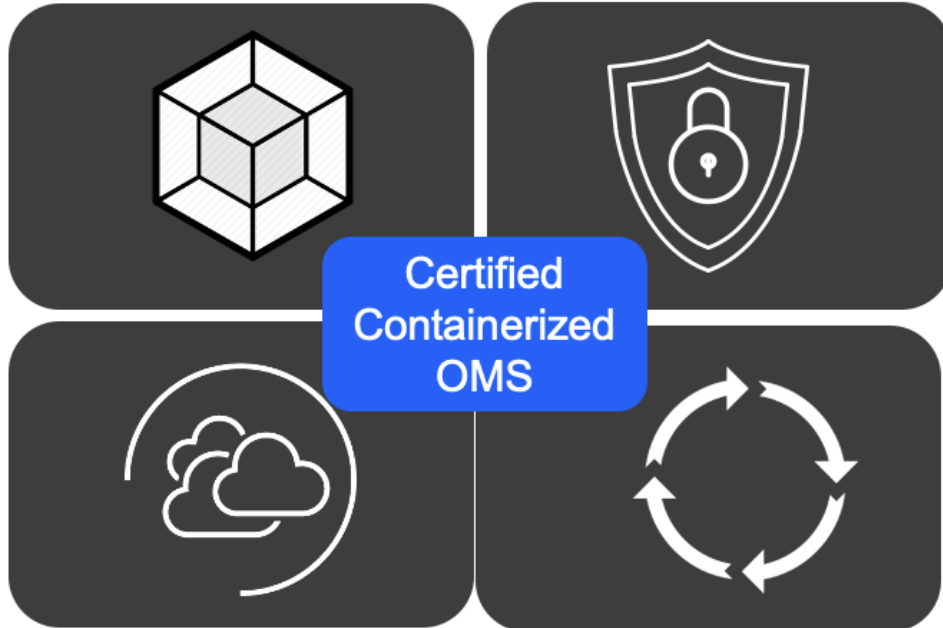
OMS Certified Containers

Enterprise Ready

- Production Grade
- Resilient, Self-Healing, Scalable, Recoverable
- Easy to Deploy

Secure / Compliant

- Image Mgmt. / Vulnerabilities
- Limited Security / Privilege
- Secure Access / Encryption

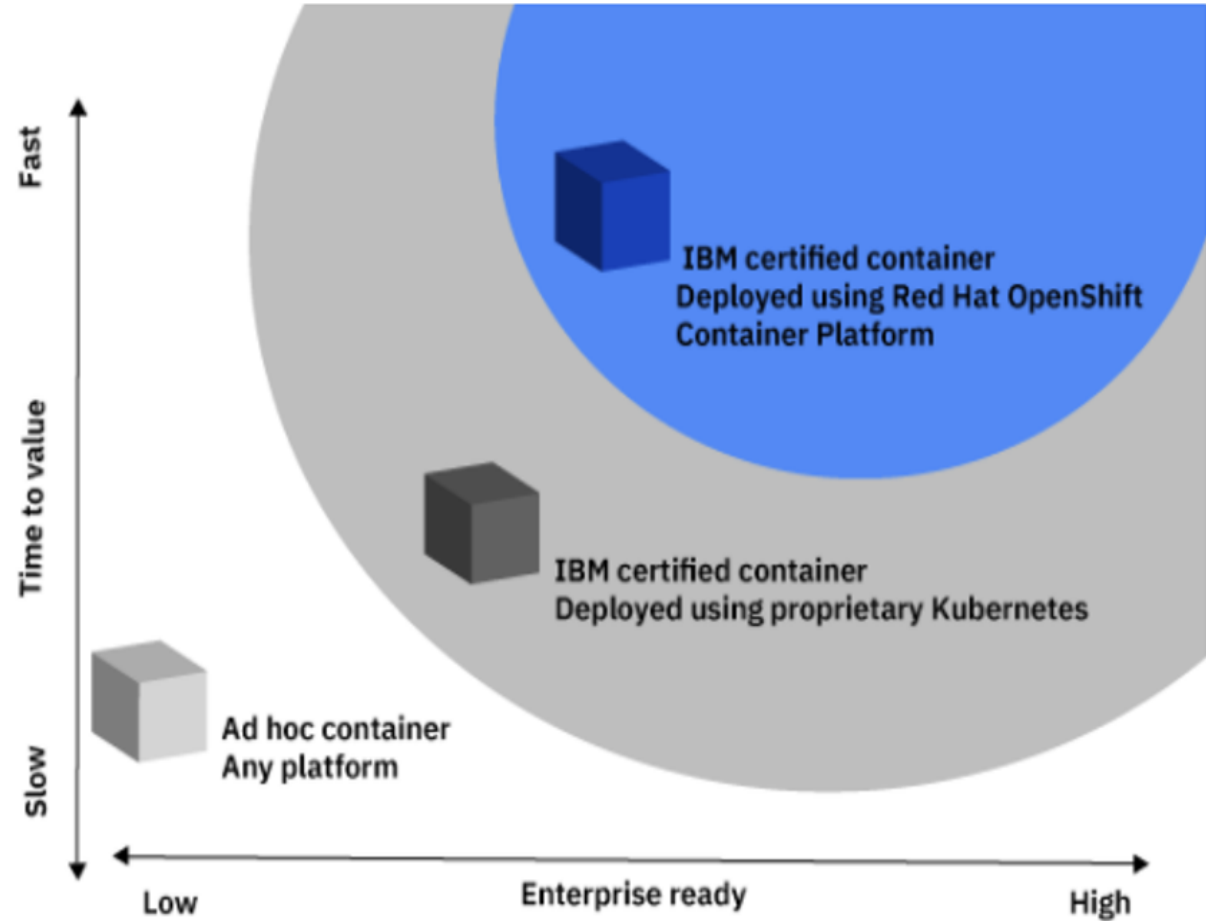


Quality Assured–Multi-Cloud

- Tested containerized Production Topologies
- Verified on declared Clouds and Architectures

Lifecycle Managed

- Upgrade / Rollback
- Currency / Best Practices



<https://www.ibm.com/docs/en/configurepricequote/10.0?topic=images-container-support-policy>

Implementation Overview

Quickly stand-up Sterling OMS to start addressing your most immediate pain points, while also planning out future use cases and capabilities.



Phase 1 ~10 weeks

Enable mission critical capabilities

Leverage Sterling OMS foundation to fulfill online orders (including partial fulfillment) efficiently from your DCs.

Leverage Call Center application to get timely visibility into order status as well as support for order cancellation

Sterling OMS foundation can be extended to support all omni-channel scenarios in future

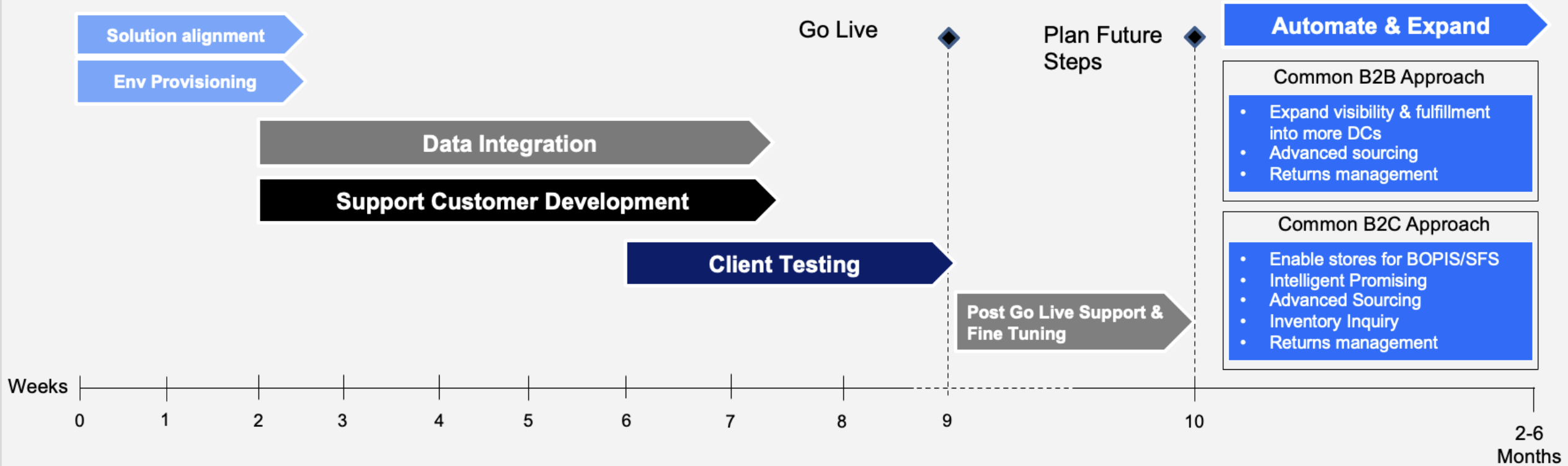
Future Phases ~2-6 months

Expand into additional use cases

Continue the Omni-channel fulfillment journey by:

- Enable more DC's in your fulfillment network
- Leverage your stores by enabling Buy Online Pick-Up in Store (BOPIS) and Ship from Store (SFS).
- Enable your ecommerce channel with inventory availability and estimated delivery dates.
- Enabling Call Center to save sales & service customers better.

First Phase Integration **Timeline**



Key Objectives:

- ✓ Base OMS foundation configuration with interfaces to achieve ship from DC.
- ✓ Standard Call Center UI to look-up and cancel orders.
- ✓ Define additional use cases and next steps

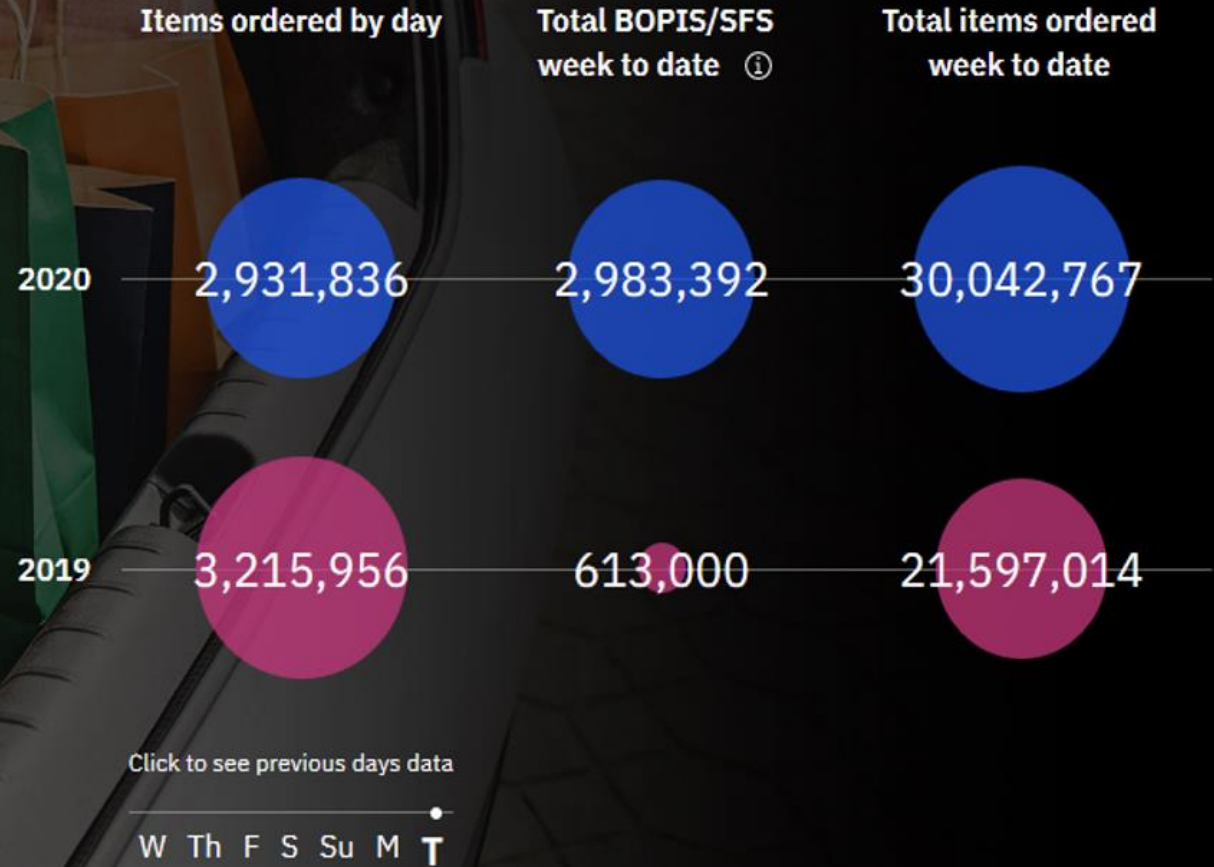
You've never seen a season like this

Online sales are already 2x analyst forecasts, but with 'buy online, pick up in store' local retailers win too

[See how retailers are responding](#)

Shopping tracker, November 25th - December 1st

Cyber shopping week volume ⓘ



OMS SaaS 2020 Live Holiday Ticker

4 Billion APIs: **191%+**

Cyber 5 Week Orders: **23%+**

Support NPS: **91**

Week Prior to Thanksgiving Orders: **229%+**

BOPIS/SFS Average Weekly Transactions: **400%+**

IBM Sterling