



Industry Brief

# Why Logistics Service Providers Need To Invest in Order Management To Accelerate Vision 2030

IN PARTNERSHIP WITH



## RECOMMENDED READING

As the logistics industry confronts transformative trends, a client-centric approach becomes pivotal for logistics service providers (LSPs) to thrive.

Our foundational report, "[Logistics 2030: Pivoting to a Client-Centric Future](#)," explores multiple reasons why, offering a roadmap for the future. While a quick recap is provided here, we recommend reading that report for additional context before diving into the rest of this Industry Brief.



## STATE OF THE INDUSTRY RECAP

# Logistics 2030: Pivoting to a Client-Centric Future

In our companion State of the Industry, we delve into:

- The transformation imperative for LSPs to align with retailer and manufacturer expectations, ensuring strategic partnerships that are resilient and future ready.
- The pivotal role of technology in enhancing logistics efficiency through automation, data-driven decision-making, and analytics, equipping businesses to anticipate and adapt to future demands.
- The importance of LSPs evolving from transactional service providers to strategic growth partners, deeply integrated into their client's success stories.

Each section is discussed in detail, providing insights into how LSPs can recalibrate their approach to client-centricity and navigate the challenges of industry consolidation and competitive landscapes.



# Is This Report for Me?

Dive into "Why LSPs Need To Invest in Order Management To Accelerate Vision 2030" to understand the pivotal role of an order management system (OMS) in logistics transformation. This report is tailored for Logistics Service Providers (LSPs) focused on:

- Harnessing an OMS for market expansion and service diversification, aligning with the growth trajectories outlined in Vision 2030.
- Elevating an OMS from a functional tool to a strategic revenue catalyst, enhancing client satisfaction and financial success.
- Transforming their operations into end-to-end champions of efficiency and precision, with an OMS as the cornerstone of comprehensive logistics solutions.



Dive deep into the insights and vision laid out in this report to refine or redefine your OMS-driven, client-focused strategies. This eBook will be indispensable if you are:

- Aspiring to enhance business outcomes across client experience, sustainability, and profitability vectors through strategic OMS utilization.
- Seeking to understand how an OMS can catalyze expansion, revenue growth, and operational excellence.
- Ready to innovate and transition from a traditional service provider to a visionary leader in logistics, utilizing an OMS to craft sustainable, client-centric solutions.

Let's dive in.

**Why LSPs Need To Invest in Order Management To Accelerate Vision 2030**  
Incisiv, in partnership with Blue Yonder





# What is an Order Management System?

An order management system (OMS) for Logistics Service Providers (LSPs) is a comprehensive software solution to streamline the order fulfillment process.

It encompasses functionalities like order entry, inventory management, route planning, and delivery tracking.

This system enables efficient management of orders from inception to delivery, ensuring accuracy, speed, and customer satisfaction.

Integrating various logistics components provides an OMS with a unified platform for LSPs to manage operations, reduce errors, and enhance overall efficiency.





# OMS: The Catalyst for LSPs' Vision 2030

Logistics service providers (LSPs) are evolving from being outsourced logistics partners to becoming strategic growth agents for their clients.

An OMS empowers LSPs to proactively address the digital shift in commerce, adapt to emerging operating models, and remain vital in a consolidating industry.

With an OMS, LSPs can deliver unmatched experiences, position for growth, ensure tech agility, and navigate global disruptions. It's a strategic pivot from mere logistics to foresight and innovation.

The LSP of 2030, powered by an OMS, is not a future concept but today's blueprint for success.



# Why an Order Management System Is Critical for Scaling Growth Challenges and Seizing New Opportunities

An OMS equips LSPs with the tools needed to overcome growth challenges and seize opportunities. It enables expansion, committing to the success of LSP clients and fostering growth in the logistics landscape.





EXPANSION ALLIES: ENABLING CLIENT GROWTH

# Amplify Client Expansion Success With the Agility and Confidence Provided by an OMS

An OMS investment is vital for LSPs targeting growth through expansion. It offers a strategic edge by facilitating swift market penetration and scalable solutions. An OMS equips LSPs to grant their clients the adaptability needed for a competitive stance in the evolving global marketplace, which is key to seizing growth opportunities and overcoming the hurdles of expansion.

On average, **67%** of eCommerce businesses report that international sales constitute about **1/3rd** of their annual revenue.

Visa

## Navigate New Markets With Precision

Utilize an OMS's adaptable framework to guide clients into new markets, ensuring smooth transitions and building strong foundations for growth tailored to unique market needs.

## Speed up Network Development

Use an OMS to expedite the development of distribution networks, optimizing the deployment of warehouses and fulfillment centers to take advantage of emerging market opportunities rapidly.

## Adapt Quickly to Market Changes

Equip clients with the flexibility of an OMS to swiftly adjust to market fluctuations, enabling them to handle spikes in demand and revise strategies in real-time, thus maintaining a competitive edge.



REVENUE CATALYST: DRIVING CLIENT REVENUE

# Drive Revenue With an OMS's Tailored Engagement and Distinctive Service Offerings

To act as revenue catalysts, LSPs must harness an OMS for its data-driven insights and customization capabilities. An OMS facilitates the development of innovative services that fulfill and surpass customer expectations, solidifying LSPs' crucial contribution to their clients' revenue-generating strategies.

Brands that create personalized customer experiences are seeing revenue growth of **6%-10%**, **3x** faster than brands that don't.

BCG

## Craft Tailored Customer Experiences

Utilize an OMS to design captivating customer experiences that foster loyalty and repeat business. Personalize services using an OMS to strengthen customer relationships and ensure enduring connections.

## Extract Insights for Service Development

Harness the analytical power of an OMS to glean customer data and inform service evolution. Apply these insights to drive service innovation and accelerate revenue growth.

## Differentiate with Innovative Services

Deploy an OMS to deliver unique services that set your clients apart in the marketplace. Create an exceptional customer journey with creative solutions that highlight your clients' service uniqueness.





END-TO-END CHAMPIONS: COMPREHENSIVE SUPPLY MASTERY

# Master End-To-End Logistics for Clients With the Precise Insights Provided by an OMS

An OMS investment empowers LSPs with complete control over the supply chain, from the initial order to final delivery. This control brings transparency, optimizes inventory management, and enhances strategic decisions. With an OMS, LSPs are equipped to tackle the complexities of modern logistics, delivering unparalleled service throughout the entire supply chain.

**66%** of apparel companies believe supply chain transparency is an important issue, and **80%** aim to use solutions by 2027 that improve transparency.

KPMG

## Enhance Supply Chain Transparency

Implement an OMS for unparalleled visibility across the entire supply chain, enhancing operational efficiency and reinforcing client confidence. This transparency is essential for fostering robust partnerships and streamlining processes.

## Maintain Accurate Inventory Balance

Utilize an OMS's machine learning to fine-tune safety stock, balancing inventory with demand to prevent stockouts and excess, ensuring efficient order fulfillment and cost savings.

## Guide Decisions With Actionable Data

Leverage the comprehensive data from an OMS to enhance supply chain performance and establish a competitive stance in the marketplace. These insights are invaluable for proactive planning and intelligent decision-making.

Becoming Innovation Leaders

# Why an Order Management System Is Critical for Leading Continuous Innovation and Excellence

An OMS empowers LSPs to innovate by fostering a continuous excellence culture. It goes beyond providing tools, shaping the future of logistics, and setting new standards in client service and industry benchmarks.



# Instill Resilience in Supply Chains With an OMS's Dynamic Flexibility and Responsiveness

To become masters of agility, LSPs must invest in an OMS that serves as the technological foundation for swift adaptation to evolving market conditions. An OMS empowers LSPs to deliver logistics solutions that are not only responsive and flexible but also precise, ensuring that their client's supply chains are robust and equipped for the future.

Retail and consumer firms forfeit **\$345 billion** annually due to agility deficits, with **37%** of executives citing company culture as the primary obstacle to adaptation.

AT Kearney

## Master Dynamic Order Management

Utilize an OMS to rapidly adapt order management to fluctuating market demands, enhancing efficiency and customer satisfaction. This agility enables immediate operational adjustments, ensuring a seamless alignment with customer needs.

## Adopt Fulfillment Flexibility

Exploit an OMS to provide a spectrum of fulfillment options easily, catering to the varied needs of customers in a dynamic marketplace. This adaptability ensures that customer preferences are always accommodated.

## Stay Ahead With Market-Responsive Updates

Maintain a competitive edge with an OMS's capability to swiftly implement updates and new features, aligning with market trends and positioning clients at the forefront of industry standards and consumer expectations.



SUSTAINABILITY CHAMPIONS: ECO-EFFICIENT OPERATIONS

# Propel Eco-Efficiency in Logistics With OMS-Enabled Sustainable Practices

LSPs aiming to lead as Sustainability Champions must embrace an OMS. It is essential for streamlining operations with an eco-conscious approach, ensuring adherence to sustainability metrics, and fostering initiatives that support environmental stewardship. An OMS positions LSPs at the forefront of the green logistics movement by integrating transparency and compliance with global ecological standards.

Manufacturers prioritizing sustainability measures have seen a **40%** increase in profit margins and a **30%** increase in competitiveness levels.

E.ON

## Drive Eco-Efficient Operations

Utilize an OMS to optimize delivery routes, reduce split shipments, optimize fulfillment sourcing from eco-friendly locations, expose eco-friendly choices to customers during search and checkout, align operations with environmental goals, and significantly cut carbon emissions for a sustainable future.

## Deliver Sustainable Logistics Solutions

Demonstrate a commitment to sustainability by employing an OMS to deliver logistics solutions that fulfill environmental objectives such as implementing a return-and-recycle program for packaging, thereby strengthening the eco-value proposition for clients.

## Build an Eco-Friendly Brand Image

Create differentiation by capitalizing on OMS capabilities to bolster clients' eco-friendly brand image, catering to the increasing market demand for environmentally responsible consumer choices.





COMMERCE SOLUTIONS ARCHITECTS: SEAMLESS CUSTOMER JOURNEYS

# Craft Harmonized Commerce Journeys With OMS-Enhanced Customer Interactions

Investing in an OMS is crucial for LSPs to excel as Commerce Solutions Architects. It facilitates the creation of frictionless customer experiences across all touchpoints, ensuring consistency and enhancing satisfaction. An OMS allows LSPs to provide flexible and tailored fulfillment options, which is key to boosting customer engagement and securing loyalty.

**78%** of retailers admit their customers do not have a unified brand experience, and **45%** of retailers also believe progress is not happening fast enough.

Periscope Research

## Unify Omnichannel Experiences

Use an OMS to deliver a uniform shopping experience across all platforms. Guarantee that customers encounter the same service quality, product choices, and promotional benefits, whether they are shopping online, through a mobile app, or in a physical store.

## Bridge Online and Offline Commerce

Enhance the customer experience by fluidly connecting online and in-store shopping with an OMS. Facilitate effortless transitions for customers who might browse products on the web and then complete their purchase in-store, or those who prefer to reserve items online for in-store pickup.

## Tailor Fulfillment to Customer Preferences

Offer various personalized fulfillment options, such as same-day delivery and in-store pickup, enhancing the customer experience with solutions that cater to individual preferences and needs, all supported by the OMS's robust functionality.

# Why an Order Management System Is Critical for Delivering Consistent, Reliable, and Resilient Services

An OMS enables LSPs to offer consistent, reliable, and resilient services. In a volatile world, OMS provides a dependable foundation, ensuring operational continuity and maintaining trust. Embracing order management demonstrates a commitment to steadfast client support in a changing market.



# Bolster Supply Chain Defenses With an OMS's Predictive Insights and Strategic Adaptability

LSPs committed to safeguarding supply chains must prioritize an OMS investment. It's not only about responding to changes but proactively fortifying supply networks against future challenges. An OMS endows LSPs with predictive insights and strategic flexibility, transforming resilience into a defining feature of their service.

**97%** of global supply chain leaders say they have applied some combination of inventory increases, dual sourcing, and regionalization to boost resilience.

McKinsey & Co.

## Anticipate Risks With Predictive Analytics

Strategically manage inventory and counteract potential disruptions by employing predictive analytics capabilities of an OMS, ensuring a resilient supply chain.

## Command Proactive Supply Chain Oversight

Achieve comprehensive control over the supply chain, mitigating risks and ensuring robust operations through the enhanced visibility provided by an OMS.

## Drive Continuous Performance Optimization

Implement an OMS to constantly enhance supply chain efficiency, reduce costs, and adapt to market changes, ensuring sustained operational excellence and resilience.





COMPLEXITY SIMPLIFIERS: STREAMLINED LOGISTICS

# Navigate Complexity With the Clarity and Streamlined Efficiency Of an OMS

For LSPs aiming to simplify complexity, an OMS is indispensable. It transforms intricate supply chain challenges into streamlined processes, offering clarity and efficiency. An OMS technology equips LSPs with the capability to demystify logistical complexities, ensuring seamless operations and enhanced customer satisfaction.

**70%** of surveyed companies who procure logistics services identify speed and accurate delivery estimates as their primary logistics challenges, highlighting the need for automation that optimizes time management in transportation.

Levvel

## Streamline Workflows With Automation

Boost efficiency and minimize errors by leveraging an OMS to automate complex workflows, leading to simplified order processing and inventory management.

## Unify Operations for Simplified Management

Use an OMS to merge various supply chain activities into a cohesive operational framework, facilitating easier management and more coherent decision-making.

## Transform Operations With Technology

Employ the advanced technological capabilities of an OMS to streamline and effectively manage complex logistics operations, rendering intricate systems straightforward and controllable.



# Elevate Profitability With an OMS-Driven Cost Savings and Efficiency

For LSPs focused on profit maximization, an OMS represents a strategic investment that catalyzes efficiency and enhances cost-effectiveness. It refines operations, diminishes error rates, and sharpens resource utilization. An OMS equips LSPs to improve service delivery while curbing expenses, thereby escalating profitability and providing substantial value to their clients.

**91%** of retailers plan to undertake cost reduction initiatives over the next 24 months, exceeding the **71%** global industry average. Most seek **10%+** savings, yet **84%** miss targets.

Deloitte

## Forecast Demand Strategically

Select an OMS that can align resources with demand, cutting costs and boosting profitability. Highlight cost savings from optimized inventory placement, which reduces markdowns and prevents stockouts.

## Optimize Asset and Personnel Use

Strengthen profitability by ensuring assets and personnel are utilized to their fullest potential. An OMS's strategic tools facilitate optimal resource allocation, leading to direct cost savings and improved operational efficiency for LSPs.

## Drive Cost Efficiency for Profit Maximization

Identify and cut inefficiencies with OMS's cost management tools, turning cost analysis into profit maximization. Stress OMS's role in driving significant cost savings through smarter inventory management, a key to LSPs' success.

# Steering Vision 2030 for LSPs: An OMS as the Essential Guiding Compass

Clearly, the logistics landscape requires more than incremental change; it demands a transformative leap.

Order management systems (OMS) are the key to this evolution, providing LSPs with the agility, insight, and efficiency to meet and shape the future.

By adopting an OMS, LSPs can transcend boundaries, unlock growth opportunities, and deliver exceptional client value.



Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption. Incisiv offers curated executive learning, digital maturity benchmarks, and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

[incisiv.com](https://www.incisiv.com)



Blue Yonder is the world leader in digital supply chain and omni-channel commerce and fulfilment. Blue Yonder's Luminate® platform is an end-to-end platform that provides synchronized business planning, execution, delivery, and labor solutions that optimize clients' businesses and people from end-to-end. Luminate Platform leverages industry leading artificial intelligence (AI) and machine learning (ML) capabilities and workflow-driven user experiences to help clients better predict, prevent, and resolve disruptions across their entire business.

At the time of writing, Blue Yonder highlighted its standing as the only company recognized as a Leader in three Gartner Magic Quadrant reports covering Supply Chain Planning, Transportation Management Systems and Warehouse Management Systems – consistently for the past three years. Please read our TMS, WMS and SCP blog posts for details.

If you would like to learn more, visit [blueyonder.com](https://www.blueyonder.com).