



The Cost of an OmniChannel System
for Midsized Retailers and Restaurants

ArcherPoint

What's the true cost of implementing an omnichannel system?

You may be searching for an exact number, but unfortunately, that doesn't exist. Due to the complexity of omnichannel business systems, the implementation process, and each retailer's unique requirements, the price of an omnichannel system can range anywhere from \$125,000 to \$750,000 for mid-size retailers/restaurants. The only true way to get an accurate estimate is to go through a business analysis. If you're just starting your evaluation process, you can use this blog as a guide to help you understand the basic costs and what will need to be considered. It will also help serve as a baseline for estimates you receive from various vendors or resellers. Note: if you receive estimates well below or above this range, be wary of hidden costs and ensure that you are getting a system that fits your needs.

Company type and number of users

Typically, omnichannel systems are priced according to the number of concurrent users in the back office, as well as the level of access each of these users will require from the system. Retailers can expect costs based on the number of stores and lanes/devices they would like to implement. Ecommerce, Loyalty, BI, and Loss Prevention are all optional modules.

Third-party software

Many vendors or resellers use [third-party software products](#) to help enhance their omnichannel software or tailor the software to their specific business/industry needs. Third-party add-ons typically account for 10% to 35% of the overall software cost. These can include the retail/POS component, e-commerce connectivity, mobile inventory, business intelligence, sales tax automation, payment processing, and shipping/receiving.

Implementation costs

A variety of factors influence the actual cost of implementation, including: the company's industry, the size of the company, the anticipated transaction volume, scope, and complexity of the implementation, and the number of third-party integrations, to name a few. Most implementation costs are calculated based on a ratio of software to services. The more the company implementing the omnichannel system can handle on its own without relying on external vendors or resellers, the closer the software-to-services ratio can get to 1 to 1. For most companies of average size and complexity, however, it is more common to see software to services ratios of 1 to 1.5 or 1 to 2.5.

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Customizations

Very few omnichannel systems can be installed and used “out-of-the-box.” Therefore, most companies will require some amount of [customization to integrate the ERP software](#) into their workflow. The amount of programming, testing, and training is directly related to the size and scope of the effort, and therefore, each customization will come with its own price.

Conclusion

As you can see, the price of an omnichannel system really depends on many factors: the type of company, the number of users, what third party software you will need to integrate, how much you will implement yourself, and so forth.

But, it also depends on doing your homework and asking yourself some very important questions: What are your long- and short-term goals? What are your growth/expansion plans? What are your current systems not doing that you would like your new system to do? Most importantly, talk to the people who will actually be using the system and ask them what they are doing, what’s working and what is not, and what they want. And, of course, start thinking about your budget.

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Interested in getting a more accurate quote for your business?

[Talk to an ArcherPoint For Retail representative](#) today.

About ArcherPoint

Since 2002, ArcherPoint, LLC has been specializing in helping customers to replace disparate systems with fully integrated, end-to-end business solutions using the depth and breadth of Microsoft technology and built on a foundation of Microsoft Dynamics NAV, formerly Navision. Best of breed applications join together in a single, easy to use solution, tailored to the unique needs of businesses from manufacturing to distribution to retail and at an affordable entry point, giving growing companies access to world-class solutions that will grow with them.

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