

# TOP 9 TIPS TO CONSIDER WHEN SELECTING AN ECOMMERCE PLATFORM

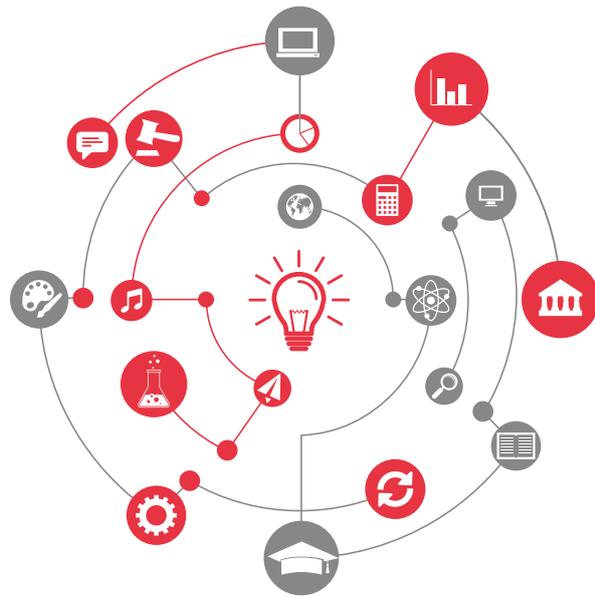


# TOP 9 TIPS TO CONSIDER WHEN SELECTING AN ECOMMERCE PLATFORM

Here's our take on what the SMB should consider when choosing their new Ecommerce platform or re-platforming to replace legacy systems:

## 1. Technology should serve a business need and purpose.

Your business strategy should drive technology investment, and never the other way around. An example of that is we see a lot of merchants that may operate five or ten sites, because that was the thing to do with SEO. With the recent changes in Google and other search sites, if you're a small retailer, it's very hard to maintain so many different brands and that strategy may not be relevant going forward. You need a clear plan for your business before you purchase the technology to support that strategy.



## 2. Build a requirement document.

SMBs in particular are very resistant to making changes, because they feel they may lose orders if they consolidate their sites. Look at how you're going to run your business four years from now, where you want to be, and what channels you will be in. And then look at the existing systems you have in place, what is the life of those systems, how well they're performing, and what are the functions that are causing efficiency bottlenecks. You need to document all that. And then you need to look forward to see what the opportunities you're missing are and what are the technology and features you need to bring to bear to address those missed opportunities. Once you go through this process you'll have a really thorough requirements document.

## 3. Do not make a purchase decision based strictly on aspirations.

It's all well and good to have high hopes for your SMB, but you need to cut the aspirational aspect out of the equation and get down to the reality of your situation, present and near term, and then future, and not confuse the three. What does your business really need? Objectively qualify the operational pains you may be experiencing. Just because your bookkeeper complains everyday about one function, it may be that one person likes to complain and it shouldn't occupy too much of your mindshare when making the next purchase.

#### 4. Objectively quantify and prioritize functionality needs.

This becomes an exercise of quantifying cross-functions and systems: what things are not working, and needs to be addressed in a new solution. What is the impact of a given functionality in a new solution? If it saves a bookkeeper one hour to make a certain journal entry, versus having to call customers back and cancel orders because of inventory issues – you need to objectively quantify what is more important. If you could fix all your problems in which order would you prioritize them? This exercise will help determine your technology spend.

#### 5. Who should be involved in the process of choosing an Ecommerce platform?

You definitely want representation from all your functional areas. Before you meet as a team, have each member prioritize their pains and desires beforehand. It's important to remember that once the team meets, decisions ought not to be made by consensus, but rather what's good for the overall business. Departmental bias can really skew the process quite a bit. For example, the CEO might want a cloud solution but the IT department would never do that because then they can't go and tinker with files. And while local IT cannot provide the 99.9% uptime with a sub-five second delivery that a cloud solution can, the fact that they don't have access may prove to be limiting and then IT will not sign off on that. So whoever is leading the selection effort needs to be able to account for the biases of different departments. And they need to understand that not all perspectives are to be equally weighted.

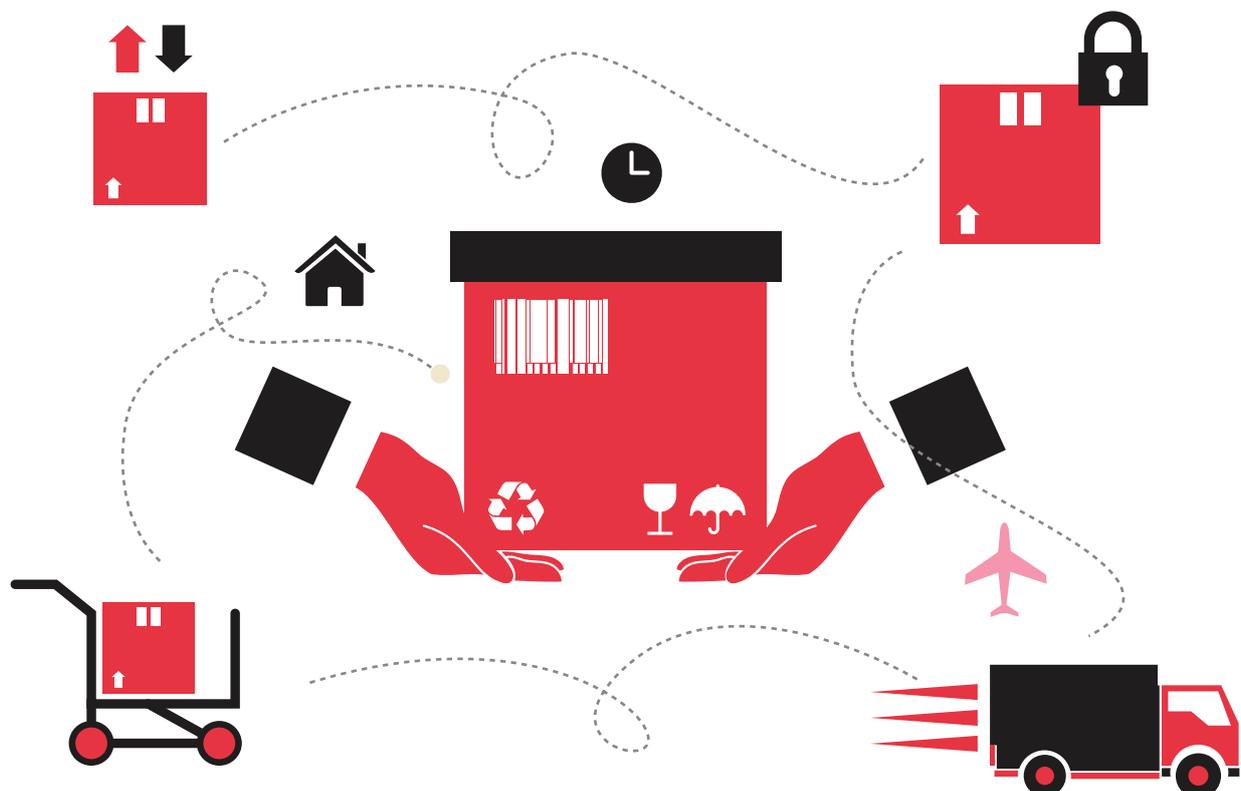


## 6. What are the key features needed in an Ecommerce platform?

Even though it's commonly referred to as an Ecommerce platform, the needs of a merchant have evolved far beyond a storefront. And people commonly confuse Ecommerce platform for storefront technology only. Investment in customer experience technologies, which are all the customer-facing tools and features like site search, rich transactional email, content management, the ability to marry content and commerce so you can tell a good story as opposed to just dumping products in front of customers, feature-rich mobile commerce must be coupled with back office functionality like order management, inventory management, and fulfillment.

## 7. Decide on your delivery model:

This is not a platform decision. It's a strategy decision. SAAS, licensed, hosted are re four entirely different models. And they all have different total cost of ownership. Cloud based is more of an outsourced model – a self-hosted model requires that you would have the care and feeding of it. When you're a small business and have the need for technical expertise in disaster recovery, high availability, and redundancy, it's very hard to find that kind of a skill set in one or two people. A cloud platform provides all of that and you don't have to worry about it. Regarding the amount of customization you want to do, if your business model doesn't require you to come up with unique ways of handling your customers or your systems, then you might not be a candidate for self-hosting. On the other hand, once you go above \$100 million in revenue, the business becomes very complex as does the need for customization. Sometimes a vendor could be cost-prohibitive and slower then what you need, and then you may be a candidate for self-hosting. Finally, you also want to consider how you're going to finance – if you are on on-premise then you need to spend that money upfront, as opposed to cloud hosting which is a pay-as-you-go model and you can pay it out of operational budgets as opposed to your capital budget.



## 8. What are the necessary features and functions?

The depth of functionality is as important as the breadth of functionality. Digging deep on the things you identified in your requirement document as opposed to simply checking a box is important. Some examples are that marketplace integration and POS are no longer standalone, they have to interact with the website, and you need a single view of the customer across those channels. You can purchase a storefront only best-of-breed solution or you can get a commerce suite, with a full-featured storefront and a full-featured back office; GoECart and Netsuite fall into that latter bucket, for example. So, you can't compare a BigCommerce with GoECart and Netsuite because their functionality is not the same. You need to determine what functionality is important to you.

The reality is that some SMBS are either operating without a back office, or with some of the stripped-down functionality available in some of the Ecommerce platforms. So, some of the features of the modern or the next generation Ecommerce platform you should be looking for is true integrated inventory and management system, CRM, fulfillment capabilities.



## 9. What questions should I be asking when selecting a vendor?

This depends on whether you want a technology vendor or a technology partner. You should look for evidence of success in their client base as numbers do not lie. But you have to take that with a grain of salt as everyone wants to take credit for success and no one wants to take credit for failure. Ask questions about how many clients the provider has that are similar to your SMB. If the other retailers are too small or too big on either side it can prove to be somewhat dangerous. And remember that things do go wrong in technology. Ask the provider and the references how this provider handles it when things do not go as planned, and how do they resolve conflict or differences.

Differentiating between customer-driven and customer-oriented vendor is a very big point. At GoECart we believe in being customer driven, meaning that if you're a customer and we're a provider, we may have differing opinions on what's going to drive customer success. A provider can obey your orders and do things, and it might not move the needle, or a provider can disagree with you and discuss it and still help you achieve superior business results. And that's a healthy discussion to have. You should not be working with people who never ever question your decisions: that's not a value addition, that's just a technology vendor, not a technology partner.