Ecommerce Integration

Tips to try and traps to avoid for a successful integration journey

Your competition is not sitting still. And neither should you.

The reality is that companies with first-generation ecommerce solutions built with myriad legacy and point product solutions – as well as those with no ecommerce presence at all – must implement a robust, fully integrated ecommerce presence to remain competitive. At the same time, your customers are increasingly reaching for smartphones and tablets to make their online purchases. Are you ready?

Without a doubt, ecommerce integration can be complex. But with the right planning and execution, you can avoid many of the common issues and costly mistakes. Here are some tips and real life examples to get you moving confidently in the right direction.
The ecommerce terrain is changing fast, driven largely by radical shifts in consumer expectations, ubiquitous social networks and multiple sales channels. In fact consumers’ rapid adoption of mobile and tablets alone is enough to keep any e-retailer awake at night. For instance Forrester reports that mobile transactions should reach 31 billion dollars by 2016, which is a compound annual growth rate of 39% from 2011.

As for tablets, today they generate a small portion of total website visits. But according to research done by Adobe®, tablet visitors are three times more likely to make a purchase than smartphone visitors. And tablet visitors spend 50% more per purchase than smartphone visitors. To emphasize how significant this growth is, Forrester reports that tablet sales will eclipse laptop sales by 2015.

Meanwhile studies show that 30% of consumers use more than three commerce channels to research an item and make a purchase. And a survey by The Nielsen Company reveals that 60% of consumers researching products through multiple online sources learned about a specific brand or retailer through social networking sites.
Can your current technology platform and supporting systems scale?

Here’s the conundrum: can your current technology platform and supporting systems scale to support an exponentially growing, complex array of consumer touch points? And can you do it in a sustainable way?

Ironically the more orders you have coming in via your webstore, the more noticeable your lack of integration becomes – because applications are disconnected, too many steps are being completed manually. This increases the opportunity for human error and delays service management, which can result in an unhappy customer, lost sale and/or bad publicity.

So you have a balancing act on your hands. You’re trying to enhance the customer experience while also trying to ensure that your business operations are reliable and running smoothly. And you are often tackling these challenges with reduced staffs or smaller budgets.
It’s no surprise then that some retailers jump into ecommerce integrations, lured by the promise of a quick fix plug-in. At the opposite end of the spectrum, we see clients who continually postpone integrations because they think it will be too complicated.

Yes, your ecommerce ecosystem is complicated. But integration is mandatory if you intend to remain competitive, increase operational efficiency and exceed your customers’ online shopping expectations.
Pinpoint internal factors that can stymie your integration project

Scope creep  Cost overruns  Project derailment

As you initiate conversations regarding your company’s ecommerce integration plans, note that numerous internal factors can have a sizeable impact on your integration efforts. Identify those factors early on to help avoid scope creep, cost overruns and the derailment of your ecommerce integration journey.
1. Get executive buy-in and support from all stakeholders

The truth is passive commitment from the executive team can halt momentum on your ecommerce integration projects. Yes, they may have signed off on funding; but then they moved on to the next crisis or business opportunity that demanded their attention, leaving your ecommerce integration project to stagnate. Without visible, proactive executive sponsorship, it’s more difficult to gain and maintain consensus among stakeholders.
2. Build the right team to get the job done

- IT
- Customer support
- Finance
- Sales
- Marketing
- Trading partners

Determine early on which stakeholders should be involved in the integration planning. IT and customer support are a given. But which other departments, divisions or business units have a vested interest? Is it finance? Sales? Marketing? What about your trading partners?
3. Keep the human factor in mind

Don’t underestimate the human aspect of the changes that are inevitable with ecommerce integration. For instance if you make changes to the current workflow, what’s the impact on employees who’ve been following the same processes for years? Will they have input to a new process? And how and when will they be trained on the new process?
4. Fix what needs fixing first

- Poorly written code
- Weak infrastructure
- Fuzzy processes
- Poor documentation
- Hacked up software
- Faulty shortcuts

Poorly written code, weak infrastructure, fuzzy processes, poor documentation, hacked up software and faulty shortcuts must be addressed and fixed before you begin any integration activity. If it’s broken, integration isn’t going to fix it. In fact, NOT fixing these problems first is going to cost you more down the road.
5. Take a realistic approach to back office integration

Ecommerce cross-channel technology ecosystem

- Point products
- Mobile devices
- Different platforms
- Social networks
- Mergers
- Systems, Processes

Requires service-oriented architecture (SOA)

Many e-businesses have grown up through an arbitrary combination of point products – each purchased or custom-built independently with little thought given to consistent, scalable enterprise architecture. Frequently the result is layers of applications running on different platforms.

And if your e-business began as bricks and mortar, those original backend systems probably were not purchased with ecommerce in mind, let alone integration with social networks and mobile devices. Maybe those applications are running on mainframes. Or maybe your company has acquired another ecommerce business, and that company has a different set of systems and processes. Sound familiar?

When it comes to ecommerce cross-channel technology ecosystems, there is no easy fix, no plug-and-play. Instead your ultimate goal should be to implement a service-oriented architecture (SOA) that supports connectivity across your webstore, your backend applications, multiple sales channels and your trading partners. And that requires fanatical planning and meticulous execution.
The right approach to integrating legacy back office systems

Migrate over time, don’t rip and replace

Back office integration presents a great opportunity to take a hard look at your applications and business processes – and to make the needed changes. That’s not to say you should suddenly rip out your legacy applications. Clearly that would be costly and highly destructive to your business.

Instead you want to enable your legacy applications to communicate with modern systems through custom integration layers, often described as “wrappers.” This custom layer serves as the communication intermediary by exposing a Web service interface to the application.

For example, if your legacy applications were running on a mainframe, a custom layer would hide the mainframe and legacy systems. Then those web service APIs talk to any third-party application.

In other words, this custom layer can facilitate the integration of data from legacy sources, such as your ERP, with modern payment processing systems, content management systems, and so on. That means integration between your ecommerce solution and backend systems can be done in phases with workarounds that ensure your e-business continues to operate without disruption and allow a smooth change out of legacy systems over time. This in turn helps reduce risks because you control the rate of change and it enables you to budget over multiple quarters.
To guide you in your journey toward a more agile and profitable e-business, consider taking these three critical steps along the way ...
This includes applications, infrastructure, staffing resources and trading partners. Successful ecommerce requires real-time access to product information, customer information and supply chain information. That’s why your technologies need to be scalable.

Platform compatibility can be an issue. So make sure you understand your architecture before you begin to integrate existing applications to avoid disruption or data loss – and especially before you begin to evaluate the purchase of any new applications.
Synchronized data means that most – if not all – of the behind the scenes data sharing takes place in real time ... from real-time processing of customer orders to real-time pricing updates in your ERP, product catalog and storefront.

And it goes beyond technology. Successful data synchronization includes data quality and data accuracy. For instance if accurate product data is not synchronized between your ERP, order management system, warehouse and trading partners, you risk excess inventory, inaccurate pricing, manual reconciliation of invoices and unhappy customers who can’t track the status of their orders.

If up-to-date customer data is not synchronized between your webstore, ERP and CRM systems, you won’t be able to see order histories and demand patterns of each customer. This means you lose the opportunity to offer additional product recommendations or personalized promotions.

But always keep this in mind: automating existing processes without first making necessary improvements to workflow will not yield the results you want. In fact, you’ll just be wasting time, money and resources. So clearly document and test your current workflow processes, then make the necessary improvements before you move forward with synchronization.

Typically we advise implementing workflow projects in phases because it reduces business disruption and provides visible, successive improvements to your ecommerce processes. Sometimes that visibility is required in order to continue to motivate employees whose long-held routines might be changing.
3. Automate as many interactions as possible

- Streamline data flow
- Consolidate via single user interface (UI)
- Access key data driving your e-business

This is especially relevant if your current mode of operation is to pull different pieces of information from the different people who are responsible for different aspects of your ecommerce business. Your goal is to streamline the flow of data between systems – then consolidate that data via a single user interface (UI) so it can be compared and analyzed in a consistent way. Otherwise you risk making critical operating decisions based on flawed or incomplete information.

Obviously data from multiple files will be in different formats. But there are a number of master data management (MDM) tools on the market to help you centralize all of that data into a single user interface. Then you’ll have real-time access to the key data that’s driving your e-business, which means you can respond quickly to changes – which ultimately can help you reduce costs, improve the customer experience and increase customer loyalty.
3 case studies

Following are three case studies illustrating ecommerce integration done right.
1. A mid-size enterprise

This mid-sized enterprise provides white-labeled technology services through a multi-tenant service delivery platform. Each of its customer’s must be fully branded and have a unique configuration. Everything from the ecommerce storefront to the CRM and card processing must be customizable and branded. Plus each tenant has different integration points – for example different fulfillment systems and multiple card processor systems. And of course each tenant demands a consistent user experience regardless of the sales channels.

Ecommerce integration solution: The company chose a custom-built SaaS-based delivery platform. Then the third-party systems as well as the legacy systems were consolidated. In this case, taking the SaaS route enabled the solution to work off a common code base yet still allow for the customization required by each tenant. The result? Predictable scaling to take advantage of market opportunities and seasonal demand; plus, all the needed applications are integrated, including service management, CRM, ERP and multiple card processing and billing platforms.
## Mid-size ecommerce business

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<th>Company snapshot</th>
<th>Integration solution</th>
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<tr>
<td>Required real-time integration system</td>
<td>Customized platform</td>
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<tr>
<td>- Fulfillment, order management</td>
<td>- Different rules per sales channel</td>
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<td>- Direct customers</td>
<td>- Custom workflows</td>
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<tr>
<td>- 3rd parties</td>
<td>- Application integration</td>
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<tr>
<td>- Different price points</td>
<td>- Fulfillment, OMS, credit card processing, CRM, marketing automation tools</td>
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<td>- Multiple ship locations</td>
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2. A mid-size ecommerce business

This ecommerce company needed a real-time integration system for fulfillment and order management, but some orders come direct from end customers, others come through third parties. Further complicating the process is that some orders are shipped directly to end customers while others go to the third parties for future distribution – and that requires different price points depending on purchase quantity and shipment location.

Ecommerce integration solution: The company’s ecommerce platform underwent significant customization, including assigning different rules for each sales channel as well as custom workflows. Then their multiple applications were seamlessly integrated with the ecommerce platform, including fulfillment, order management, credit card processing, CRM and marketing automation tools.
### Rapidly growing service company

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<tr>
<th>Company snapshot</th>
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<tr>
<td>‣ Disconnected workflows</td>
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<td>‣ Applications not integrated</td>
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<td>‣ Departments using non-standardized tools, manual processes</td>
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<td>‣ Ecommerce platform</td>
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<tr>
<td>‣ Customized front end</td>
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<tr>
<td>‣ Integrated with CRM, fulfillment, card processing, email, lead generation tools</td>
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<tr>
<td>‣ Fully integrated backend</td>
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<tr>
<td>‣ Order fulfillment, invoice processing</td>
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3. A rapidly growing service company

This rapidly growing service company found itself with disconnected workflows that were affecting order fulfillment, invoice processing and customer satisfaction. During the company’s initial growth spurt, different departments had adapted various tools and manual processes. But they had reached the point where those processes needed to be automated and applications needed to be integrated, or the company risked losing credibility with its customers.

Ecommerce integration solution: First the front end of the ecommerce platform was customized. Then the platform was integrated with the company’s key applications, including CRM, fulfillment, card processing, email and lead generation tools. This created a fully integrated backend platform for order fulfillment and invoice processing. By automating its critical processes, the company reduced delivery times, improved tracking capabilities, increased customer satisfaction and decreased costs.
Summary

- Just say NO to:
  - Marketing hype
  - Promises of a quick fix

The key message here is this: ecommerce integration is complex and time consuming, but it is essential to delivering the nimbleness required to grow your business, drive innovation across channels, and differentiate your brand in the ever-changing world of ecommerce.

While it is easy to get caught up in the fanfare of marketing hype or vendors who promise a quick fix, remember the old adage, “If it sounds too good to be true...”
Partner to supplement your internal staff, then follow these tips

1. Get executive buy-in, support from all stakeholders
2. Build your project team
3. Define your requirements
4. Document your processes
5. Decide which applications to integrate in which order
6. Roll out the integration in phases

Instead seek out a multi-disciplined integration partner to supplement your internal staff. Be sure the service provider is experienced in solving ecommerce business issues similar to those you are facing, including working with backend applications and legacy systems like those deployed in your ecommerce ecosystem. This partner’s expertise in business processes, integration strategies and technology implementation across multi-channel touchpoints can alleviate much of the angst that might otherwise sidetrack your ecommerce integration efforts.

Then follow these tips and you will be well on our way to a successful journey:

• Get executive buy-in and support from all stakeholders
• Build your project team
• Define your requirements
• Document your processes
• Decide which applications to integrate in which order
• Roll out the integration in phases
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