

The Best eCommerce Starts with Tighter Integration

eCommerce is here to stay.

Having eCommerce capability is becoming a necessity for both business-to-consumer (B2C) and business-to-business (B2B) organizations.

It can be deceptively easy to get into the eCommerce game. Most people think all they need to do is set up a website with shopping cart capabilities, and they're done.

Well, not quite. While the website and shopping cart can be relatively easy to set up, eCommerce adds new challenges to your existing sales channels. For instance, there are additional considerations:

- The online catalog must be complete and accurate.
- Pricing, availability, and order processing must be correct.
- Credit checking and order approval might be required.
- Once the order is secured, fulfillment must be completed quickly and effectively, including:
 - allocation
 - picking, packing, and shipping
 - billing and collection
 - follow-up to ensure customer satisfaction

What about the proper handling of returns? Return rates for eCommerce sales are notably higher than with other channels. These, too, require efficient execution.

And don't forget the importance of capturing data from all interactions with customers and prospects, which lets you use analytical tools so you can optimize the customer experience.

Your eCommerce site cannot stand alone

Omnichannel retailing is not simply selling your product through multiple sales channels such as online, mail order, or in a brick-and-mortar store. The beauty of omnichannel retailing is that, regardless of how or where the buyer purchases the product, the buying experience is transparent to the customer. For example, in an omnichannel environment, customers can purchase online, receive the product in the mail, and return the product to a physical retail location.

To make the omnichannel experience as seamless as possible, the back-office systems used for your financials, warehouse management, and fulfillment (typically managed by an Enterprise Resource Planning application, or ERP) must be able to communicate with your eCommerce website, and data should be able to flow freely between your web presence and your ERP back end.

As the eCommerce market matures, customers are expecting a seamless buying experience from every retail vendor.

What's more, customers expect to be able to self-educate with informational descriptions, blogs, and how-to videos. They want to read user reviews and compare similar items from various manufacturers. And they want to compare prices and product availability between your store and your competitors.

The integration of the ERP functions with the eCommerce platform, in addition to all your other sales channels, ensures the customer will experience the purchase as one, seamless transaction.



eCommerce is your company's welcome mat

The eCommerce website provides access to your business. It is the bridge between your company and your customers and prospects. Everything else that makes your business what it is—the products, services, activities, and value you create and deliver to customers—takes place behind that gateway.

A tight integration between your eCommerce platform and your ERP, coupled with the support of friendly and helpful staff, is your opportunity to roll out the welcome mat to your store, providing your prospects with the products and service they want.

Most first-time buyers don't search for a specific company; instead, they first look for the type of product they are interested in buying. They read reviews and informational articles and compare manufacturers. Only then will they look for the company or companies that carry the product they have selected. Here is where a strong web presence will help you get noticed by your prospects.

When considering eCommerce as the “welcome mat” for your business, remember that customers will buy from your company the first time based on promises, offers, and ease of use, but will only return if those promises are kept. In other words, customer satisfaction relies not just on the ease of the online ordering process, but also on efficient and effective completion of the sales: pick/pack/ship timeliness, secure billing and collection, and timely follow-through on returns and inquiries. Most of those tasks are accomplished using the company's ERP and internal processes.

The way it should be

Your eCommerce platform (website and shopping cart functionality) should be integrated with your ERP and internal functions while avoiding data duplication as much as possible, making it much easier to isolate the roles and responsibilities of the online presence from the back-office processes.

- Product information (pricing, product details, availability) should come from the ERP database.
- Customer transactions (sales, allocations, shipping instructions) should go directly into the ERP order management and inventory systems.
- Order status from ERP should be available to customers during the life of the transaction and beyond. Many eCommerce companies send status updates via email (order accepted, in process, order shipped, shipment tracking information) and this information should also be available from the website.

- All activity, including click-streams, abandoned shopping carts, and order changes should be captured and inserted into the corporate data warehouse for future analysis in combination with other product, customer, and marketing data.
- Whenever possible, the financial side of the eCommerce transaction should be completed with and through the ERP financial applications – credit check, account or credit card charge, invoicing, collection, and general accounting.
- Order and item pricing and quantity will typically come from the ERP, especially in the case of configured or customized products.
- Purchase and accounting history posted to the customer account should be made available to the customer through the eCommerce site – extracted directly from ERP, so there is no time lag or duplication issues.

The business case for integrated ERP and eCommerce

eCommerce can (and should) be an enabler for increased sales and profit for the organization and not viewed simply as a cost of doing business.

However, there will be costs associated with the purchase, implementation, and continued management of your eCommerce presence – just as you would incur with any business application. These costs include the software license, annual maintenance and support costs to the supplier, any implementation assistance (consultants, technical assistance), initial setup, populating your catalog, training the users and maintainers of the system, additional hardware/software needed to support the new application and its data, and any additional applications or tools to exploit the new business and data availability.

The benefits of an online eCommerce presence include:

- Additional sales to new and existing customers
- More efficient fulfillment and logistics to support multichannel sales
- Higher customer satisfaction from increased customer service, improved product design, better inventory performance, and more precise planning

As with any other process improvement or system project, a complete business case outlining the cost/benefit analysis will help secure executive support and follow-through. Organize the project team and plan the project. Allocate the resources and carry out the project according to the plan and schedule. Regularly report progress to executive sponsors and the rest of the organization to keep their interest and enthusiasm high.

Be sure to provide education and training to all employees who will be involved in or affected by the eCommerce system. Complete the project and document the results, lessons learned, and ideas for future improvements. And establish the necessary procedures and resources to keep the new eCommerce system up-to-date and functioning effectively.

Choosing an eCommerce solution

Make sure the eCommerce application you choose includes comprehensive, user-friendly design and authoring tools, so users and marketing people will be able to create and update your digital “showroom” directly without the need to engage programmers.

If you are choosing a new eCommerce platform, it is easiest to implement the eCommerce system that is part of your existing ERP provider’s offerings or an eCommerce platform that already has built-in interfaces to your ERP.

If you are considering a new ERP system, be sure that there is a suitable eCommerce module or proven partner product that interfaces your eCommerce platform to the rest of the ERP functions and database.

As much as possible, the eCommerce system should draw data directly from ERP tables with minimal duplication of data between the two systems. Alternatively, there should be a configurable synchronization process between the two systems allowing you to specify the information that is exchanged between the two systems and when. Synchronization should be automated with little or no human intervention required.

Building a successful eCommerce strategy

Your strategy and the tools you choose to support that strategy should be flexible and adaptable as your company grows.

Plan an integrated approach to include everything from the website itself and its technical challenges through fulfillment, returns, financial management, analysis, and feedback to sales, marketing, product design, customer relations, and logistics processes.

Establish the initial capabilities first, then lay out the parameters and approach you will use to move forward.

Consider ongoing training for the users, managers, administrators, and developers of the eCommerce platform and your company's web store. Include formal training classes from systems suppliers, consultants, and third-party sources, and follow the market trends and developments gathered from industry publications, conferences, and user groups.

As your strategy develops, be sure your project team stays engaged and involved in all eCommerce-related activities and accomplishments. This team includes senior executives (sponsors and champions), sales, IT, and business units from across the organization. Even if they do not touch eCommerce directly, each department will undoubtedly be affected and will need to support this new type of business.

Choose the right technology platform and toolset to enable the customer-facing capabilities (and flexibility) along with the integration and support functions. Also choose appropriate partners to help you succeed – software and system suppliers, external advisors and contractors, educators, and technical support.

Lastly, be sure to include provisions for continuous improvement in your eCommerce plan. Technology continually changes, customer expectations are constantly in flux, and you will continue to learn as you strengthen your eCommerce experience. eCommerce can become a competitive strength when based on a solid plan and smart execution by a strong team that harnesses the technology, processes, and people to deliver a great customer experience.

About Acumatica

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