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ECOMMERCE REPLATFORMING

Step-by-Step Guide for B2B & B2C Companies

With contributions by:

cognizant

Intro



As B2B and B2C consumers expand their purchasing journeys across online and offline channels, companies are forced to re-evaluate their eCommerce platform. Can it keep up with (and simplify) the complexities needed to meet heightening demands? For example, can your current cart and checkout support subscription purchases in the same transaction as a non-subscription purchase? Or can you manage segment-specific or account-level pricing and promotion rules without IT involvement? 76% of retailers plan to increase their spending on eCommerce technology and services in 2023, according to a survey of retailers by Digital Commerce 360.

Adding new capabilities is especially top-of-mind for many B2B sellers, with 61% of B2B retailers in a January 2022 Digital Commerce 360 survey indicating that eCommerce platforms and applications were among their top priorities for the year.

Regardless of your focus or retail niche, there's a lot to consider when migrating to a new eCommerce platform—from determining the right time to make the move to creating a game plan for vetting vendors. Our aim with this guide is to help you navigate the process.

You can use this eCommerce replatforming guide to help you plan and execute a successful migration. To this end, the following topics are covered:

When is the right time to replatform?

What to consider before vetting new platforms

How to determine the right type of platform

Calculating the total cost of ownership

8 steps to replatforming

Checklist for replatforming

We'll start by covering the signs and symptoms that signal it's time to look for a new eCommerce platform.

When is the right time to replatform?

While every retail business is different and each industry has its own unique goals and challenges, there are several key indicators that signal it's time to embark on an eCommerce replatforming project. These include:

1

YOUR CURRENT SYSTEM IS NO LONGER UP TO THE JOB.

eCommerce growing pains are real. With success, comes the need for scalability. If your platform can no longer handle increased traffic or orders, it might be time to start looking for a new solution that can support your business's continued growth. "A newer modernized platform brings cloud native-based architecture and advanced capabilities such as auto-scaling or self-healing for better consumer experience," said Saravanan Kannan, North America Commerce Leader at Cognizant.

2

YOU WANT TO ENTER NEW MARKETS.

Global and regional markets often have different eCommerce needs and requirements. Expanding into these markets requires an eCommerce platform that is configurable and flexible enough to accommodate different needs like language, currency, and shipping. "Multi-tenant and globalized reusable template of the storefront assets for regional rollouts with minimal configurations is one of the major criteria for platform modernization," said Kannan.

3

YOU NEED TO INTEGRATE NEW COMMERCE TOOLS OR ERP SYSTEMS.

As you add new commerce applications and tools, or connect to new ERP systems, the out-of-the-box capabilities of your current eCommerce platform might not be enough. If you find yourself having to do a lot of custom coding to make everything work together, it's probably time for an upgrade. "The next-generation platforms provide a holistic end-to-end marketplace ecosystem for connectors, adaptors, and other plug & play integration services with seamless data exchange," said Kannan.

"The current challenges on inventory visibility across all sales channels and the complexity in the delivery fulfillment capabilities post-order capture disrupt the customer experience."



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An eCommerce replatforming initiative that employs a modular, scalable system helps you adapt to changes in omnichannel shopping behaviors, expectations, and technology.

4 YOUR ORDER MANAGEMENT SYSTEM NEEDS AN OVERHAUL.

Order management and fulfillment can be challenging for businesses with complex product offerings, several distribution centers, and multiple sales channels. If you're relying on manual processes or band-aid solutions to get by, moving to an eCommerce platform that can support robust order management capabilities is a logical next step.

"The current challenges on inventory visibility across all sales channels and the complexity in the delivery fulfillment capabilities post-order capture disrupt the customer experience. The next-generation order management platform solves most of these underlying order orchestration problem statements. Unified commerce experience is a very key differentiator for order capture and post-buying consumer experience," said Kannan.

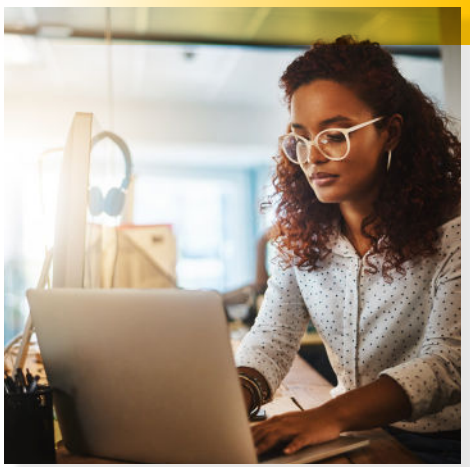
5 YOU WANT TO INITIATE (OR IMPROVE) AN OMNICHANNEL COMMERCE EXPERIENCE.

Omnichannel shopping is the rule in the U.S., not the exception. According to Harvard Business Review, 73% of consumers prefer shopping across multiple channels. Delivering consistent and personalized experiences builds trust, fosters connections with customers, and inspires loyalty. If your current eCommerce platform can't deliver on this omnichannel promise, it's likely time for an upgrade. "The transformation strategy should be unified for consistent experience and business expansion," said Kannan.

6 YOU DON'T KNOW WHAT YOU DON'T KNOW.

It can be difficult (if not impossible) to anticipate what functionality you'll need in six months, much less a year or more. But with the right system, you don't have to guess. An eCommerce replatforming initiative that employs a modular, scalable system helps you adapt to changes in omnichannel shopping behaviors, expectations, and technology. If your current platform lacks the flexibility to grow with your business, or if you're not confident in its ability to scale quickly, it might be time to consider a new solution.

73% of consumers prefer shopping across multiple channels



7

YOU WANT INCREASED AUTONOMY FOR ECOMMERCE OPERATIONS.

If you're using too many resources to maintain your eCommerce operations, it may be time to re-align the technical and business teams. By investing in technology that prioritizes business functions and simplifies tech stack management, you can gain significant operational efficiencies.

"Business teams want more independence and flexibility in publishing marketing content, merchandising decisions, and real-time promotional offers without significant IT dependencies. IT teams want more automation in product development, quality, and production rollout with minimal human touch. A platform that caters to provide such capabilities brings in more operational and cost efficiencies to the organization," said Kannan.

Here are a few examples:

1. Infra-as-a-code for cloud environment management
2. Automated test scripts for Regression, SIT, E2E and Performance Test
3. Fully automated DevOps CICD pipeline
4. Site Reliability Engineering supported by Chaos Test Engineering

The above list covers many of the most common reasons businesses replatform their eCommerce systems. But before getting into specifics, you should ask yourself if there are things that your current platform can't do. Does this lack of functionality put you at a competitive disadvantage? Is the current system able to handle your order volume, meet your business needs, and expand with you? These questions will help clarify if it's time for a change.

What to consider before vetting new platforms

Replacing an eCommerce platform will impact every aspect of your retail business. To plan for the project and ensure you consider its impact to the organization, you should develop a roadmap by answering the following questions.



Composable commerce solutions give you the ability to add or upgrade your eCommerce capabilities without the heavy lift of a traditional replatform.

Do you need to replatform the entire eCommerce platform or only certain modules?

'Replatforming' can often be a daunting word to B2B and B2C companies. But composable commerce solutions give you the ability to add or upgrade your eCommerce capabilities without the heavy lift of a traditional replatform.

Composable commerce takes a modular approach to commerce by using packaged business capabilities (PBCs) to group microservices together. PBCs, a pillar of composable commerce, form independent components of the larger commerce system.

In a composable system, individual capabilities, such as search or cart & checkout, can be added without affecting the rest of the system. This gives you the agility to respond to customer needs in real-time and create exceptional digital experiences that drive conversions and loyalty. By building your platform from the capabilities that you need, you save on the total cost of ownership (TCO).

Are you prioritizing business functions and tech stack management simplicity?

As technology leaders started taking the responsibility of evaluating, purchasing and managing technology purchased by the company, the pendulum swing from monoliths to microservices. But many retailers found that these MACH (Microservices based, API-first, Cloud-native SaaS, and Headless) systems were too technical to implement and manage. They often required IT teams to build custom UIs and integrations when they should have been focusing on building capabilities and features that make the retailer unique.

By re-aligning your business and technology teams, you can ensure you're investing in technology that prioritizes the business user and simplifies tech stack management. Look for solutions with the depth of out-of-the-box commerce capabilities (i.e., integrations, APIs, workflows, data unification, and user interfaces) needed to meet your business complexities — freeing the IT team to build functions and features that drive revenue.



What business use cases do you need the new platform to fulfill?

Creating use cases helps visualize and clarify your business needs. What do you need the new platform to do for your business? Do you need it to improve customer experience, create efficiencies in your operations, or enable growth? Use cases are an important tool when screening vendors since they provide tangibility around how a given platform can or can't meet your requirements.

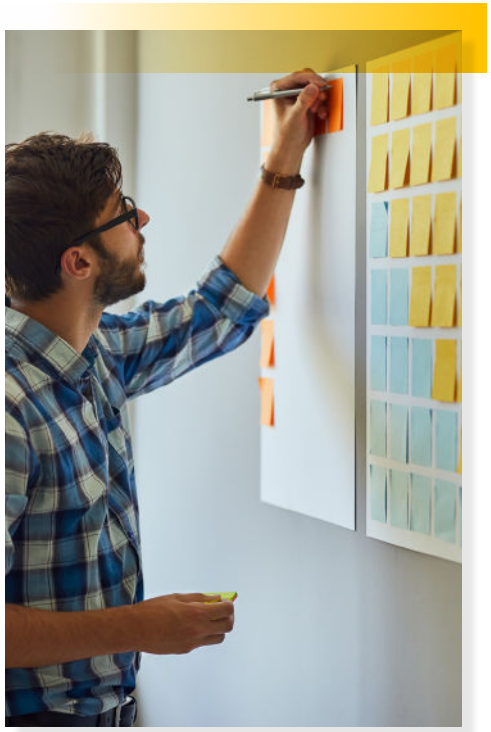
Who needs to be involved in the decision-making process?

Your replatforming project will likely require some organizational changes. For example, you might need to create a new position to manage the platform or restructure your marketing team to take advantage of the new features. Team buy-in and communication are critical when migrating to a new system. Create a clear outline or list of the stakeholders tasked with informing, educating, and involving their teams in the decision-making process.

Is your budget realistic?

We get into the specifics of calculating the total cost of ownership (TCO), below. But well before you factor in how to calculate this crucial metric, it's important to take a realistic look at your budget for replatforming since this informs what you can do now versus later.
Some costs inherent in eCommerce replatforming include:

- Monthly or annual platform subscription fee
- One-time migration fee
- Staffing and training costs (hiring new staff, re-training existing staff, etc.)
- Ongoing maintenance and support costs
- Hosting and managed services fees
- Operational cost of two eCommerce platforms until the legacy application is sunset



Who will be responsible for managing the new platform?

Successful replatforming programs involve all departments, including executive leadership. Failing to get executive buy-in before replatforming is a huge pitfall and can derail the project. It's helpful to have one person spearhead the initiative—a replatforming "champion" who informs executive leadership while working with a transition team that represents different departments within your organization.

What requirements and capabilities do you need now and in the future?

Evaluating your current eCommerce platform will give you a good idea of the capabilities you need in a new platform. It's also important to plan for your short- and long-term needs (e.g., 6 months, 1 year, 2 years, etc.). Again, there's no way to anticipate exactly how the market, your customers, and your business will change over time, but finding a platform that can scale and adapt is the best way to weather changes.

What's the timeline for the project?

Be realistic about the timeline for your replatforming project. Depending on your approach, migrating to a new platform can take months to complete. Make sure you have a clear understanding of the timeline and how it will impact your customers, stakeholders, and employees.

What's the production cutover strategy for the project?

"Plan and budget for production cutover strategy well in advance by aligning stakeholders and preparing for key activities leading up to launch day, such as environment readiness, data migration, organizational change management, training, and platform transition," said Kannan.

"The are different types of cutover approaches, such as big bang or a phased rollout by feature and capabilities which could lead to incurring operational costs and maintenance of two different platforms until the legacy is sunset. It's important to consider each approach and how they will affect business operations and the end consumer experience."

Answering the above questions helps prepare you for the next step—choosing the type of platform you need and the right vendor for your project.

How to determine the right type of platform

There are several different platform approaches and types you should know about as you compare vendors. Here's a quick overview of the most common eCommerce platforms:

SaaS vs. On-Premises

Software as a Service (SaaS) is a subscription-based licensing model where software is developed and hosted by an external vendor. Think of it as a rental approach. Your subscription price pays for access to the software and everything needed to operate it including updates, upgrades, security, and maintenance.

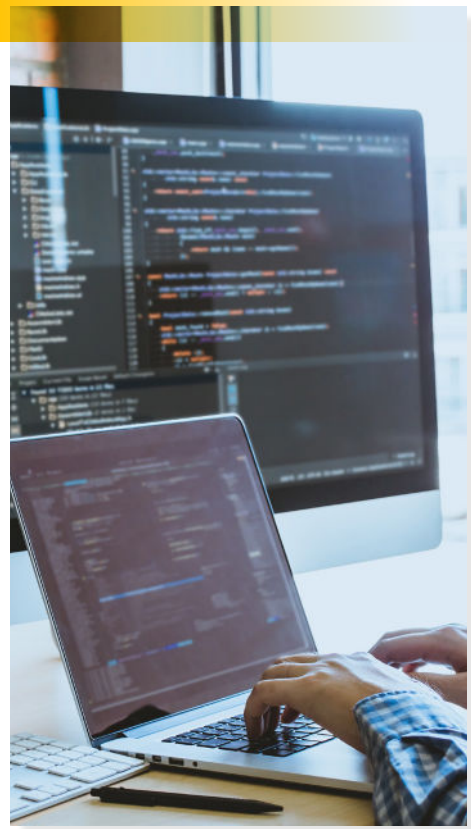
An on-premises platform is managed internally by your company. It's a one-time purchase with an external hosting fee and an annual maintenance contract with the vendor. With an on-premises system, you own the software (think of it as a house you own outright), but you're responsible for its upkeep including hosting, security, and upgrades.

Monolith vs. Headless vs. Composable

A monolithic eCommerce platform is one that's tightly coupled — the backend system (order management, inventory, etc.) is integrated with the frontend system (checkout process, product pages, customer accounts). Once the standard when it came to eCommerce systems, many companies are moving away from monolithic systems because of their lack of flexibility.

A headless eCommerce platform separates the backend functionality of your commerce system from the frontend presentation layer. Headless systems are cloud-based and use API calls to deliver services and content to send instructions between the two ends. Headless commerce allows developers to focus on building out backend functionality without worrying about how it will impact other parts of the platform. Headless commerce is more flexible than monolithic platforms, but keep in mind, you can have a monolithic frontend and a separate monolithic backend (e.g., "fake headless").

A composable eCommerce platform is like a headless system in that it's cloud-based with backend and frontend systems that communicate with each other via APIs. The difference is that composable commerce uses packaged business capabilities (PBCs) to group microservices together. In a composable system, each function is separate and contained (e.g., the order management system vs. the product information system). This modularity provides for more flexibility and easier upgrades. It's important to note that not all composable commerce solutions are equal. Some solutions require heavy IT involvement to build integrations and workflows between systems, which can increase costs and needed resources.



Is the platform scalable and flexible?

One of the biggest motivations to replatform is the need for an eCommerce system that can scale, extend, and pivot as your business strategy evolves. This is the only way to provide engaging omnichannel experiences that are frictionless and consistent across every touchpoint.

As you compare vendors and platform types, consider the following:

OUT-OF-THE-BOX CONNECTORS
Most eCommerce platforms come with a library of out-of-the-box connectors that allow you to integrate popular applications and data sources.

APIs
APIs allow developers to create custom integrations by writing code that calls the platform's API. Some eCommerce platforms come with pre-built APIs to minimize the need for development resources.

Extensibility
Extensibility allows you to update the website or platform without affecting the code base. You can make changes to the customer experience, workflows, or platform UI without a complete overhaul or fear of shutting down the site.

B2C shoppers and B2B buyers alike are using multiple channels to make informed and convenient purchases — requiring retailers to adopt complexities and commerce capabilities to meet heightening demands for omnichannel journeys. With a flexible and scalable platform, you can take advantage of its out-of-the-box functionalities for faster time to market, while extending it overtime based on your unique business and customer needs.

Top Drivers for the platform selection

According to Cognizant, there are eight important drivers to consider for an eCommerce platform selection process:

Multisite, Multi-tenet
(Single platform for multiple sites for unified customer view and ease of operations)

Speed to Market
(Faster market penetration and ROI realization)

Content-Driven
(Rich media content for more enhanced customer experience)

Ease of Integrations
(Simpler hooks to customer data platform (CDP), CMS, OMS, etc.)

Headless or Composable Commerce Architecture

NextGen Commerce Capabilities
(i.e., Voice-driven commerce, Augmented Reality, Virtual Reality)

Advanced Analytics
(AI/ML based, real-time analytics)

Calculating the total cost of ownership of the platform

The total cost of ownership (TCO) of an eCommerce platform includes all expenses, costs, and investments associated with your solution—including any downtime incurred from replatforming.

It's helpful to calculate your expected TCO before you start the replatforming process so you can avoid surprises and realistically compare vendors. TCO can be broken down into three categories: implementation, maintenance, and optimization.

Implementation Costs

Implementation costs are anything involved with the initial launch of your eCommerce platform including:

- *Professional services fees for things like project management, business analysis, and software development*
- *License fees for the eCommerce platform itself as well as any third-party applications or integrations you need*
- *Hardware costs like servers, storage, networking, and security*
- *Data migration costs*
- *Staffing costs for in-house resources dedicated to the project*
- *External consulting costs if you need to bring in outside expertise to help with the migration*

Maintenance Costs

Maintenance costs are the on-going fees associated with keeping your eCommerce platform running including:

- *License fees for the eCommerce platform and any third-party applications or integrations*
- *Staffing costs for in-house resources dedicated to maintaining the platform*
- *Hosting fees*
- *Backup and disaster recovery costs*
- *Monitoring and security costs*
- *Infrastructure costs like servers, storage, networking, and security*

"One of the major criteria on the platform selection decision making process is how much revenue share does the brand specific digital platform bring into the equation."



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Optimization Costs

Optimization costs are the investments you make to continually improve your eCommerce platform over time including:

- *Professional services fees for things like design, development, and user experience testing*
- *Website and app enhancements*
- *Content creation and management*
- *Search engine optimization (SEO)*
- *Analytics and reporting*

As you can see, there are a lot of factors to consider when calculating the TCO of an eCommerce platform. Be sure to factor in all one-time and recurring costs so you can make an accurate comparison of vendors.

Revenue Share from Digital Platform

"One of the major criteria on the platform selection decision making process is how much revenue share does the brand specific digital platform bring into the equation. Based on the online revenue, you can pick and choose between the different eCommerce platform vendors targeting the specific brand potential and requirements," said Kannan.

Brand digital online revenue categorization in 5 different levels based on the market share as described below:

1. *SMB (< 10M)*
2. *Mid-market (10M to 50M)*
3. *Mid-market (50M to 100M)*
4. *Enterprise (100M to 500M)*
5. *Enterprise (> 500M +)*

"For example: There are certain lightweight SaaS-based platforms that cater to SMB who want to quickly go to market with mostly out-of-the-box features," noted Kannan.

8 Steps to eCommerce Replatforming

We've already touched on some of the things you should consider when initiating an eCommerce replatforming project, but what does the process actually look like? Below, we provide 8 steps to clarify this process and help you get started.



According to McKinsey, companies that succeed with cloud migration initiatives are over 30% more likely to have CEO buy in versus those that don't.

1

Define Your Goals

Before you can start replatforming, you should fully outline your goals—including your needs and requirements—for the initiative. Defining your goals does two things. It helps you create a clear plan of action/next steps and it enables you to better identify vendors that are a good match. Factors to consider include ease of use, functionality, security, support, timing, and pricing.

2

Get buy-in from executive leadership

Replatforming is a big undertaking that needs support from your organization's leadership. According to McKinsey, companies that succeed with cloud migration initiatives are over 30% more likely to have CEO buy in versus those that don't. This is why it's critical for your organization's executives—including the CEO—are fully on board.

3

Outline requirements and business use cases

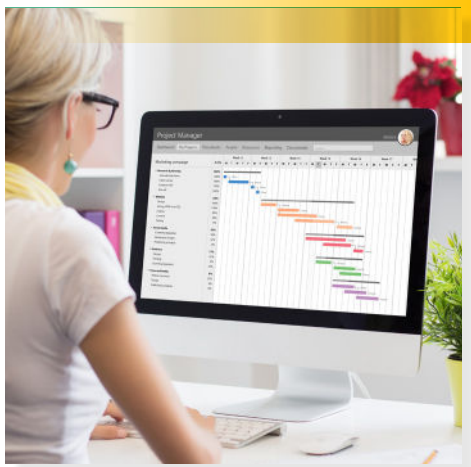
Once your goals are outlined and you have support from leadership, you can create a more detailed replatforming plan that includes your business requirements and needs. Business use cases are an invaluable tool at this stage of planning. They force you to clarify specific scenarios that demonstrate how your replatformed eCommerce solution will be used. Use cases can be presented to potential vendors during the Request for Proposal (RFP) process to ensure they understand your needs and expectations.

4

Create a data migration plan

Moving and/or integrating data from one environment to another is complex and not without risk. Any replatforming initiative, therefore, requires a data migration plan. Your plan should include a timeline, benchmarks and goals, and a list of data sources and data points that need to be migrated. Your plan should also account for data growth, data retention, and the overall impact your migration will have on your search rankings.

"Depending on the production cutover strategy the data synchronization process has to be finalized between two ways vs. one way between the Legacy and Modernized platforms until the transition is completed," added Kannan.



A comprehensive RFP helps vendors provide tailored responses and demos while enabling you to make apples-to-apples comparisons.

5

Identify skill gaps that need to be filled

The success of your replatforming initiative will largely depend on having the right team in place to manage and support it. As you put together your project plan, map out the resources you have on hand and what's needed. This helps identify any skill gaps within your organization that you'll need to fill with additional training, new hires, or outside consultants. Identifying skill gaps also helps with vendor selection, since some vendors provide consulting and resources to customers who need additional support.

6

Vet the platform's partner community

A platform's partner community is made up of developers, designers, and other solution providers who build on or integrate with the platform. This community can provide a wealth of support and expertise—but only if it's robust and active. When considering potential eCommerce platforms, look at the depth of its partner ecosystem. Check to see if the provider invests in integration points, testing, and documentation for partners. Make sure you understand how the platform manages third-party vendors and what kind of access you'll have to them.

7

Establish a replatforming roadmap

With your migration plan and team in place, you're ready to develop your replatforming roadmap. This document should include both short- and long-term milestones, identify risks and dependencies, and assign ownership to specific team members. This is a living document that will evolve as your project progresses. The roadmap provides a valuable framework for keeping everyone on track and ensuring your replatforming initiative is successful.

8

Create a detailed RFP

Once all the pieces are in place, you can begin vendor selection by issuing a Request for Proposal (RFP). An RFP is a formal document that outlines your business needs and requirements. This is where you can include your business use cases, data migration plan, and other criteria connected to your replatforming project. Be specific. A comprehensive RFP helps vendors provide tailored responses and demos while enabling you to make apples-to-apples comparisons.

eCommerce Replatforming Checklist

We know we've covered a lot in this guide and that replatforming can be a daunting task, so here's a checklist that summarizes all of the above information. Use it as a tool to kick off your replatforming project and keep everyone on track.

When is the right time to replatform?*

- ◯ My current system doesn't meet my needs
- ◯ We want to enter a new global or local market
- ◯ Our system can't handle our current traffic or order volume
- ◯ We need to improve customer experience
- ◯ Support for our current platform is ending
- ◯ Our site is slow or unreliable
- ◯ I'm not able to make changes or updates myself

**selecting one or more of the above is a good indicator that the time is now.*

What to consider when vetting new platforms

- ◯ Person/team responsible for the replatforming initiative
- ◯ Business needs and objectives
- ◯ Technical capabilities
- ◯ Ease of use
- ◯ Flexibility
- ◯ Cost
- ◯ Support and maintenance
- ◯ Implementation timeline

Types of eCommerce platforms

- ◯ SaaS (Software-as-a-Service)
- ◯ Self-hosted/On Premises
- ◯ Monolithic
- ◯ Headless
- ◯ Composable

Integrations

- ◯ Payment providers
- ◯ Shipping carriers
- ◯ Accounting software
- ◯ ERP systems
- ◯ CRM tools
- ◯ Marketing automation platforms
- ◯ Other software you rely on

Calculating TCO

- ◯ Professional service fees
- ◯ License fees
- ◯ Hardware costs
- ◯ Maintenance and support
- ◯ Hosting fees
- ◯ Training costs
- ◯ Opportunity cost

Steps inherent in replatforming

- ◯ Define your goals
- ◯ Get executive/leadership buy-in
- ◯ Outline business requirements and use cases
- ◯ Create a data migration plan
- ◯ Identify skill gaps and needs
- ◯ Vet platform third-party community
- ◯ Establish a replatforming roadmap
- ◯ Create a detailed RFP

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Kibo Commerce is a composable digital commerce platform for retailers, manufacturers, distributors, and wholesalers who want to simplify the complexity in their businesses and deliver modern customer experiences. We are the only modular commerce platform supporting experiences that span Order Management, eCommerce, and Subscriptions. Companies like Zwilling, Ace Hardware, and Coastal Construction trust Kibo to bring simplicity and sophistication to commerce operations and exceed customer expectations.

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