eCommerce is simple, right? Build a website, sell stuff.

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If you pay attention to the ads or do a simple internet search, you can be up and running with a professional looking website for less than $200. The first step in becoming an internet gazillionaire. Easy.

Just before you decide to quit your cushy gig with that steady paycheck, I thought it might be good to map out what an eCommerce "system" may actually look like. From the most basic of setups to behemoth webs of bolt-ons, getting to an optimized, scalable and robust IT structure might take a little more than $200. I must point out that not every company needs to involve all of these layers. It really can be as easy as a spreadsheet and selling stuff on eBay, however the bigger and more serious a retailer gets about online sales, customer experience, international localization, etc., the more complex the web of systems can become.

Budding technology entrepreneurs, the ease of coding and venture capital money has seen an explosion of systems over the last 10 years. For the first decade of the 2000's, big systems like SAP and Oracle provided companies a one-stop-shop for most of their requirements. Some retail specific platforms, such as JDA, had a stronghold in traditional retail. These systems weren't overly customizable and configuration often took experts who were farmed out by the various mother-ships for big dollars. This meant that once a company went down a path with a system, they were committing to at least five-to-ten years with a single platform. Horror stories of time and cost blow-outs from implementing large Enterprise Resource Planning systems (ERP's) are commonplace.

Since 2010 and even more so in the last several years, specialized systems, which used to simply be modules of a larger platform (or something that didn't even exist) have emerged, meaning that where a retailer used to have a single system to run their business, they might now have 5-10 different platforms, all providing individual functionality whilst being seamlessly integrated behind the scenes using new(ish) technology to share, grab or push data. The below graphic helps to paint the picture.

At the front is what we, as a consumer, are all most familiar with. Retailers can sell through various channels, most commonly via:

• A marketplace, like eBay or Amazon where high-traffic internet sales sites will push the products of retailers, some of whom sell exclusively on marketplaces.

• Through their own website, which will have smarts built into it to ensure that it is both viewable on desktop and on all modes of mobile hardware (phones and tablets).

• Through an app that they have built and released on an app store for Apple or android devices.

In order to ensure that the inventory is maintained, consistent, price-controlled, etc., an online retailer will often employ an eCommerce platform. Examples of this are Shopify, Magento and BigCommerce. Some of these actually have website templates ready and waiting for you to simply setup your store and start selling. The range of functions varies significantly, but in an essence, a good eCommerce platform can take an aspiring retailer from zero to sixty pretty quickly.

If you're a traditional retailer with an eCommerce arm or a large online "pureplay" retailer with multiple warehouse locations, you may need a more centralized view of inventory, pricing and a home for all of your finances, possibly an integrated warehouse management system, a CRM (Customer Relationship Management) module and lots of reporting to keep

Online Retailer – Menu of Systems: Red = Must Have, Blue = Optional
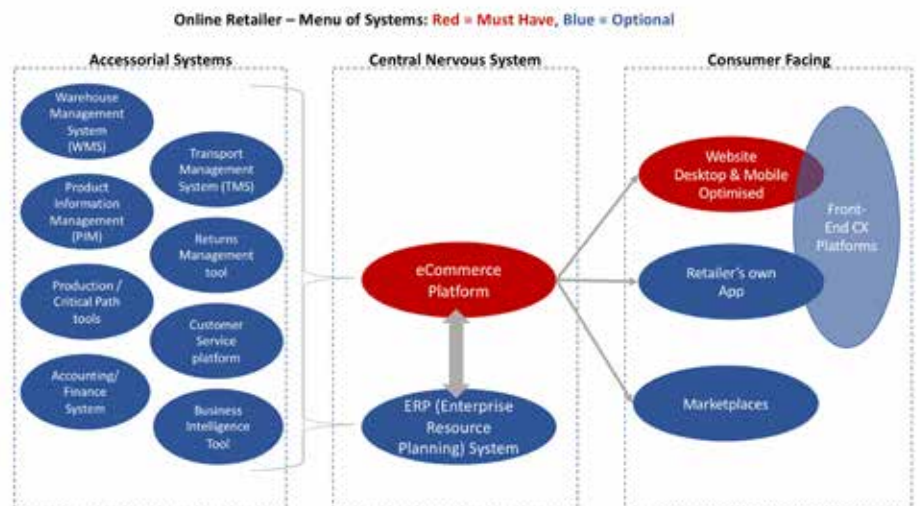
people busy. In this situation, we still see some of the big ERP systems being employed. Netsuite (by Oracle), SAP, Microsoft Dynamics, etc. There are emerging, lighter-weight ERP's popping up all over as well, which makes the choosing of the right ERP a difficult vetting process.

In place of a one-stop-shop ERP or, in many cases, in addition to an ERP and an eCommerce platform, there are numerous bolt-on systems that may have specialties that suit a retailer better than the available module(s) in the bigger systems.

• **Front-End CX (Customer Experience) platforms** are a fairly new creation that ensure a retailer's website looks modern, has a good flow of motion during the searching and purchasing phases and then delivers the parcel with seamless look and feel if the customer must track that parcel at any stage. These CX companies are essentially a skin that sit over the top of various sales and operating functions but enable a retailer not to worry about having to do regular rebuilds of their websites to maintain a modern look and feel. Narvar and SupplyAI both do an amazing job of front-end design.

• **WMS (Warehouse Management System):** Aside from the big traditional players – Manhattan, Red Prairie, SAP, there are new web-based, highly configurable, easier to integrate with emerging platforms. Peoplevox, 3PL Central, etc. allow online retailers to set up their own warehouse operations without spending a fortune on software. Most of the new platforms are fairly scalable and are very integration friendly for other plug-in systems like accounting platforms and TMS's.

• **TMS (Transport Management System):** Gone are the days of using one transport provider to deliver everything for you. Nowadays there are different carriers for different purposes. Same-day versus Express versus Standard, International versus Domestic, Signature Required, parcel lockers, drop-points. These are all considerations that retailers deal with when figuring out what options to provide at the final checkout. To access the best mix of services and solutions, a TMS specializes in being compliant with multiple carriers, services, etc., and being experts at adding new carriers and services as they come on the market. The TMS will often be directly integrated with the WMS and a few of the other systems being employed in the process.

• **Returns Management Systems** are quickly emerging to fill a gap left by WMS platforms. Returns are the ugly side of retail but play an enormous role in the offering by a retailer. Being able to get a parcel from a consumer and then being able to open, inspect and provide a credit/refund/exchange to that consumer as quickly as possible is key. Additional benefits are then being able to quickly return those goods to stock and re-sell them before they go out of style. Returns Magic and OmniRPS are two examples of emerging returns platforms.

• **Product Information Management (PIM)** software helps companies and retailers manage product data across multiple sales channels, product lifecycle, cost considerations, etc. PIM tools often include analytics and detailed product reporting to assist retailers with making educated decisions around their product sourcing, design, sales, redundancy, etc.

• Larger, more sophisticated retailers may employ a **critical-path/production management software,** though many still use Excel for this until they reach a tipping-point of accuracy and deliverables against cost of implementing a professional tool.

• **CS (Customer Service) Management Systems** are important for managing those customer queries when things don't go right. Zendesk, Happyfox and Zoho all play in this space and ensure that queries are captured, tracked and resolved following a standard process with little tricks to maintain consistency of language when dealing with consumers. Some of these now include those little live-chat pop-ups that can be integrated into a retailer's website in case a shopper needs help while they're on a site.

• **Accounting Systems** such as Xero, Quickbooks and Quicken can often plug directly into an eCommerce Platform and remove the need for a full-fledged ERP. The cloud-based versions have great integrations with banks (for ease of bank reconciliations), WMS, Returns, etc.

• **Business Intelligence (BI) tools** include platforms like Tableau and Avora. Although most of the systems outlined above come with standard reports and some customizable attributes, a BI tool provides a retailer with the ability to slice-and-dice data (which often comes from the different systems) in an infinite number of ways that may give them the edge in picking up another few sales, points of margin or trimming their production timelines.

I have seen retailers with all of the above systems in-play, and I have seen some with only an eCommerce Platform and an accounting system, nothing more. As supply-chain providers to the online retail environment, be it during the bulk sourcing and import phase, the warehouse fulfillment, the parcel delivery or the returns stage, as logisticians we must be conscious that there will be increased expectations that our functions will need to more seamlessly plug-in to a variety of systems.

The days of sending a spreadsheet or an email update to a client to notify them of a shipment delay or a customs hold aren't gone. This does, however, present an opportunity for logistics providers to differentiate themselves by removing human touchpoints with data updates, automatic alerts, electronic feeds of information and automated reporting and analysis. While the ecosystem of retail IT systems and platforms is far from a perfect science, there is no doubt that those who can both talk the talk and walk the walk of technology will have a distinct advantage in the future of supply-chain relevance.

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