THE EXPERT'S GUIDE Unified Commerce vs. Separate Systems

A QUICK REFERENCE GUIDE TO HELP YOU SELECT THE RIGHT APPROACH TO DELIVER A UNIFIED COMMERCE EXPERIENCE FOR YOUR CUSTOMERS



According to Boston Retail Partners (BPR), "Unified commerce goes beyond omnichannel, putting the customer experience first, breaking down the walls between internal channel silos and leveraging a single commerce platform. —The idea of a single, centralized, real-time platform for all customer engagement points is a key tenet of unified commerce."

As merchants, our goal is to delight the customer. Our customers care about their experience, and not the tools we use to provide it.

With this in mind, the goal of "putting the customer experience first," we have created an overview of the pros and cons of two typical approaches to building an omnichannel or multichannel technology stack, as well as a third alternative:

- 1 | A pure **Stand-Alone Solutions** approach
- 2 | A pure Unified Commerce approach
- **3** A **Hybrid** approach that leverages existing technology investments to deliver a Unified Commerce experience.



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STAND-ALONE SOLUTIONS

Separate commerce systems are also called point solutions, stand-alone or best-of-breed solutions. Each point solution is an individual component that specializes in one area of business. Some common separate systems are:

- Ecommerce website / storefront
- In-Store Point-of-Sale (POS)
- Call center and CRM software
- Order management software
- Inventory management software
- Product Information Management (PIM)
- Accounting software Warehouse management & fulfillment software Online marketplace management software





Stand-Alone Solutions

PROS

- By focusing on a single area of business, separate systems usually offer a rich set of features.
- Separate systems may not require much customization since they are already feature-rich out of the box. This can mean fast, easy deployment, depending on compatibility with other software already in place.
- Separate systems are attractive for merchants who need advanced backend functionality for accounting, order management, warehousing and inventory management.
- It's easier to replace a single system if needed, without disrupting all other systems. Imagine replacing a single puzzle piece rather than starting an entirely new puzzle.

CONS

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- A Separate system may require a 3rd party integrator to connect and make sure it works with current systems. This could increase costs and overall implementation time.
- Separate systems often have different databases, which may require users to input the same data more than once. This increases errors, takes more time, and increases overall business costs.
- X A separate system may not be fully compatible with current software, despite what the company or 3rd party integrators claim.
- Separate systems mean higher employee training costs since employees will need to learn the nuances of each system.



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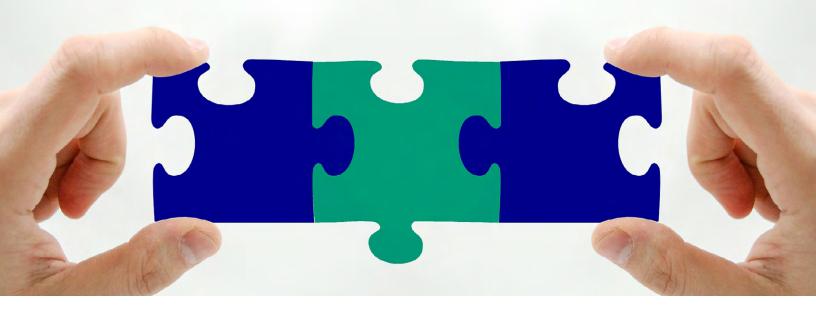
UNIFIED COMMERCE SUITES

A Unified Commerce Suite is a software platform that integrates all different functional areas of business into one standard platform.

Unified Commerce Suites

CONS PROS A unified commerce suite has a single X Because of the unified commerce database, which provides consistent, "all-in-one" approach, some areas of real-time information and full inventory the software might lack depth and not be as robust as systems purchased visibility across all channels, minimizing costs and maximizing efficiencies. individually. X Some companies may need too Employees only need a single, holistic training to operate any area of business many customizations for their desired since there is only one software platform functionality across all departments, which might increase the final price and to learn. result in a longer time to deploy. Most unified commerce suites are fully integrated natively, and don't have the X Risks associated with migrating from integration costs and challenges typical separate systems to a unified suite can be high if not done properly. An of separate systems. incremental, methodical approach A unified suite has a common look and may be preferred so the business isn't feel, which creates a standard, seamless exposed to a single point of failure. and personalized customer experience at all points of contact – web, mobile, X Costs to move away from an existing unified suite, or replace one of the tablet, in-store, phone. modules, could be high. Dissatisfaction Unified suites tend to be easier to with the entire suite, or even just one of scale and are less expensive than the the modules, can either mean purchasing combined cost of multiple separate and integrating a new, separate system systems. for that particular area or having to switch to an entirely different platform. Unified suites may offer easier omnichannel commerce capabilities since there is only one software platform to integrate with external systems (if any).





HYBRID APPROACH

Create a Unified Commerce Experience with Separate Systems

If you've read this far, you're likely striving to deliver a unified commerce experience to customers. And, if you've been in business more than a few years, you've likely invested heavily in your commerce technology stack.

The challenge with moving towards a unified commerce approach, as articulated by <u>BPR's</u>. <u>Ken Morris</u>, is that, "Retailers aren't going to throw their legacy applications away, they're not going to throw their investments away, but what they have to do is link it all in real time."

The solution: "The most important component is a middleware layer—a piece of software that connects the dots." What we call a Hybrid Approach.

Adding an Order and Inventory Platform, or upgrading a current one, can deliver on the promise of unified commerce by **unifying** the power of your current stack. An order and inventory platform enables a real-time view of orders and inventory across all channels, warehouses and fulfillment centers – a holistic view shared across stores, ecommerce, marketplaces and customer service teams.

And it provides additional capabilities that break down silos and enable the experience customers crave – optimizing orders and fulfillment across channels, and inventory and fulfillment centers, to deliver faster, more accurately and cheaper. In doing so, this approach dramatically improves customer service and business intelligence.



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Hybrid Approach

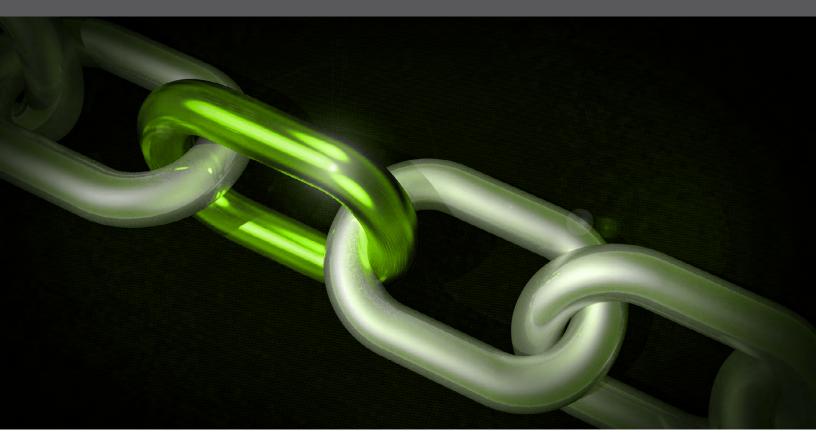
PROS

- Achieves a unified commerce customer experience fastest with lowest expense.
 - Database synchronization provides consistent, real-time inventory and order visibility across all channels, minimizing costs and maximizing efficiencies.
 - Builds upon existing infrastructure's rich features, without having to remove or replace existing investments.
- Enables unified commerce without disrupting all other systems. Again, imagine adding a single puzzle piece to complete the puzzle, rather than starting an entirely new one.
 - Generates real-time inventory and order insight across all sales channels, warehouses and fulfillment centers.
- Improves customer experience, with faster and more accurate order updates and customer service.
- Reduces customization requirements since current point solutions are already feature-rich out of the box and in production.
- Consolidates customer, order and inventory insight to deliver a central source of insight, as opposed to separate systems, which often have different databases.
- Maintains existing advanced backend functionality for accounting, warehousing, ERP, etc.

CONS

- Adds new technology expense without eliminating others.
- Sometimes requires a 3rd party system integrator to connect it, and make sure it works with current systems.
- Separate systems often have different databases with which the order and inventory platform must transact in real time. Integration is of critical importance.
- X A separate order and inventory platform may not be fully compatible with current software despite what the company or 3rd party integrators claim.
- Adding a new Order and Inventory Platform will require additional training. However, it may also reduce the number of systems new employees will be required to access.





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TAKEAWAYS

So, which platform approach is best? Separate systems and unified suites both have their strengths and weaknesses. A hybrid approach is usually the fastest and lowest risk approach to delivering a unified experience to customers. Ultimately, the decision depends on the critical internal processes of a company and its specific industry. A good option for companies who want the best of both worlds is to select a strong unified suite and complement it with "best-in-class" systems for increased functionality in critical business areas. No matter which path you take, minimize your risks by doing a deep background check on the selected platform(s). Analyze the company's history of success, average implementation time, reputation, client ratings, and if they've successfully completed projects similar to yours. Finally, ask if the software provider will introduce you to other clients.



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ABOUT PULSE COMMERCE

Pulse Commerce is the leading enterprise cloud platform for order & inventory management empowering retail leaders with unprecedented visibility and control of inventory, orders and customers. Retailers, such as Badgley Mischka, Hanesbrands Inc., and GoodeCompany.com rely on Pulse Commerce to improve order turnaround, increase customer satisfaction, and optimize inventory control and fulfillment costs. To learn more about how Pulse Commerce can increase your business performance by 20% or more, please visit **www.pulse-commerce.com** or follow **@PulseCommerce** on Twitter.

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