

CLARITY



eCommerce for Manufacturers and Distributors

Justifying eCommerce for Manufacturers and Distributors

If you are a manufacturer or distributor looking into your eCommerce options, you have most likely outgrown your existing platform and are looking for a more sustainable option. You might also be exploring eCommerce for your business for the first time, which is always an exciting if overwhelming endeavor. If this is your business's first foray into the world of eCommerce, the first step will be justification.

Manufacturers and Distributors, like many B2B business sectors, have not been quick to adapt to the new reality that business is increasingly done online. Times are changing, and research has shown that companies that put off or neglect selling online will be left behind by their competitors. You may believe that your customers are unique and that only a live salesperson can handle their business, and in some cases you may be right—but you don't have to choose between business models. Becoming a digital business is a process, and in this industry shouldn't replace your sales staff. Make no mistake, however, that eCommerce can and will revolutionize your business.

Branching out into eCommerce can expand your customer reach, increase revenue, and give existing customers an easy way to place their orders. You can reduce the strain on your sales team, while increasing sales. According to a Forrester Research study, 44% of B2B companies said their average order value increased when their customers placed orders through their eCommerce website. Robust eCommerce offerings cut costs by empowering customers to complete many actions and manage aspects of their account on their own.



Special Considerations



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Special Considerations for Manufacturing and Distributing eCommerce

Once you have decided to add eCommerce to your business's offerings or upgrade your existing eCommerce system, you will want to consider the specific needs you have. Manufacturers and distributors tend to have customer specific pricing that will need to display dynamically based on the user's account. You may have millions of SKUs and process hundreds of millions of dollars in sales. It is key for businesses in this industry to integrate their existing business systems into their eCommerce platform and site, and consider what new systems might be required.



It is important to remember that you are doing this to grow your business, not just maintain it. With that in mind, plan for the future by selecting a scalable platform that can grow with you. Off-the-shelf solutions might be appealing due to their cheap price and ability to deploy quickly, but they won't be customized to fit your needs and may not be suitable for the growth you will experience. Doing a rip and replace of your eCommerce software is extremely costly and will set you back, so consider investing in the future up front with scalable, customized and integrated systems.

Identifying Core Systems

Your core systems are the ones that your business relies on to run smoothly. Selling online only increases the load on these systems as you grow your customer base and allow them to take actions on their own that must be accounted for across the business. Having highly integrated systems will allow for all the most important data to update in real time, everywhere it is used. This cuts down on mistakes like displaying the wrong pricing or selling inventory that you don't have. In manufacturing and distribution industries, your core systems are likely to be ERP (Enterprise Resource Planning), CRM (Customer Relationship Management), and eCommerce. These pieces of software need to talk to each other to allow the efficient management of data that includes customer info, communications, marketing and promotions, inventory and warehousing, pricing, configurations, quotes, and fulfillment. It is very important to select an eCommerce platform that can not only integrate seamlessly to these systems, but also display the data to your employees in useful ways.



CHOOSING THE RIGHT PLATFORM

Here are some features of an eCommerce platform that will be of particular importance to manufacturers and distributors:

Features to Look For

- Admin tools: sales, shipping, inventory, accounts dashboards
- Customizable: modular design, supports robust APIs, developer and partner friendly
 - SEO tools: SEO friendly URLs, page level controls, optimized site structure, etc.
 - Business Intelligence: analyze data from all your systems in unified interface
 - Reporting: automated sales, marketing and analytics reporting
 - Shipping support: integrated and automated shipping

Development

Companies in the manufacturing and distribution industries may have a larger groups stakeholders and decision makers who will be involved with in the process. Account for the time this process will take, and then keep in mind that most likely your existing technologies are not ready for the transition into online selling. You may have a complicated intertwined batch of technologies and legacy line of business systems, and a complex architecture that will require time and development to bring in line with new technologies. When adding eCommerce, think of the process as an opportunity to restructure and align your business for the online world, and not as one more thing to bolt on to what you currently have. Steer clear of off-the-shelf solutions that do not address the unique needs of your business and work with a development company with experience in your industry.

When you start the process of planning your transition into becoming a digital business, it might seem logical to aim to meet all of your goals and launch all aspects of the new business at the same time. However, those with experience know that an iterative approach is much less risky and much more efficient. When the scope of the project really comes in to focus, it will become obvious that development, deployment, and implementation will be a long process with many moving parts. In some cases, deployment can take so long that aspects of the implementation are already out of date by the time of launch. That is why it is best to identify the most important, highest reward aspects of the transition and complete them first and continue from there. This can be referred to as the minimum viable product (MVP) or the “land and expand” approach. In eCommerce implementations, the MVP will generally consist of your core systems of eCommerce, ERP, and CRM.

One version of this iterative approach that works well for eCommerce implementation projects is Agile development. Agile accounts for unpredictability by allowing for changes to be constantly implemented as the client is provided access to multiple iterations of the product. Each phase includes the development of another piece of the software, as well as changes to previously delivered items based on feedback from the client. The beauty of this type of approach is it not only allows for the project to evolve during development, but plans for it.



Boosting Success

There are a lot of little things you can do to boost your success in the eCommerce arena. As a manufacturer or distributor, you likely have a wealth of print documents and resources. Consider digitizing these items so that they can be indexed by search engines, which will boost your SEO and bring more potential customers to your site. Showing more inventory on various pages can also boost your keyword strength and help your ranking in search results. Inventory items will generally be highly relevant keywords that are valuable to your business in organic searches.

Selling online is a process of constant evolution, and your visitor funnel should always be improving. Studies show that when coming to a site for the first time, it takes visitors .3 seconds to make a judgment about your site. This judgment matters, so the design of your site matters. Make sure that pages load quickly and use compelling visual design. Keep pages clean, uncluttered and intuitive. Use A/B testing to see what variations of pages or calls-to-action (CTAs) perform best.

Standard processes tend to take a lot of time for manufacturers and distributors to complete. These redundant tasks can often be automated, saving time and cutting down on mistakes caused by inevitable human error. For example, integration with shipping providers means that shipping labels can be automatically created and printed during order processing. Customs and duties forms can be automatically completed and printed. Information can update dynamically across systems.

ECOMMERCE

Best Practices

Best Practices To-Do List

- Choose an eCommerce platform that is tailored to your business, and built to scale up for growth
 - Personalize the customer experience with a powerful CMS and an integrated platform
- Make sure you have built in marketing tools that can segment audiences and run targeted promotions
 - Build dynamic search and enhanced product filtering into your site
 - Make your site mobile responsive, starting with the most important pages
 - Plan for international selling with multilingual and multi-currency options
- Consider maintenance options and decide whether internal or external support suits you best



Conclusion

Adding eCommerce to your manufacturing and distribution business' offerings is a huge step, a lot of work, and very expensive; but it should also be seen as inevitable, and as a major opportunity. The move to online selling, when done correctly, will revolutionize your business and put you in a position to grow your revenue and customer base, increase customer satisfaction and retention, and lessen the workload on your staff. Do it right, and you will only need to go through the process once because you will have a customized platform built for growth, integrated to all your business systems and set to evolve as your business and technology does. Invest in your digital business now and you will see great return down the road.

