

How to deliver successful enterprise ecommerce projects

Table of Contents

- Introduction.....3
- Our approach on gathering information.....3
- Ecommerce projects vs. other IT and projects.....3
- What are the Top 5 things to do before project kick-off?.....4
- Conclusion.....7

Introduction

Ecommerce projects are on the rise. More than 750 million people are projected to make online purchases this year, and by 2012, it is estimated that more than a quarter of retail purchases will be made online¹. The economic downturn is not adversely affecting the ecommerce industry. In fact, ecommerce is thriving. Analysts estimate that 20-30% of firms that do business online will start a major ecommerce project in the next twelve months. The Economist magazine, in their 2009 industry outlook report, only projected a sunny outlook in one of the 15 industries it reviewed: ecommerce.

Ecommerce represents a tremendous opportunity for companies. A typical ecommerce project has high, obvious financial and branding impacts, and everyone including customers, executive, competitors, and colleagues will see your work and have an opinion. However, ecommerce projects have a large IT component, and 20-40% of IT projects don't meet their time and budget targets. So what can you do to make your ecommerce project successful?

The goal of this white paper is to give you the information you need—based on hands-on experience from multiple ecommerce projects—to help you reduce the risk of project failure and help you achieve ecommerce success.

At Elastic Path, we've helped hundreds of companies achieve their ecommerce goals, on time and on budget. This white paper is based on our experiences with ten recent projects of between 10 and 200 person months. We looked for common characteristics of projects at the high and low ends of success. We then summarized our findings to give you a Top 5 Checklist to help you improve the odds of success.

Ecommerce projects vs. other IT projects

The main distinguishing characteristic of ecommerce projects is their visibility. Ecommerce systems are directly critiqued by executives, customers, employees, and even competitors. There are key differences between ecommerce projects and other IT projects:

- Relatively low cost, with high business impact and ROI
- Direct competition from similar applications with peer companies
- Potentially very complex architecture
- High needs for scalability, security, and fault tolerance
- A plethora of integrations, with specialized products and 3rd party sites/services and legacy systems
- Cross channel support and integration (web, online, In store, etc)

¹The Economist, The World in 2009, November 19, 2008

- High rate of continuous evolution (because everyone sees the project, a lot of people want to get involved at different stages)
- High rate of continuous evolution, driven by technology changes, business model innovation, and competitive actions
- High production support requirements

- Double traffic in the next two years
- Enable business users to change promotions in an hour instead of a week
- Add site visits at twice the rate of our competitors' average
- Launch new micro-sites in three months for under \$300K each

What are the Top 5 things to do before project kick-off?

The projects we've seen address the above challenges well employed some or all of the following five strategies:

- #1: Have the guts to proclaim specific goals
- #2: Make the team a Team
- #3: Go Agile. It's not just for IT anymore
- #4: Involve customers
- #5: Don't reinvent the wheel

#1: Have the guts to proclaim specific goals

It's amazing how often we see ecommerce project teams without any goals other than meeting deadlines and staying within budget. The practical side of this is that when the time comes to decide whether the next 300 hour change order goes to task A or task B, you will need criteria. A quantitative list of posted goals for the project will help.

Here are some examples:

- Raise conversion rate from 1.8% to 2.2% in a year

Companies engaging in ecommerce projects need to have executive-level commitment in order to achieve success. Key executives include IT, line of business, sales, finance and operations. These executives need to be on the same page and deliver one consistent and unified message to all people involved. They also need to communicate their messages explicitly and quantitatively.

- Executives need to get involved very early on the process
- Executives need to have clearly defined goals, and present these to all project management participants. These goals need to clearly identify "why this project matters to the business"

#2: Make the team a Team

Teamwork is the glue that will hold your ecommerce project together. If you have chemistry on your team, people will work together and be more inclined to help each other. And because ecommerce projects have large dependencies across multiple teams (e.g., marketing and IT), teamwork is a critical success factor. When it comes down to the choice between two people on a project, we'll always choose a team member who is stronger

on team chemistry. You can drastically improve your odds of success by bringing together a team of people who have worked well together in the past.



People work well with people they like and know. Get your ecommerce project team to spend time together outside of work—make it easy for them to interact. Ecommerce projects usually involve geographically dispersed teams; we encourage you to spend the money to bring them together.

#3: Go Agile. It's not just for IT anymore

We strongly recommend the Agile approach, a well-known approach to project management. The essence of the approach is that you don't have to set all project requirements up-front, lock these down, and then start implementing requirements. It supports the notion that change management and flexibility is a good thing. You start with list of requirements; however, you can then revisit these requirements every three weeks.

It's based on an iterative approach, which is designed to give your project maximum flexibility, without sacrificing predictability. This eliminates costly risks and backtracking issues often associated with standard "waterfall" software development processes.

Many factors must be in place for a successful agile approach:

- Regression tests that involve a lot of automation and can complete quickly. It's important to include RASP (reliability, availability, security, and performance) in your iteration-based testing.
- Ongoing test case management
- A tolerance for ambiguity
- Strong leadership - You need leaders committed to prioritization over certainty, and a steady, slow, but complete roll-out of functionality rather than flashy demos early on followed by panic.
- And more

Agility also drives team structure. You need to train everyone, ideally in mixed classes (IT, Marketing, etc.), so they can see each other's perspectives. Rather than having teams with names like "front end" and "database" and "storefront", consider teams organized around workflows or complete functional areas. For example, the "Promotions" sub- team might consist of people with skills in marketing, customer experience, HTML, Ajax, Java, systems management, and testing—everything needed to make Promotions meet its business objectives.

The Agile approach is perfect for ecommerce projects as they inherently involve a lot of non-IT savvy constituents and a rapidly changing environment. The reality of ecommerce projects is that it is very tough to get the requirements right the first time. The Agile approach takes this business reality into consideration.

If you must use a Waterfall approach, at least set 45-day milestones where you will completely regression test the system, have end user/customer walkthroughs, and run it through its RASP paces.

#4: Involve customers

Early in the project, when you have basic workflows and wireframes done, you need to put these in front of a sampling of the people who will use the end product. Of course, “customers” may include CSRs, suppliers, the general public, marketing staff, and so on.

Use more than one approach. Focus groups can give you in-depth insights but may not be representative. Secondary research, such as correlating Gomez and IR500 stats to your competitors’ tactics and results are good “virtual” tests of customer acceptance. None of this is tremendously time-consuming, but it is very high-leverage. And it will help you build the A/B or multi-variant test plan that is critical to early post-launch tuning.

#5: Don’t reinvent the wheel

If you’ve done #1 and #4 well then you should have a good idea of where the leverage points are in your project. That should guide your Build vs. Buy vs. Leverage business cases at a functional level. We’ve seen projects where business analysts spent many hours in requirements definition on features that were secondary to the overall goals and largely provided out-of-the-box in their ecommerce platform.

Thorough training of business analysts in two areas will help prevent these very expensive errors:

- What is available in your current set of packaged software, including in the vendor’s near term roadmap? and,
- What is available in the market, off-the-shelf, for their functional area?

Conclusion

Ecommerce projects have high visibility where your success or failure will be magnified unlike any other IT project. The practical tips outlined in this white paper do not need to cost a lot of time or money. But from our experience, they will help you successfully deliver your enterprise ecommerce projects and enjoy it from start to finish.

Quick checklist:

- Post specific, quantitative project objectives, signed by the executives
- Schedule monthly social events that are fun and don't need "selling"
- Run Agile training courses with mixed classes
- Run a focus group and perform secondary research, then publish it to the whole team
- Train business analysts on out-of-box functionality in current and potential packaged offerings

About Elastic Path

Elastic Path is the leader in digital commerce technology and expertise for enterprises selling digital goods and content. Major global brands such as Google, Time Inc., and Virgin Media rely on Elastic Path to monetize digital relationships with their customers in ways that are frictionless, social, and everywhere.

Elastic Path Software Inc. | 300 - 455 Granville Street, Vancouver, BC Canada V6C 1T1
TEL: +1.604.408.8078 | FAX: +1.604.408.8079 | elasticpath.com

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