



QUICK GUIDE

Replatforming

The what, why, and how of migrating from monolithic to composable commerce

Today every business is an online business

Customers are demanding amazing online ordering experiences everywhere they shop. To stay competitive, your business needs to meet these expectations – fast.

But there are challenges. You have complex operations and processes in place that make your business run smoothly.

You're invested in existing systems that can't be disregarded.

You have complex relationships with customers that require very specific workflows.

And you have tight budgets and timelines amid your changing business landscape.

Simply put, you have a complex operational reality.

Historically, businesses have struggled to manage complex operations with online software options that could not conform to their business requirements. Traditional, monolithic, out-of-the-box software platforms were simply too rigid to allow for necessary flexibility and customizations. And custom software, while able to handle the complexities, was too expensive, took too long to build, and was hard to maintain.

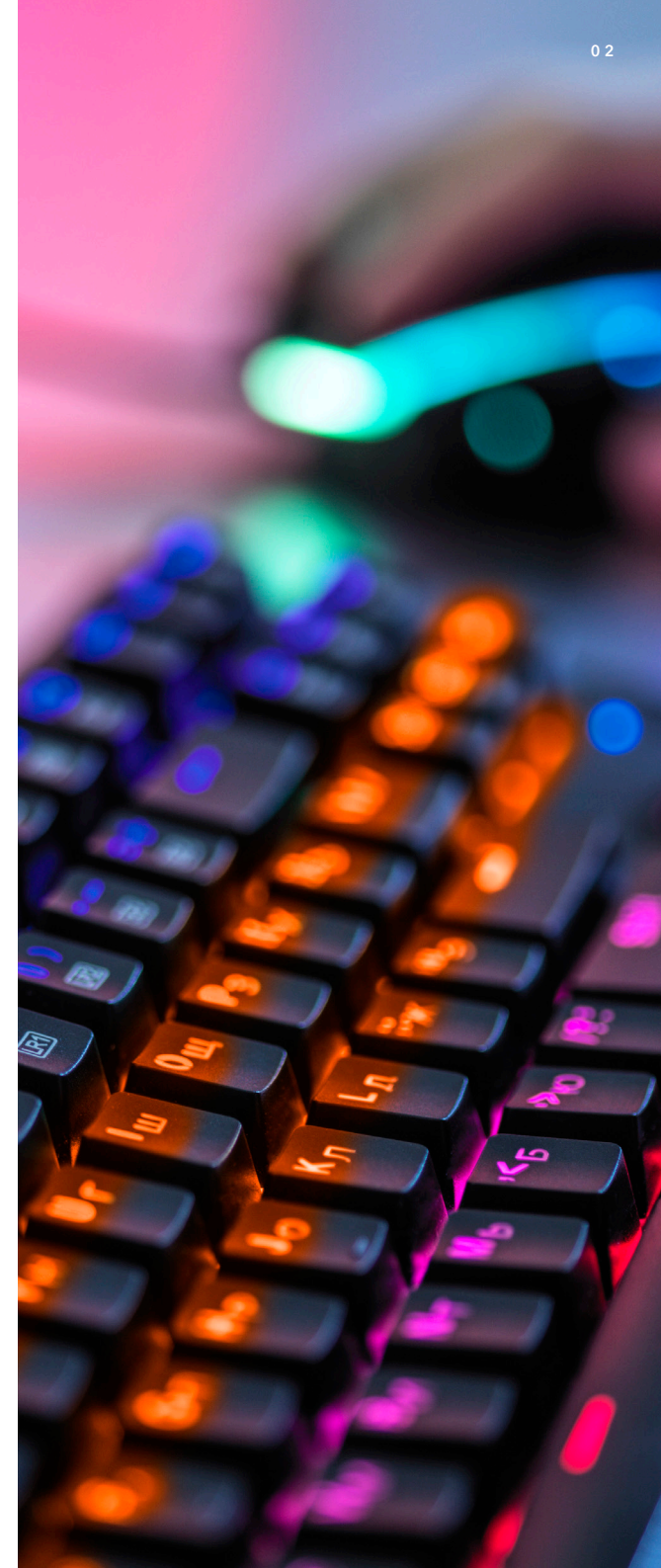
Modern commerce solutions have to answer to the challenges of your complex business.

You need flexibility and adaptability to move *your* specific processes online. You need to minimize risk and limit upfront investment. You need light infrastructure and modern technology that helps you avoid more tech debt. And you need the performance, stability, and instant scale of the cloud.

That's why many businesses are opting to migrate away from "all-in-one" monolithic software platforms.

Businesses need software that conforms to the unique complexities of their businesses, but they can't risk the time and money to create extensive customizations in these rigid platforms.

Over the past several years, composable commerce platforms emerged to fill this void.





Faced with the inability to scale and grow your business, you may feel motivated to consider replatforming if:

- You're using the storefront available via your ERP or other low-cost solution, and the customizations you now require are not an option.
- You purchased first generation e-commerce software that has been so heavily customized over the years that it is now impossible to scale and support.
- Your software is built for a singular purpose (like B2C OR B2B) and doesn't support your need to own and adapt your commerce roadmap. Particularly as customer requirements and the business landscape continue to evolve.
- Your ordering process is not seamless, as consumers move from one channel to the next. And it's also not automated from end-to-end because integrations are impossible to support.
- Your customers are demanding capabilities that you simply cannot deliver.
- Your ability to personalize shopping journeys is limited and you struggle to build long-term relationships with customers.
- You've hit the end of the road as far as customizations go, and the vision you have for your digital experience cannot be realized.

What is composable commerce?

Composable commerce is a development approach of selecting best-of-breed commerce components and combining or 'composing' them into a custom application built for specific business needs.

Your business is unique. And no single vendor offers the best functionality that you need for the ever-evolving needs and demands of your customer base. Moving to composable commerce eliminates the limitations of using basic out-of-the-box capabilities and allows you to gain more control over the functionality and performance of your commerce experience.

Composable commerce lets you seamlessly combine various best-of-breed components, such as content management, product discovery, and payment processing. This makes it easier than ever to develop the applications you need to deliver frictionless commerce experiences. You can use and develop only the features and functionality necessary for running your business. Not to mention that these applications are often leaner, faster, and more flexible.

With customer demands continuously evolving and the need for digital transformation more important and necessary than ever, composable commerce gives your business greater control over how your e-commerce application is delivered.



"By 2023, organizations that have adopted a composable commerce approach will outpace competition by 80% in the speed of new feature implementation."

Gartner, "Adopt a Composable DXP Strategy to Future-Proof Your Tech Stack", 2020.

5 reasons why companies move from monolithic to composable commerce

01 High maintenance costs, upgrade fees, or overall cost of ownership

For many, legacy e-commerce means high costs associated with maintenance, hosting, and support. You may find yourself having to pay to take advantage of new upgrades made to the system. And when you don't or can't pay, you miss out on necessary new features that can affect your performance and sales.

| | Monolithic platform | Composable platform Sitecore OrderCloud |
|----------------------|---|---|
| Payment structure | Licensed-based | Usage-based |
| Hosting | Multiple application and database servers necessary to run at scale | Platform is run, maintained, hosted, and scaled by Sitecore |
| Updates and upgrades | Compulsory updates a few times per year | Continuous delivery, non-breaking API changed, new features pushed frequently |



02 Instability and performance issues

Legacy platforms often present performance issues affecting speed, reliability, and the overall experience. Performance issues can stem from many things, including a database that can't handle your growth in size, or the inability to handle system upgrades because of the number of customizations made to the platform. These types of issues create a poor customer experience for buyers, which often leaves your customers abandoning their carts or not wanting to come back for a repeat order later. It can also create unnecessary manual entry work as your customer service and sales reps then need to spend time looking for and rekeying lost or missed orders.

03 Inability to customize

Traditional e-commerce software options are often monolithic, meaning the elements of functionality are built into one process or service. This makes things like customizations and integrations much riskier because every change affects the entire system. This risk may also keep you from extending the business to new channels and taking advantage of new technologies, like artificial intelligence (AI), and Internet of Things (IoT).



04 Lack of seamless, omnichannel experience and end-to-end automation

Many brands find themselves losing both customers and profits due to a lack of integrated experiences. For customers, disconnected experiences can make interacting with your company more difficult than it needs to be. For example, leaving them lacking insight into their search and purchase history across different channels. And from an order processing standpoint, this can hinder your business too. Team members may need to reenter orders multiple times into various systems for processing, fulfillment, shipping, contact management, and more. This order reentry process costs you unnecessary staffing resources, lost revenue associated with human order entry errors, and time lost to processing orders inefficiently.



05 Siloed, disconnected e-commerce experiences across the business

Traditional e-commerce platforms often have an “out-of-the-box” approach, which forces your business to fit inside the confines of the software. This often leads you to use multiple different e-commerce software options across the business. Stakeholders, with varying priorities, budgets, and approaches, have to choose an e-commerce software solution that fits their specific need – and their specific need only – even when it’s completely different from their colleague’s needs. This siloed approach leaves your leadership without a high-level view of your e-commerce data and the business at large.

What are the benefits of making the move to composable commerce?

A modern approach to e-commerce puts customizations, speed, automation, and scale at the core. API-first, cloud-native, composable commerce technology allows you to focus on running your business.



01 Increase revenue

- The ability to prioritize speed, performance, and connectedness enables you to capitalize on new and existing revenue opportunities.
- Flexibility, extensibility, and the ability to customize enables you to adapt, evolve, and respond to changing customer demands. This allows you to deliver the ordering experience they expect and attract new customers that would otherwise have been turned off by their interactions with your business.
- A fully integrated and automated e-commerce experience allows orders to flow without manual manipulation. This means fewer order errors or even lost orders that affect your bottom line.

02 Improve business agility

- Composable commerce enables your development teams to make dynamic updates on the fly, without the risk of disrupting the backend architecture.
- You're able to take advantage of new technologies and best-of-breed microservices that continue to make your experience stronger. For example, you can easily add an email marketing automation solution to develop and nurture relationships with customers. Or add a personalization solution to deliver hyper-relevant shopping experiences to individual shoppers.

03 Improve time-to-value

- When barriers to customization are removed, the time it takes to create your desired ordering experience is greatly reduced. This allows you to adapt and make changes quickly without disruption to the business.

04 Lower overall operational and ownership

- Cloud-based technology removes costs associated with servers and hosting that used to be a necessary part of software purchases.
- Avoiding a full-suite approach allows you to only pay for what you use, and to integrate less-expensive microservices for new features you want to add along the way. All of this means the total cost of ownership remains lower.

GETTING STARTED

Two roadmaps for migrating to composable commerce

Your first step in migrating from monolithic to composable commerce is to define where your business will begin.

For some brands, it may be a complete commerce replatform and relaunch for your business globally - a "rip and replace" approach. For others, the preference is to take things slower with an incremental approach.

01 An incremental approach to replatforming

An iterative, incremental approach to replatforming allows you to do a step-by-step, piece-by-piece migration at your own pace, by selecting a pilot project. A new product, product line, acquisition, channel (for example, direct to consumer), or market can all be good places to start.

This approach often comes with minimized risk and upfront cost and allows you to "prove it" as you go.

With this approach, brands experience:

- **Preserved value of existing technologies:** Value built over the years into the legacy systems is preserved where appropriate.
- **Investment control:** Investment in the modernization is controlled and often spaced out over time.
- **Lower risk:** Overall risks are reduced by testing and learning from a pilot or MVP (minimum viable product) approach.



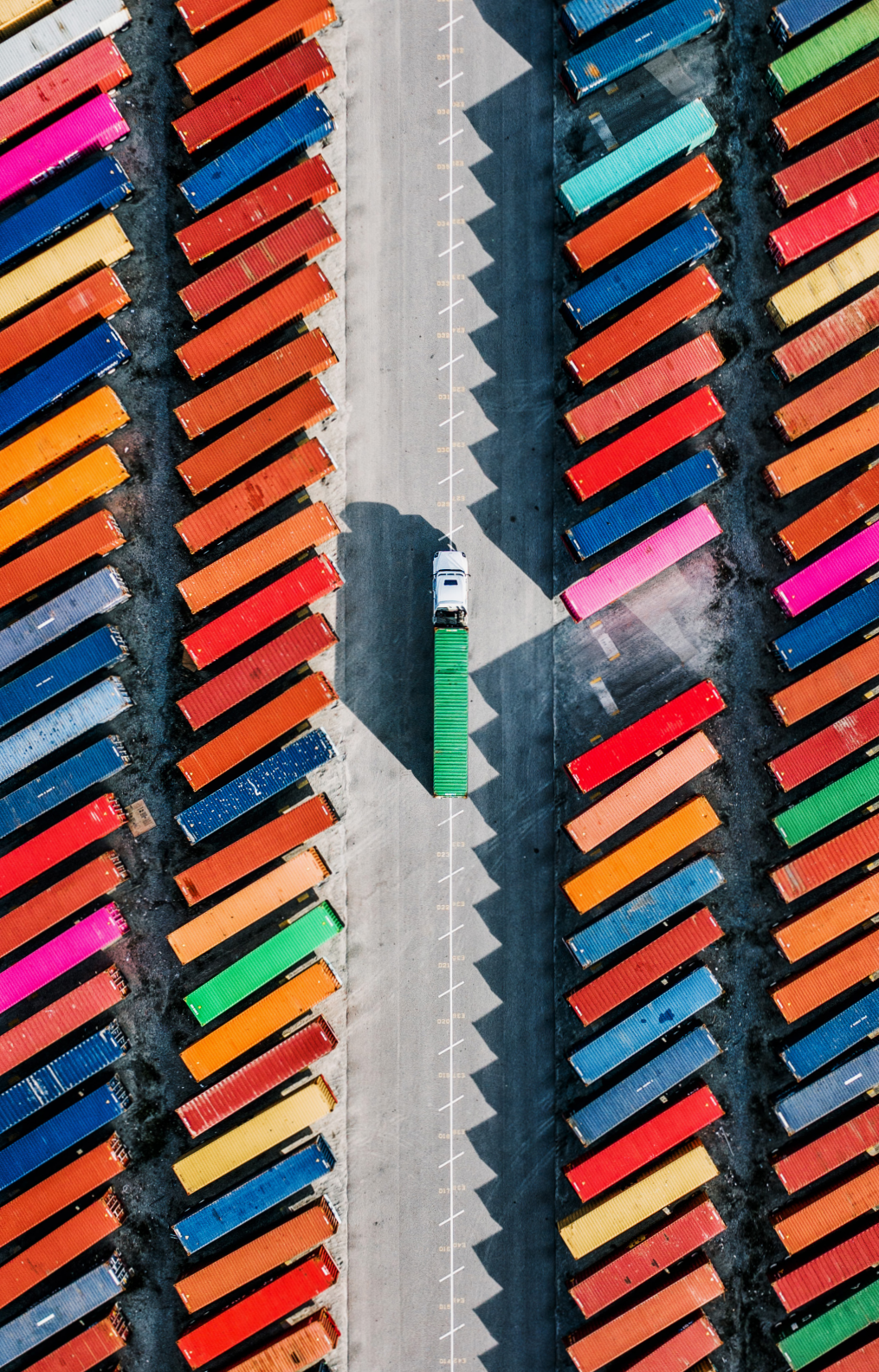
02 A "rip and replace" approach to replatforming

A "rip and replace" approach to replatforming involves fully migrating your commerce service and deploying the change all at once. If larger, upfront costs aren't a roadblock, and/or your existing architecture has nothing salvageable, this method is ideal.

With this approach, brands experience:

- **Shorter time to market:** The timeline to being "fully" composable is shorter and the benefits from the new tech stack are realized sooner.
- **Cleaner architecture:** Eliminating the legacy technology resulting in fewer tech compromises.

The approach you take depends on the state of your business, the team involved, and your ultimate goals.



Sitecore Commerce enables brands to take a composable approach based on your unique goals

Sitecore Commerce is a composable commerce platform. It is comprised of:

- **Sitecore Discover:** an AI-driven product discovery tool
- **Sitecore Send:** our email marketing and automation tool
- **Sitecore® OrderCloud®:** our cloud-native, API-first, composable commerce platform.

It is the only holistic commerce platform that provides the operational foundation to run your online business and the tools, intelligence, and technology to create and optimize digital experiences that delight and convert, at scale, everywhere.

Whether you take an iterative or rip-and-replace approach to your migration, Sitecore Commerce is designed to help you with your business' goals.

- **Dive into a modern, API-first architecture by migrating to Sitecore OrderCloud:**
You'll want to start by moving your core platform to Sitecore OrderCloud. This API-first, composable core will allow you to improve your operational excellence on a fast, infinitely scalable, and customizable commerce platform. It's the foundation you need to build a true, strong, best-of-breed experience.
- **Improve conversions on site by plugging in Sitecore Discover:**
Add Sitecore Discover, our AI-driven product discovery tool, to your existing commerce offering to improve conversions. You'll be able to leverage the AI's understanding of your customers' shopping intent to increase relevance for your shoppers and deliver better results.
- **Recover revenue and improve customer loyalty with Sitecore Send:**
Sitecore Send can be your first move towards composable, as you add a powerful marketing tool to your tech stack. Grow loyalty with your existing customer base and recover missed revenue from periphery shoppers by scaling and automating email campaigns and messaging within your commerce experience.

Conclusion

This is a framework for why and how companies are migrating from monolithic platforms to composable platforms.

If your team is looking to...

- Accelerate your digital capabilities
- Become more agile and flexible
- Leverage existing investments in other back-end systems while you move to more modern technology
- Gain confidence in your ability to deliver the desired user experiences your customers are demanding today—and tomorrow.

...then now is the time to consider a migration to composable commerce.

Learn more about how you can own your commerce roadmap by migrating to composable commerce at: [sitecore.com](https://www.sitecore.com)

