

Executive Brief

Navigating the Composable Commerce Continuum

Creating a holistic roadmap
and true need-based
prioritization for investment



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It is a fair assumption to state that no business operates a tech stack that is completely monolithic, and none have reached the point of being one-hundred percent composite. No two companies have the same starting point or the same end goals, and the path to composable commerce is not a straight line. The delta between where a business currently sits and where it wants to go is something we call the **Composable Commerce Continuum (C³)**.

To paraphrase the English poet John Donne, *no platform is an island, entire of itself*. Even businesses that operate on so-called monolithic commerce platforms have, at a minimum, integrations to calculate

taxes, process payments, and, likely, to tie-in to their ERPs. Though these architectures are far from modular and portable, they represent the first steps toward what composability can be. And to be fair, depending on the company, its business model, and its business and customer needs, this may be enough.

On the other end of the spectrum, reaching a nirvana-like state of pure composability is a multi-step process, not a project. It requires a business that is technically sophisticated (or dedicated to getting there), and a commitment to organizational and operational change.

How far a business needs to push itself along the continuum is somewhat dependent on the relative digital maturity within its industry, their need to innovate and differentiate, and a thorough cost-benefit analysis.

To create a holistic view and true need-based prioritization, businesses need to take a deep dive with a focus on the organizational view and the function-first view. Each of these can be broken down into more granular areas to answer this important question:

Will the inputs (time, resources, technical/functional/process decisions) support the desired outcomes? To look at it another way, it's about reframing the conversation to answer “*what*” before getting to the “*how*”.

By taking this approach, an organization can use the concept of C3 to serve as a measure of its digital maturity, while also using it as a guide to advance further in its digital transformation.

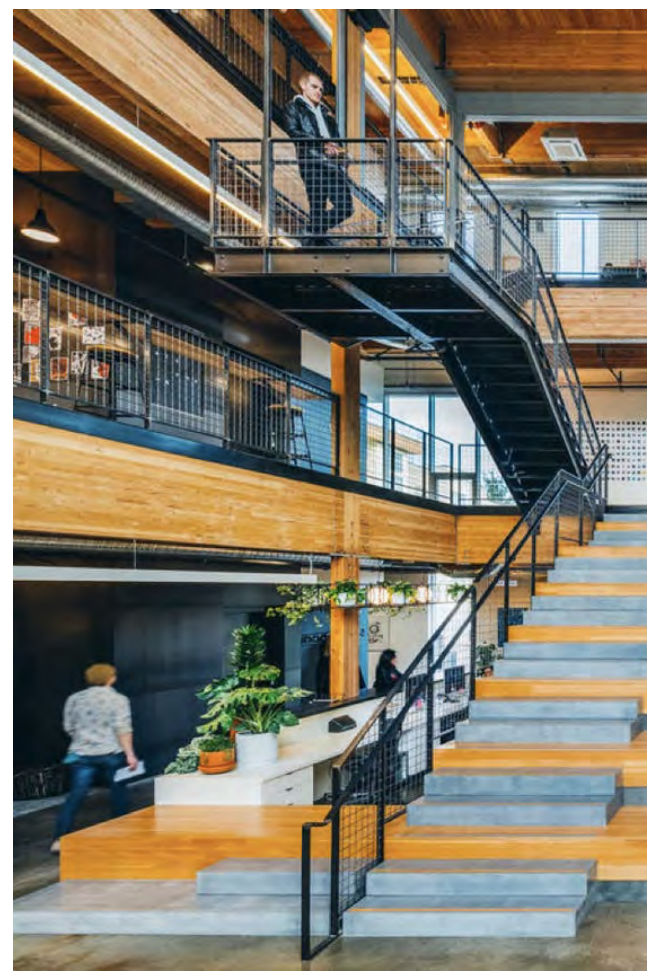
Monolithic

Composite



← COST, MANAGEMENT, AGILITY, COMPLEXITY →

Preparing for A Composable Future



As an organization moves from a monolithic to a composite tech environment, there are many unlocks that enable greater flexibility and portability, and the ability to deliver rich, personalized commerce experiences. With those benefits, however, comes added complexity within the tech stack, which may require more oversight and resources to maintain and enhance.

A composable approach can bring together a dozen or more services to create the end commerce solution. Each part of the solution has its own nuances, functional capabilities, and licensing structure. For that reason, the composable route is best suited for businesses that are committed to furthering their digital maturity, and/or those that have partnered with a company to augment the highly specialized expertise required.



Organizational View

When looking beyond the hype, technology in isolation is rarely enough to overcome a business challenge. To be successful, digital commerce programs require a careful balance of people, processes, and technology.

So, before a new software or piece of tech is ever evaluated, businesses need to ensure they have the proper human capital and governance guardrails in place. This requires tight orchestration across several critical areas.

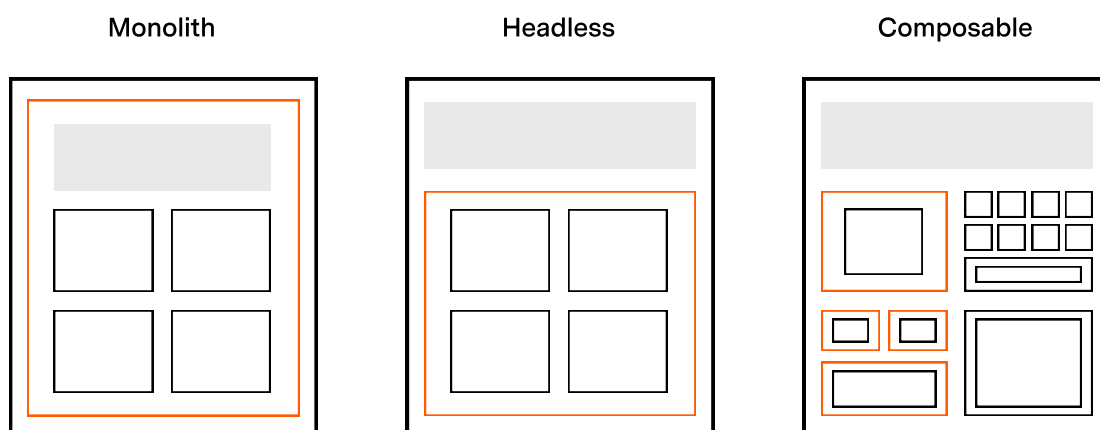
Stakeholder Landscape

There are no unilateral decisions when it comes to tech investments. In fact, technology related investment decisions are taking longer and involve more decision-makers than ever before.

The most important area of alignment is to **balance the needs of business and IT users**. The power dynamic between these organizations varies from business to business and can have a significant impact on the path and velocity toward composable. For instance, business users may

recommend a feature-rich product without thought of how it impacts the overall tech stack, while IT users may look to make technology decisions to maintain continuity and operational simplicity.

To drive cross-departmental alignment, select an internal champion who will serve as an advocate for the initiative's success. Then identify all affected areas of the business and bring in a representative from each early in the process.



“(Composable is)... A system of applications (and their underlying platforms) ... bound by APIs and events connected through good data which provides the foundation for experiences and apps to be rapidly built on top and charts the course to front/back –office unity under an experience architecture.”

Process Management

Moving from a monolithic to composable architecture requires a shift in how a business operates. While the underlying technology ecosystem may become more complex, the goal is to simplify processes to unlock efficiency and enable scaling. Identify manual touch points that can be automated. Remove bottlenecks that impede productivity. Document process changes and train affected teams accordingly. With each iteration of the experience, review processes for further refinement.

Technical Management

When adding to or replacing a piece of the tech stack, ensure there is no loss of functionality as new components are introduced. Identify whether an existing component has been customized. If so, determine whether the new component needs similar customization or if its native functionality can be configured to perform the same function.

Solution Ecosystem

How does the new piece of software fit with the existing tools in your tech stack? If the incumbent commerce platform is Java-based, it might not make sense to introduce a .NET CMS. Leveraging like-kind solutions where possible will simplify ongoing management and impact the overall TCO.

Directional ROMs & Timing

Advancing further down the composable commerce continuum is not an all or nothing endeavor. In fact, a measured, iterative approach to composable will reduce overall risk compared to a ‘big bang’ relaunch. Carefully define and manage scope and timeline for the initial phase, and subsequent fast-follow iterations. Once the proper composable architecture is in place, there should be no disruption of business operations when decoupling or integrating new services and features.

Function-First View

Don't let the tail wag the dog. Too many technology decisions are made independent of a true business need. What really needs to be considered is what value to the business or customer each individual change will bring.

Rather than creating a 'best-of-breed' tech ecosystem that results in either too much or too little functionality, adopt a 'best-of-need' mindset. To do this, clearly define the business problem(s) the organization is trying to solve. Map the tech function(s) that will directly address the problem. Only then should the team begin vetting tech solutions based on a multi-part assessment.



Function-First View



Business Value

When it comes to technology solutions, anything is possible with enough time and money. That does not make implementing a given technology a good decision.

Any changes to the digital commerce ecosystem should broadly be doing one of two things: **driving growth or increasing efficiency and lowering operational costs**. If a proposed change does not directly impact the top or bottom line, it's worth assessing whether the change, and the effort that goes along with it, is necessary at all.

Calculate the estimated quantitative and qualitative impacts of each potential change. Then measure the results post-implementation to determine ROI and inform future iteration and enhancement.

Customer Value

Just because you can do something doesn't mean you should. Ask yourselves whether the change/enhancement/new functionality is something your customers want and will benefit from. This is where primary research and data from customer service inquiries can validate a distinct need prior to beginning discovery or development of a new feature.

Competitive Differentiation

Does a potential change, or series of changes, differentiate your digital experience from others in your sector? If so, the change is likely worth the investment. In the digital space, where following best practices is nothing more than a race to the middle, delivering a differentiated commerce experience help brands drive growth and capture market share. First-movers don't always win the long game, but remember: any differentiation, even if transient, is good differentiation.

Complexity Technical & OCM

Organizational Change Management (OCM) plays a major role in every business' journey toward composable commerce. The need to manage change encompasses everything from process definition to back-office training. Try and calculate the added complexity a new piece of software or service will add to existing operations. The value the change brings to the business, or its customers should be greater than the complexity it introduces.

Build vs. Buy vs. Compose

There are hundreds of enterprise software options available to address virtually every aspect of digital commerce, and one of the benefits of a composable tech stack is the ability to address business needs through configuration versus code. So, seek to limit customization to areas that provide true differentiation or address a unique business use case. Avoid over-customization wherever possible. Over-customization can lead to ongoing bespoke development needs, break the upgrade path of individual components, and lead to accumulation of technical debt over time.

Business Outcome

The beauty of digital commerce is that everything is measurable. Once the business and customer value have been identified, determine how a given change will impact the business. Estimate the net impact prior to implementation, while also identifying the KPIs you'll track. KPIs should measure both quantitative and qualitative data sets where possible to give a true picture of the net benefit.

Final Thoughts

When it comes to the Composable Commerce Continuum, there is no wrong place to be at present. The key is knowing where you want the business to be in the future and then creating a plan to get there. It won't be easy - nothing worthwhile is - but a composable future is well within reach.

In short, make sure you:

- Obtain organizational and executive buy-in
- Create a Roadmap for incremental change (don't boil the ocean)
- Take a function-first view when solutioning
- Manage cross-departmental orchestration
- Incorporate change management into every step of the digital transformation



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