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Delivering Successful E-commerce Projects

Best Practice Guide

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Published: March 2009

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Econsultancy London
2nd Floor, 85 Clerkenwell Road
London EC1R 5AR
United Kingdom

Telephone:
+44 (0) 20 7681 4052

<http://econsultancy.com>
help@econsultancy.com

Econsultancy New York
41 East 11th St., 11th Floor
New York, NY 10003
United States

Telephone:
+1 212 699 3626

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1. Introduction

Econsultancy's series of best practice guides have been created for internet professionals who typically work in marketing or e-commerce roles.

The guides steer readers to ensure projects and strategies are executed the right way for optimal results.

This guide to **Delivering Successful E-commerce Projects** is specifically aimed at people tasked with building out e-commerce websites and operations. We hope it proves useful to you.

Other [best practice guides](#) published by Econsultancy include:

- [Paid Search Best Practice Guide](#)
- [Search Engine Optimisation Best Practice Guide](#)
- [Managing Digital Channels](#)
- [Online Retail – Checkout Special](#)
- [Web Design Best Practice Guide](#)
- [Web Project Management](#)
- [Online Retail User Experience Benchmarks](#)

Further Reading

Managing Digital Channels Best Practice Guide

<http://econsultancy.com/reports/managing-digital-channels-best-practice-guide>

E-commerce: A Beginner's Guide

<http://econsultancy.com/reports/e-commerce-a-beginner-s-guide>

E-commerce Platforms Buyer's Guide 2009

<http://econsultancy.com/reports/e-commerce-platforms-buyer-s-guide-2009>

E-commerce Request for Proposal (RFP)

<http://econsultancy.com/reports/e-commerce-request-for-proposal-rfp>

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1.1 About Econsultancy

Econsultancy is a respected source of independent advice and insight on all aspects of digital marketing and e-commerce.

The award-winning publisher operates a paid-subscription model used by many of the world's foremost brands. The company is headquartered in London with an office in New York.

Econsultancy's [reports](#), [events](#), online resources and training programs help a community of 75,000+ registered marketers make better decisions, build business cases, find the best suppliers, look smart in meetings and accelerate their careers. The website attracts 175,000 unique users per month.

Econsultancy also operates a highly popular [training division](#), used by some of the world's most prominent brands for staff education, both in-house and via public courses.

In-house and public training is provided across all areas of digital marketing, including SEO, social media, online PR, mobile marketing, affiliate marketing, online copywriting, managing e-commerce teams, and at all levels from one day courses to a Masters in Digital Marketing.

Some of Econsultancy's client-side subscribers include: Google, Yahoo, MSN, MySpace, BBC, BT, Shell, Vodafone, Yell.com, Dell, Oxfam, Virgin Atlantic, TUI, Barclays, Carphone Warehouse, IPC Media, Deloitte and Touche, T-Mobile and Estée Lauder.

Read the [Econsultancy blog](#) to keep up to date with the latest trends in the internet industry.

1.2 About the author

Martin Newman is one of the UK's most experienced and respected e-commerce practitioners. He's been involved in multichannel retailing for more than 25 years, having had P&L responsibility for retail, direct mail, e-commerce, kiosks and call center channels for a number of retailers including Ted Baker, Harrods, Pentland brands (Speedo, Kickers, Boxfresh, etc.), Burberry and Intersport.

He has also worked on the agency side having previously run his own web development business in the late '90s, and laterally as a managing consultant at Conchango.

Martin has been selling online since 1996. In this time he has developed, designed and launched a multitude of e-commerce websites using various software and adopting different business models. This, coupled with his end-to-end e-commerce experience, provides him with a unique perspective that enables him - in his current guise of e-commerce leader and consultant - to share his vast experience with you to help you optimize all aspects of your e-commerce channel.

www.martinnewman.co.uk

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2. Executive Summary

A multitude of factors determine the success of an e-commerce project.

Although the market is now relatively mature, there are still far too many e-commerce projects that don't deliver on time, on budget, or on spec. The fact is, e-commerce winners of the past didn't have to do a great deal to grow revenues. Broadband penetration growth fuelled a vast rise in online shopping. Now, broadband growth is flattening, and approaches must be smarter.

Consumers no longer tolerate bad web experiences. In an age where customer experience counts, it's imperative you properly **plan for customer satisfaction**, and that you future-proof your websites as much as possible.

With all this in mind we have commissioned e-commerce expert Martin Newman to compile a report to help you deliver brilliant projects so you can win more business from new and existing customers.

After reading this report you'll **understand common pitfalls in e-commerce development** to help you **avoid trapdoors** as you steer projects towards the finish line.

There are literally **hundreds of recommendations** within that we hope will remove a lot of the headaches in the planning phase.

Good luck!

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2.1 Who is it aimed at?

This report is relevant to many executives on both the client and supplier sides of e-commerce, including:

Client-side

- Heads of E-commerce, Digital Marketing Managers, Managing Directors of SMEs, Multichannel Directors, Marketing Directors, IT Directors, etc.

Read this report to:

- Find the right supplier for your business
- Manage internal expectations and set realistic expectations
- Get the scope right – deliver a ‘fit for purpose’ solution
- Future-proof the solution
- Deliver on time and on-budget
- Deliver a return on investment

Suppliers

- CEOs, MDs, Client Service Directors, Managing Consultants, Agency Account Directors, Consultants, SaaS providers, etc.

Read this report to:

- Build credibility through a more customer-centric approach
- Reduce client churn, increase customer retention
- Maintain margins
- Improve productivity
- Deliver on time and on budget

2.2 Feedback

After reading this report, please send feedback to chris@econsultancy.com, particularly if you have recommendations to pass on.

In addition, **we love to receive testimonials**. If it proves useful please let us know!

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3. Client-side challenges & best practice

There are many challenges and issues to address in order to implement successful e-commerce projects.

We have seen many examples (too many) in which projects fall short of expectations, fail altogether, or cost much more than anticipated.

Let's take a look at the key client side issues that tend to arise.

3.1 What causes e-commerce projects to fail?

- When there isn't an experienced e-commerce practitioner on the board it often leads to key decisions being taken without the depth of insight required to support them. Issues can include:

3.2 What can you do about it?

Proactive and forward-thinking businesses can prevent many of these pitfalls and in doing so, save time and money while creating a smoother transition and implementation of e-commerce.

Follow these steps for the best results:

- **Enrol key stakeholders in the planning phase**, including executives who will input into the vision, and operational stakeholders who will be involved day-to-day with supporting the e-commerce operation.

3.3 Project Management: Planning, Skills & Processes

Project management is a key determining factor as to whether or not an e-commerce project succeeds or fails.

You can select the best technology, have a clear vision and roadmap with regards to where you want to take the e-commerce channel, but if you don't have an experienced and highly effective project manager, your project will fall down in one or more of the following ways:

- **It will be late.** This is pretty much guaranteed. We have seen a number of examples of poor project management that have resulted in sites going live up to a year after the intended 'go live' date.

3.4 Project inception: Pre-planning phase

1. **Ensure there's a comprehensive business case.** It's a good idea to involve someone in the finance team to help you pull together the numbers for the business case as this will add credibility to your case and to the opportunity.

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3.9 Supplier Selection

Supplier selection is a key determining factor as to whether or not your project will ultimately prove to be successful or not. While you may not be hugely knowledgeable in this space, you still need to adopt the same level of due diligence you would were you appointing a supplier to help with any other part of your business.

The 20 points below will help you to arrive at the right decision in regard to selecting a vendor.

Best practice recommendations:

1. **How effectively did they respond to your RFP and brief?** Did they challenge any of your objectives? This can be a good sign of an agency able to add value to your strategy. But ultimately you're likely to opt for the supplier that satisfied most or all of your requirements.
2. **Work with a supplier who really wants and values your business.** If your account is too low in value and you're one of their smaller clients, ask yourself and the supplier if you will get the level of service and commitment you require. Most suppliers will over-promise to win the work. Regular meetings are a must, and should be agreed to from the start.

3.10 Requirements Gathering, Scope & Stakeholder Buy In

3.10.1 Scope

After you've appointed a supplier, you begin the process of gathering a full set of requirements, agreeing these and documenting them in a requirements document and in a functional specification.

3.15 Operational Structure

Every retailer has a different operational structure for their e-commerce channel, yet they have largely the same structure that manages their other channels, such as stores and call centers. Econsultancy has published in-depth research and recommendations to show you how you can optimize your own e-commerce structure. See our [Managing Digital Channels](#) report for more details.

Best practice recommendations:

1. **Collaboration counts.** It's advisable to have an experienced e-commerce practitioner managing the development and implementation of the project within your business. It's also good practice to engage with your IT team (*in particular the head of IT or CTO should be heavily involved in the project from its inception*).
2. **Bring in an independent expert.** You may want to consider engaging a consultant at this stage. They will bring best practice experience to your project and help to ensure you avoid common pitfalls.

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3.16 Measurement

Implement, measure, improve and repeat!

Are you measuring and analyzing the performance of your e-commerce channel? In order for your e-commerce project to be successful and to be deemed a success, measure everything you do.

Vertical	Conversion rates	Specific brands	Conversion rates
Catalogue	6.1%	Proflowers.com	14.1%
Speciality stores	3.9%	Coldwater Creek	13.3%
Fashion/apparel	2.2%	FTD.com	13.0%
Travel	2.1%	QVC	12.8%
Home and furnishing	2.0%	Office Depot	12.4%
Sport / outdoors	1.4%	eBay	11.5%
Electronics	1.1%	Lands' End	11.5%
All verticals	2.3%	Tickets.com	11.2%

Source: Fireclick index USA and Nielsen net ratings

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4. Joint Client & Vendor Challenges

4.1 Budget vs. Expectations

Without a doubt, this is almost always the most contentious issue between client and supplier.

Best practice recommendations

1. To define the scope, you need to clarify your objectives. Ask some questions:

4.2 The Scope

The features and functionality that follow, along with the recommendations for content management, represent a high level view of what should provide a fit for purpose e-commerce solution.

4.9 Service Level Agreements (SLAs)

E-commerce suppliers don't like SLAs but they can provide some comfort and some motivation for both parties. Try to include the following in SLAs:

Service	Service Level	Client Requirement	Supplier Requirement	Implication for service level failure
Web design and development	Deliver project on time	✓		Pay bonus to agency for every day the project comes in ahead of schedule
Web design and development	Deliver project late		✓	Agency forfeits an agreed amount for every day the project runs late
Web design and development				
Web design and development				
Web design and development				
Web design and development				
Maintenance agreement with web agency				
3 rd party software applications (Live chat, search, merchandising)				
Hosting				
Fulfilment				
Fulfilment				
Fulfilment				
Distribution				
Distribution				



5. Supplier Challenges

5.1 Motivation

Different suppliers will use different criteria to qualify an opportunity. Therefore it's important to understand both from the supplier and the client's perspective what the key motivation is behind the supplier's interest in the client's business.

5.2 Relevance Of Technical Skills

A number of e-commerce projects will fail due to the supplier lacking the necessary level of skills and experience with the specific technology implemented.

6. Templates

6.1

6.3 Project Requirements Template

ID	Task	Resource
1	Project Planning Phase	
2	Project Initiation Process	
3	Develop engagement letter, contract & proposal for requirements gathering phase	Project Management
4	Present requirements gathering phase proposal for steering committee review	Project Management
5	Revise project proposal as needed and submit for final approval	Project Management
6	Project Kickoff meeting	Client and PM
172	Conduct Client Briefings	Project Management
173	Conduct User Communications	Project Management
174	Perform Day to Day Meetings and Issue Management	Project Management

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