



PROMAT

2015

McCormick Place South | Chicago
March 23-26, 2015
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Using eCommerce to Stay Competitive

Sponsored by:

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Presented by:

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Momentum of eCommerce



- In the business-to-business sector, revenues from eCommerce transactions exceeded \$500 billion in the U.S. alone last year.
- eCommerce accounted for 20.1% of wholesale revenues in 2012 (per U.S. Census Bureau).
- eCommerce via online storefronts is now an integral part of the marketing and sale of products in the B2B environment.



Elements of eCommerce

- **Web-based storefronts** to improve customer service
 - Combine with **mobility** (ability to access your Web site through handheld devices) to enable customers to request SKUs and place orders from job sites
- **EDI** (Electronic Data Interchange) to speed communications with manufacturers and customers
- (OPTIONAL:) **Internet trading network** to streamline the supply chain

**FIND WHAT'S
NEXT.**



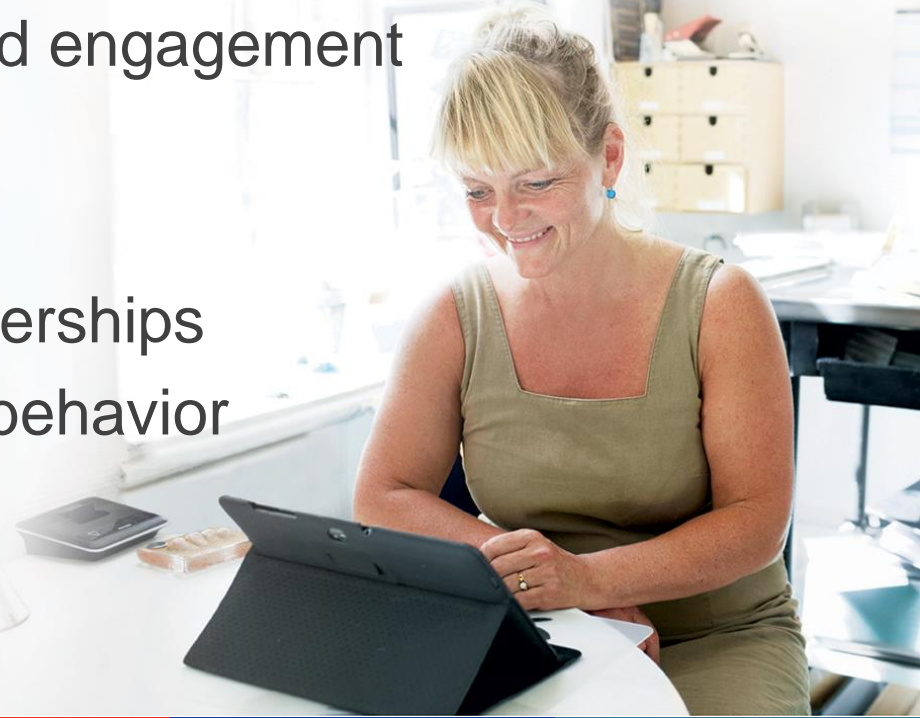
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The Promise of B2B eCommerce

- Increase sales revenues
- Tap into new markets (e.g., new geographic areas)
- Improve customer loyalty and engagement
- Fulfill orders cost-effectively
- Optimize procurement
- Manage sales channel partnerships
- Gain insights into customer behavior



Challenges and Implementation

- Implementing an eCommerce platform requires thoughtful planning
 - Need to have a purposeful Web site, market it and promote it
 - Listen to customers (not “if you build it, they will come”)





Challenges and Implementation

- Integrating eCommerce with an existing ERP platform
 - Allows for 24/7 availability
 - Instantaneous inventory updates
 - Shared business logic and data points exchanged in real time; streamlines workflow
- Maintaining a smooth sales process from beginning to end, with a dynamic, easy-to-use interface

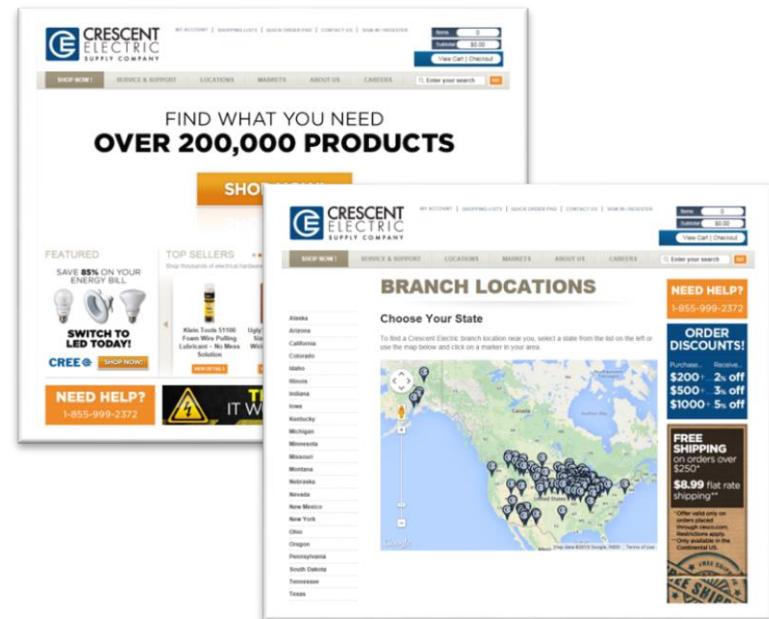
eCommerce as Part of a Go-to-Market Strategy

- Web storefront offers **self-service** to customers
 - 70-80% of inbound phone calls are *non-revenue-generating* (informational inquiries, etc.)
 - Frees up sales reps for more value-added, actual *selling* (e.g., consulting) activities, saving time and avoiding costly re-keying errors
- Gives your customers a **secure, seamless, personalized** experience every time they log on to your site
 - Compare to consumer experience: You don't *talk* to anyone at Amazon, do you?
 - You can create that experience within your company, push these workflow activities to the Web site.



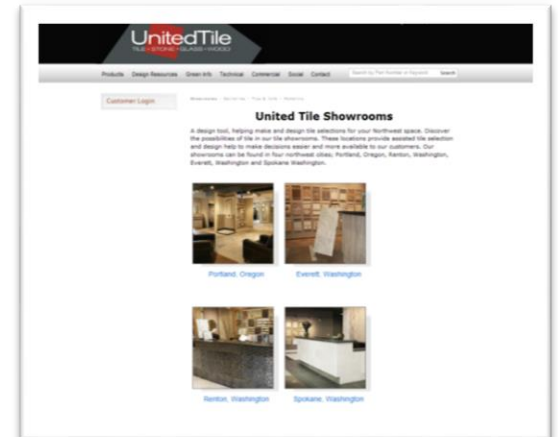
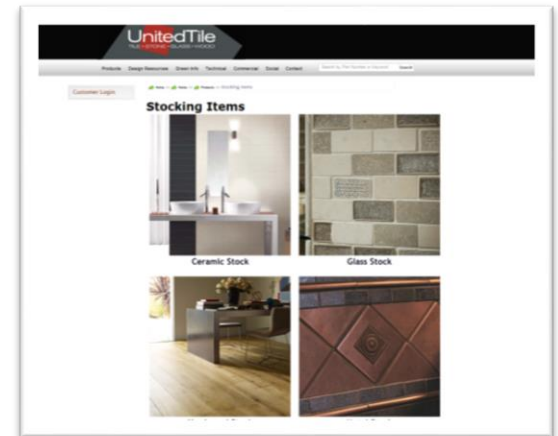
eCommerce Advantages for B2B

- More thorough customer profile information
 - Order history
 - Substitute/related/add-on item suggestions
 - Special pricing automatically displayed
 - Recommendations/reviews of products
- More flexible delivery options (e.g., staggered delivery to a job site, expedited delivery, etc.)
- Addressing the needs of a new generation of buyers
 - You can offer features similar to B2C sites, for a rich online experience



Fundamental eCommerce Web Site Features

- A **single** database (shared, vs. redundant with the ERP database) of SKUs, pricing, enriched data elements, etc.
- An easy-to-navigate UX (**user experience** needs to be similar to Amazon, Grainger, etc., as they have set the standard in web site usability)
- Lots of accessible documentation, regularly **maintained and updated!**
 - Pictures/diagrams
 - Detailed specifications
 - Cross-reference numbers
 - Parts breakdowns/schematics
 - Installation instructions/videos



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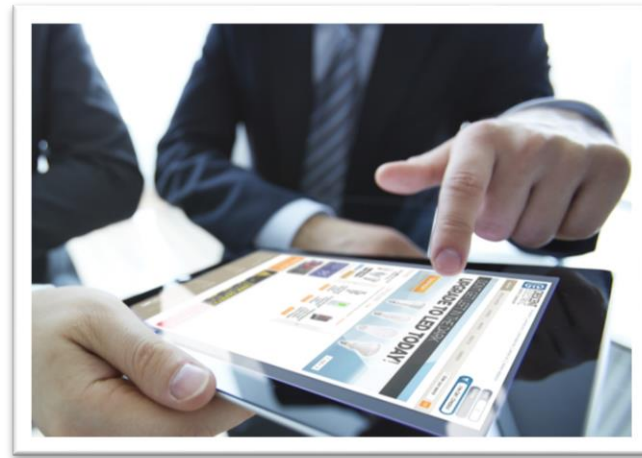
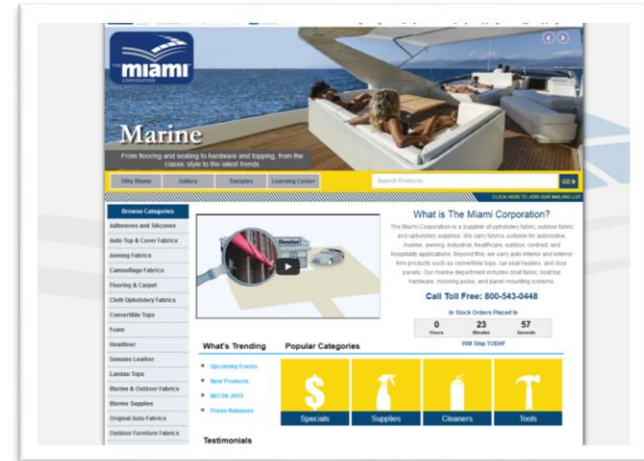
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Competitive Differentiators to Include on Site

- Profiles/*knowledge* of sales consultants (key value-add)
- Success stories and videos from existing customers
- FAQs
- Instantaneous order confirmation synchronized from web site to customer's e-mail address
- Easy-to-use Search function

More Competitive Differentiators...

- Online assistance/chat
- Option for customers to provide comments/feedback
- Integration/optimization for **mobile** devices (convenience factor; accessible from *any* device—tablets, smart phones, etc.)



Top 3 Global eCommerce Mistakes to Avoid

- Not **having** an eCommerce strategy
- Not **integrating** front-end systems (Web site or global eCommerce system) with the back-end ERP system
- Ignoring the **mobile** market
 - Need to have two different user interfaces, one for mobile and one for desktops/laptops. If mobile users can't easily view your Web site on their mobile device, they're going to leave quickly.
 - Many sites don't even allow for customers to make a transaction on a mobile device. They'll have product information, but not the ability to make orders or interact with the company. A missed opportunity!

eCommerce Example: APR Supply Company

- Lebanon, Pa.-based HVAC/plumbing distributor with 31 locations, over 275 employees, and nearly \$100 million in annual revenues
- Strong emphasis on understanding and managing technology, including Enterprise Resource Planning and eCommerce
- One of the first plumbing and HVAC wholesalers to offer Web commerce (since 1996) to enhance relationships with customers

The screenshot displays the APR Supply Company website. At the top, the APR logo is on the left, and navigation links for 'MEMBER PAGES', 'SEARCH', 'ORDER ONLINE', 'CONTACT US', 'EMPLOYMENT', and 'BLOG' are on the right. A main banner features a 'COMMERCIAL WATER HEATER REPLACEMENT PROGRAM' with an 'EMERGENCY' badge and a hand holding a red pipe wrench. Text below the banner lists: 'Light duty commercial electric', 'Direct delivery to the job-site within 24 hours', and 'Inventory in stock!'. To the right of the banner is a 'Search Our Product Lines' section with dropdown menus for 'Select a Manufacturer' and 'Select a Category'. Below the banner is an 'Upcoming Events' section with three event cards. A 'Branch Locator' section includes a search form with 'enter zip code' and 'choose radius' fields, a 'SEARCH FOR A LOCATION' button, and a link to 'Top Mobile Apps for Contractors'. An 'ORDER ONLINE' button is prominently displayed. A 'Don't forget to visit the Oasis Showrooms webpage, too!' message is followed by 'OASIS SHOWROOMS' text. The footer contains logos for 'APR is an active member of these organizations:' (Maytag, Tappan, Gibson, Miller, Medallion, Newmac, Mammoth, Miller), 'QUICK PRODUCT SUPPORT', 'QUICK LINKS' (APR Credit App, APR Catalog, Web Commerce User's Guide), and 'CONTACT US' (Corporate Office: 749 Guilford Street, Lebanon, PA 17046; P: 717-274-5999; F: 717-273-2740; Hours: M-F 7am - 5pm). Social media icons for YouTube, Facebook, and Twitter are also present.



eCommerce Example: APR Supply Company

- 27% of Vendor purchases using EDI
- Over \$2M in Customer orders coming in via EDI
- Today, approx. 10% percent of APR's sales take place through an electronic format
- Current initiative underway to include mobile eCommerce
- Sales force running full ERP solution using tablets in the field for on-the-spot access to write orders, quote prices and product availability

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