



# Streamlining E-Commerce Migration: Strategising, Platform Selection, and Optimising ROI

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As a leader in the e-commerce realm, you shoulder various responsibilities: driving growth, maintaining platform stability, managing your team, and optimising program performance. The last thing you need is an e-commerce platform that hinders your progress or creates barriers to success.

If you find yourself facing platform-induced headaches, re-platforming might be the ideal solution to transform your performance. However, before taking this step, it's essential to follow the right approach to avoid common migration pitfalls and be fully aware of the process, costs, and requirements involved in re-platforming.

Despite the challenges of e-commerce migration, the rewards are significant, often outweighing the costs. Lower total cost of ownership, increased conversion rates, enhanced agility and speed to market, ongoing innovation, and robust security and reliability are all the valuable outcomes awaiting you.

This guide equips you with everything needed to navigate the process, featuring checklists, templates, and walkthroughs to ensure a seamless migration journey.

# STEP 1 - Secure Buy-in From Crucial Stakeholders

E-commerce migration necessitates input and support from various disciplines within and outside your organisation.

**Key stakeholders may vary depending on the business, but typically include representatives from:**

- **Finance:** Offering essential insights into payments, reporting, and integration requirements.
- **IT:** Providing crucial inputs on ecosystem integration, technological needs, DNS migration, and security for launch.
- **Marketing:** Offering valuable inputs on performance tracking, SEO considerations, and brand requirements.
- **Creative:** Providing insights into design considerations, user experience requirements, and front-end functionality.
- **Merchandising:** Offering inputs on inventory management, stock and sales reporting, and product uploads.
- **Operations and logistics:** Providing essential insights on integrations and ensuring a seamless customer experience across channels.

Involving these stakeholders may involve some becoming permanent members of your migration team, while others may provide support and insights during key milestones.

**In all cases, consulting these stakeholders is crucial when:**

- Identifying pain points with your current e-commerce platform
- Building the business case for a new e-commerce platform
- Compiling the list of requirements for the new platform
- Evaluating platform options with third-party vendors
- Making the final decision about an e-commerce platform
- Planning the migration project, process, and timeline

**To gain buy-in, be prepared to address the following questions that often arise during this stage:**

- What limitations does your current platform have?
- How much does it cost to maintain your current solution?
- Which activities currently consume the most time and resources?
- What processes could be automated to save time and resources?

- What ongoing issues with the existing platform result in lost revenue and resource wastage?
- What is the estimated monthly resource wastage due to the issues listed above?
- What are the potential future costs, considering both wastage and lost opportunities without intervention?
- How are the above issues hindering innovation, business growth, and positive customer experience?
- How can a different e-commerce platform alleviate the mentioned challenges?

When seeking buy-in, aim to gather objective inputs from as many key stakeholders as possible. This approach will help you quantifiably demonstrate the necessity of a new e-commerce platform and the potential benefits for the business.

# STEP 2 - Build Your Requirements and Evaluation Criteria

Once you have obtained buy-in for an e-commerce re-platforming project, the next crucial step is to compile a list of requirements from a new solutions provider and partner. Additionally, you should establish standardised evaluation criteria for assessing potential solutions partners. This detailed process involves considering your requirements as two sides of the same coin - addressing existing issues that need resolution and identifying new functionalities you aim to incorporate.

## Pinpoint where your existing issues are

Begin by identifying the specific areas where issues persist within your current platform. You should have a general understanding of the existing problems, but now it's essential to delve deeper into the root causes and potential solutions. Start by asking high-level questions about the platform issues and then investigate the reasons behind these challenges.

### For instance:

- Has your platform's security failed during critical moments? Why?
- How frequently do you encounter situations where you can't implement certain functionalities? Why?
- Are DIY patches and workarounds a common occurrence? Why?
- Does your team spend excessive time and effort maintaining your site? Why?
- Do you have the flexibility to launch new products, projects, and experiments? If not, why?
- Are new features and apps frequently delayed due to in-house, agency, or platform constraints? If yes, why?
- Is your help desk, social media, or email flooded with questions or complaints about the platform's functionality? Why?

By conducting this exercise, you can generate a targeted list of reasons why your current platform falls short, thereby guiding your team to establish specific requirements for a new platform.

## Contemplate the new functionality to achieve your objectives

While addressing existing issues is crucial, it's only the beginning. After identifying where your current challenges lie, the next step is to determine the additional functionality required to facilitate the accomplishment of your goals.

Consider your organisation's objectives and the functionality your e-commerce platform must possess to attain those targets.

### Some goal-oriented examples include:

- Increasing website traffic and checkout volume
- Enhancing store design and user experience (UX)
- Expanding sales channels
- Entering new markets or expanding within existing ones
- Reducing operating costs
- Creating omnichannel shopping experiences
- Launching new brands or stores

By aligning your goals with the desired functionality, you ensure that your new e-commerce platform can keep pace with your company's strategic vision, preventing outgrowing it too quickly.

## Complete an RFP template to initiate discovery with solutions providers

Once you've gathered a comprehensive list of internal requirements for a new e-commerce platform, this structured request for proposal (RFP) template becomes a valuable tool. It enables you to approach various platform providers with confidence, presenting them with your detailed requirements and inquiries.

### The RFP template should incorporate structured questions under the following macro categories, focusing on core functionalities of the new platforms:

- Omnichannel
- Headless
- Integrations
- Content management
- Merchandising, promotions, and products
- Cart, checkout, and tax
- Order management
- Shipping and fulfillment
- Analytics and reporting

- Service support and upgrades
- Privacy and security
- Implementation
- Platform pricing
- Payments

Using this well-organised RFP template, you can efficiently assess potential solutions providers and gather the necessary information to make an informed decision about the most suitable e-commerce platform for your business.

Additionally, ensure to list your requirements related to migration support and ongoing success management.

**Consider the following:**

- What role should the platform provider play during migration?
- What level of ongoing support and success management do you require?
- What volume of data needs to be migrated?
- Do you need the platform provider to handle data migration?
- Are there third-party agencies or specialists you are consulting for the migration?
- Which areas of the migration project pose the greatest complexity?
- Specifically, what improvements are you seeking compared to your existing platform?

By addressing these RFP questions, you will compile a comprehensive inventory of must-have and nice-to-have features while providing essential context for your unique migration project.

# STEP 3 - Evaluate Your Platform Options

Armed with your completed RFP template, the next step is to embark on evaluating your platform options. This process goes beyond simply comparing one solutions provider to another. Instead, it involves understanding the distinctions between various e-commerce architectures and determining which one aligns best with your brand.

**In general, there are three types of e-commerce architectures to consider:**

- **On-premise:** Built using the company's own resources and hosted in an internal storage facility. Development and ongoing maintenance are handled by on-staff or third-party development and engineering teams, making the company responsible for the technical and security infrastructure.
- **Custom SaaS:** Subscription-based solutions provided by a third-party vendor. As a customer, you rent the software from the service provider, eliminating the need to develop your own infrastructure. Shopify Plus is an example of a SaaS e-commerce platform.
- **Open Source:** E-commerce platforms that grant users full access to the original source code, enabling administrators to modify and customise the platform as needed, offering control over the online store's design and functionality. Open-source software is often free to download, but setting up and running a functioning store can incur substantial costs.

SaaS-based solutions like Shopify Plus are the favoured choice for growing and established brands. Notably, Shopify reduces technical, operational, and maintenance complexities by handling these aspects for merchants. This ensures businesses can channel their resources into brand development and crafting unique end-to-end customer experiences, instead of expending time and money on establishing a stable and scalable commerce platform.

## Shopify Plus vs. other platforms

**Advantages of Shopify Plus:**

- **Cost-Effective:** Licensing starts at \$2,000 per month.
- **Swift Time to Market:** Migration typically takes 3 to 4 months.
- **Enhanced Long-Term Value:** Lower total cost of ownership compared to other e-commerce platforms.
- **Effortless Maintenance:** No need for full-time technical staff to manage servers or security.
- **Extended Support:** Access to ongoing support and management services.

- **Unrivalled Scale and Stability:** Dedicated infrastructure that scales seamlessly worldwide.
- **Safety and Security:** Fully PCI DSS compliant out of the box.
- **Extendable and Customisable:** Access to an extensive range of integrations, third-party apps, and a dedicated agency ecosystem.
- **Continuous Improvement:** Automatic software and security updates.
- **Expand Beyond the Website:** Headless and omnichannel customer experiences.
- **Flexibility Where Needed:** The stability of an e-commerce platform with the ability to adapt and expand as required.
- **Unmatched Innovation Pace:** Regular new feature launches driving growth at scale.

On-premise Advantages	On-premise Disadvantages
<ul style="list-style-type: none"> <li>• Direct control and access to website code and hardware</li> <li>• Control over platform and network security</li> <li>• Ability to implement customised and granular optimisations to the site</li> </ul>	<ul style="list-style-type: none"> <li>• High ownership costs (approx. \$200,000/year for mid-market retailers)</li> <li>• Physical space needed for hardware, leading to potential cascading failures</li> <li>• Lengthy migration timelines (12 to 18 months depending on complexity)</li> <li>• Cumulative expenses for infrastructure, employee salaries, and third-party support</li> <li>• Building website components, functionality, and templates from scratch</li> <li>• Minimum 3 months to make the software operational</li> <li>• Dependence on dedicated development and maintenance teams</li> <li>• Hand-building extended functionality</li> <li>• Operational and stability responsibilities solely on the team</li> <li>• Difficulty scaling for traffic spikes and new market opportunities</li> </ul>

Open Source Advantages	Open Source Disadvantages
<ul style="list-style-type: none"> <li>• The underlying software is freely available for download</li> </ul>	<ul style="list-style-type: none"> <li>• Scaling to high performance requires costly additions like apps, extensions, hosting, and web development</li> </ul>

<ul style="list-style-type: none"> <li>• Enables customisation, apps, and extensions to adapt functionality to the business's requirements</li> <li>• Offers nearly limitless freedom in terms of design, functionality, and store layout</li> </ul>	<ul style="list-style-type: none"> <li>• Customisation demands significant technical expertise in-house or through third parties</li> <li>• Web developers are necessary for design customisation</li> <li>• All security responsibilities, including patches, updates, compliance, and uptime, rest with the business</li> </ul>
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Custom SaaS Advantages	Custom SaaS Disadvantages
<ul style="list-style-type: none"> <li>• Swift store launches and migrations</li> <li>• Enhanced security and scalability</li> <li>• Continuous customer support</li> <li>• User-friendly interface</li> <li>• Regular automatic updates to core functionality and infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Integration limitations with critical applications</li> <li>• Restrictions on app installations, limiting functionality expansion</li> <li>• Variance in user experience and stability across providers</li> <li>• Monolith platform lock-in hindering expansion and customisation</li> <li>• Potential limitations in building omnichannel and headless customer experiences</li> </ul>

## STEP 4 - Assess your TCO and ROI

After selecting the most suitable ecommerce platform type for your brand, the next step involves evaluating the total cost of ownership (TCO) and return on investment (ROI) for the potential solutions providers. Calculating TCO among different platforms can be challenging due to variations in cost models and investment requirements.

Nonetheless, it is crucial to comprehend the upfront expenses related to migration, platform fees, maintenance, and ongoing costs. Conducting a TCO assessment can offer valuable insights.

**Typically, a TCO assessment encompasses three primary cost centers:**

### 1. Initial Costs

**Re-platforming usually requires significant upfront resources, including:**

- Designer(s)
- Developer(s) with varying skill requirements
- Project manager(s) from each external team
- Overarching project lead and manager(s)
- Execution resources for configuration and data importing
- Internal or external testing resources
- SEO and analytics input (usually external)
- Solutions input for key technical areas
- Business analyst (rarely needed but useful)

**Costs for a migration project vary based on the scope and complexity. Initial expenses may also include:**

- Front-end development
- Data migration
- Theme design and building
- Analytics setup
- Integrations setup

These resources and requirements come with their respective costs, some covered by internal staff, while others may require outsourcing. It's crucial to consider personnel and project costs during the migration planning process.

### 2. Ongoing Costs

Each ecommerce platform comes with its set of ongoing costs, which can vary depending on the platform.

**These usually include:**

- Software license fees
- Multi-brand licensing fees
- Consulting and management needs
- Integrations licensing
- Analytics licensing

Additionally, consider the migration timeline in your TCO assessment, as it impacts upfront costs and delayed revenue from the new platform. For instance, Shopify Plus typically takes three to four months to re-platform, while others may take between 12 and 18 months.

### 3. Hidden Costs

After completing the migration, maintaining an ecommerce website can entail a range of hidden costs, which vary based on the chosen platform.

**These typically include:**

- Annual ecommerce platform licensing costs
- Additional and/or ongoing app licenses
- Maintenance and operational costs
- Support costs
- Backend enhancements
- Front-end customisations
- Team operations
- Payment fees (often a percentage of sales)
- Infrastructure fees such as hosting, domain, security, and version updates

### Additional TCO Considerations

Calculating the total cost and benefit of transitioning to a new ecommerce platform involves more than just tallying up expenses. It requires a comparison of current spending, projected expenses, and the potential revenue growth from the new platform.

**Some additional TCO considerations include:**

- Cost comparisons over three years for the new versus existing tech stack.
- Time and monetary savings for the overall business.
- Potential security or compliance benefits, such as avoiding fines.
- De-risking measures for the business.
- Net benefits like improved integration, customer experience, internationalisation, conversion, and sales.

While the surface-level TCO of a new platform may seem higher initially, considering the impact of the existing platform's limitations and the potential upside of the new platform can make the investment worthwhile. Be cautious of providers offering extreme price reductions as it may come at the expense of performance, compromising scalability and stability.

Determining the ROI impact of a new platform is complex due to various factors. To aid in the process, here is a list of key data inputs to help assess ROI and the potential impact of a new platform.

#### **Conversion inputs:**

- Monthly average sessions
- % of mobile sessions
- % of desktop sessions
- Conversion rate (mobile)
- Conversion rate (desktop)
- % increase in conversion rate from the new platform (mobile)
- % increase in conversion rate from the new platform (desktop)
- Gross margin

#### **Average order value inputs:**

- # of current customers
- % of repeat customers
- Annual order value
- Average order value
- % increase in average order value probable from a new platform

#### **Business user productivity inputs:**

- # of business users
- Average salary
- % of time spent on manual work
- % reduction in manual work from a new platform

#### **IT productivity inputs:**

- # of IT users
- Average salary
- % of time on manual work

#### **Investment inputs:**

- Annual GMV

- Annual GMV growth rate
- Platform fees
- One-time implementation fee
- Estimated implementation timeline
- Estimated ongoing partner costs
- Weighted average cost of capital (WACC)

Incorporating all the data inputs mentioned above into your ROI calculation will provide an unbiased assessment of the potential benefits (or drawbacks) of a new ecommerce platform. When combined with the TCO, this comprehensive analysis will give you a clear understanding of the potential investment versus the possible impact.

## Companies That Have Lowered Their TCO With Shopify Plus

### MS Wallace

With Shopify Plus, MS Wallace achieved a 40% increase in ecommerce conversion rates, a 22% revenue growth, and a remarkable 64% reduction in Total Cost of Ownership.

### Staples

With Shopify Plus, Staples reduced commerce costs by 50%, achieved record-breaking sales on Black Friday and Cyber Monday, and seamlessly handled high sales volumes during COVID-19.

### Bombas

With Shopify Plus, Bombas saved \$108,000 in platform costs and achieved remarkable growth, recording \$17.2 million in sales its first full year after re-platforming, with a 300% year-over-year increase.

### A note about Shopify Checkout

Shopify Plus leads the industry with the highest converting checkout on the internet, surpassing competitors by up to 36% and averaging a remarkable 15% increase. This outstanding performance is attributed to the power of Shopify's vast identity network, unparalleled scale, consumer trust, and continuous innovation.

Boosting conversion rates can significantly impact your company's annual revenue. For instance, with 125,000 monthly visitors, an average order value of \$100, and a 0.92% conversion rate, increasing the conversion rate by just 0.5% would result in an additional \$62,500 in monthly revenue, totalling \$690,000 per year. Scaling this up, you'll experience a substantial positive impact on your Gross Merchandise Value (GMV).

## STEP 5 - Build the Case – Why Shopify Plus

- **Faster time to launch** - With Shopify Plus, launch your ecommerce site in half the time or less, thanks to accelerated onboarding and rapid integration with your tech stack. No more waiting for months!
- **Extensive array of apps and partners** - Shopify Plus offers a strong partner ecosystem, providing brands with rapid access to feature-rich apps and technology partners for accelerated success and continuous improvement.
- **Reduced reliance on development** - Shopify is the ideal partner for enterprise retailers, providing extensive out-of-the-box functionality to reduce the need for complex development. Our approach allows retailers to access all services and integrations from customer touchpoint to post-purchase, giving them flexibility and cost-effectiveness in their operations.
- **APIs and documentation** - Shopify Plus provides easy access to APIs and comprehensive documentation, minimising the need for back-end development and technical inputs. This efficiency leads to a smoother experience for merchants with fewer bugs and issues
- **Greater scalability** - Shopify Plus offers proven scalability and stability for brands with rapid growth or international expansion, handling increased demand, users, and transactions effortlessly. It requires fewer inputs and investments compared to other platforms.
- **Reduced operational costs** - Thanks to its SaaS licensing model, Shopify Plus offers lower operational expenses (OPEX) compared to competitors. It allows more of the development budget to be allocated to revenue-driving features and less on maintenance and support elements.
- **Continuous improvement** - Shopify Plus continuously launches new features and enhancements, prioritising scale, stability, performance, and customer experience. With 4500+ engineers and \$1.3 billion in R&D spend in 2022, updates are delivered at an unmatched speed.
- **User-friendly** - Shopify Plus is praised for its user-friendly interface, which enhances efficiency for internal teams. Regular usability testing and incremental improvements ensure the admin UI remains intuitive and user-friendly.