



# Unload Technology Baggage and Unlock Commerce Growth



Get rid of technical debt to succeed in the next era of commerce

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Now more than ever, agility is key to commerce success. We've seen buying habits change overnight, unexpected surges in demand, and crunched supply chains. Those with the right technology have been able to pivot and seize opportunities. Those with heavier technical debt have struggled to meet their customer's needs.

eCommerce is a phenomenon that companies have to figure out along the way. Digital has gained more importance over the years, so companies kept investing in their websites and buying more technology.

Fast-forward 20 years. Two decades of acquiring and integrating technology made brands unintended IT companies.

As technology matured, so did stacks, but that didn't stop companies from acquiring and cobbling together more solutions to compete in a changing market. Custom integrations begot custom code — especially with complex stores systems and add-on applications to handle new channels.

Brands have been left with untenable IT environments<sup>1</sup> after spending millions of dollars and years on customization. They're left shouldering a kludge that is in no way upgradable.

These short-term decisions compounded to create debt<sup>2</sup> – and it's come due.

Complex stacks are difficult to manage from a collaborative and operational perspective, they stifle innovation and they are incredibly expensive to maintain.

*Retail companies have been known to spend up to **80%** of their IT budget supporting existing systems.<sup>3</sup>*

Companies have to spend the majority of their technology budget to maintain aging, jugular systems, and acquiring new ancillary systems to keep up with the market. Shoppers are in charge – and costs to remain competitive are only going up.

It's not just Amazon driving disruption. Like stores, heavy stacks need to be right-sized.

**70%** say technical debt severely limits their IT function's ability to innovate

**72%** say it greatly limits their ability to migrate to new technologies.

**69%** say it makes their IT function much less responsive to changes in the market.

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Accenture<sup>4</sup>

## THE OPPORTUNITY COST OF OLD TECH

Today's market is more competitive than ever, and the new edge is speed of innovation. Technology debt not only describes the financial strain stacks are putting on companies in the midst of market disruption but also how it shackles them from being able to evolve at the speed the market now demands.

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*Companies that go on to launch a second product, enter a second market, or lead a second technical revolution do so because their founders structured them not as one-offs to solve a specific problem but as engines of innovation that spawn a thousand experiments.*

- *Harvard Business Review*<sup>5</sup>

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**While some like their “differentiated” technology stack as their secret sauce, no amount of custom code will give one merchant the win.** Companies are spending millions with very little to show for it. Many legacy platforms are poorly equipped to deliver the personalized, omnichannel experiences shoppers expect, leaving brands to pick and choose which customer-facing initiatives to execute on. And, once they begin to execute on strategic initiatives, there are months or years-long lead times in which shoppers (and competitors) won't wait.<sup>6</sup>

This is why new players have been able to swoop into established business models and immediately start disrupting the space...they don't have the legacy baggage. These digital natives are able to quickly make informed decisions with newer technology and understand the implications of technology to their success – from their business model, their cost structure, to the data that drives strategy.<sup>7</sup>

According to Accenture, emerging players have found that a light, plug-and-play approach is more effective than a buy-and-hold, empire-building mentality.<sup>8</sup> Adopting this IT perspective can help traditional companies remain competitive.

Incumbent businesses need a second-act strategy.<sup>9</sup>

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*Today, market share domination happens in “shark fin” bursts, where companies create new business models, products, and services rapidly. To survive, companies must adopt the exponential technologies that create those shark fins.*

- *Harvard Business Review*<sup>10</sup>

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Many CIOs are convinced that their current technology stack must remain core to the business because it would be too disruptive to remove it, and the systems still provide value. In fact, **70% of CIOs** say they want to keep their old systems in place as long as possible.<sup>11</sup> The balance is understanding what can be leveraged in a modern architecture, and which anchors must be removed.

The options are not simply keeping what you have or rip and replace.

The second-act strategy may be a hybrid option that keeps some critical systems in place while the stack modernizes over time.

Technology is changing fast, and yesterday's cloud is history. However, if you think cloud technologies can't handle your requirements, think again.

“Cloud” has changed by orders of magnitude that surpasses what most teams can handle.<sup>13</sup> New and emerging technologies have improved IT price and performance **2x, 5x and even 10x** over previous generations.<sup>14</sup> What used to be viewed as rigid and not enterprise-ready can now handle an impressive variety of complex needs.

“Yeah, it's easy for them to be innovative and fast and responsive to swiftly evolving consumers – they got to start from scratch.” My answer to that is simple: Exactly. That is exactly the price of technical debt.”

- *Nikki Baird, Forbes*

**75% of C-level executives say their company's existence will be threatened if they fail to update their technology.**

- *Accenture*<sup>12</sup>

*A second-act digital transformation is a perfect opportunity to simplify the monolithic stack that evolved out of short-term necessity.* Dissecting what can be saved and what can be modernized will be unique to every business. Now is the time to plan accordingly and avoid pitfalls. Execute now in the short-term but plan for longer-term changes to turn the organization into an agile, innovate powerhouse.

## DIGITAL TRANSFORMATION WITH ORACLE CX COMMERCE

While online sellers enter their second act, so has Oracle.

Oracle has a rich history in powering the world's most successful retail and B2B commerce programs, ranked as a Leader in Digital Commerce for 20 years.<sup>16</sup>

As consumer demands and market dynamics shifted, Oracle has developed a new service, Oracle CX Commerce, to ensure online sellers continue to succeed as commerce evolves.

Oracle CX Commerce is a fully-featured, extensible SaaS commerce solution, deployed in the Oracle Cloud. It is a scalable, flexible, API-based platform enabling merchants to deliver bespoke experiences rapidly without the worry of managing performance, infrastructure, and upgrades.

Learning from decades of experience, Oracle has invested in streamlining complex tooling to simplify management while reducing cost and time to market.

CX Commerce offers greater agility, cost savings, and a unique extensibility and customization model; all of which is required in the ultra-competitive digital commerce market.

CX Commerce's core development tenants come from working with our leading customers to understand:

### Your business needs flexibility

Leveraging SaaS is a must to succeed in the next era of commerce, but how you do it will be specific to your business. Oracle understands that one size does not fit all, so customers have the choice of how they will deploy using integrated, headless, or hybrid models. Additionally, Oracle supports both B2C and B2B selling in a single platform, with the shared administration UI and site assets, so sellers with direct-to-consumer and wholesale / B2B business models can reduce costs and complexity by leveraging one platform with one price.

### Integrating to today's – and tomorrow's – complex stack is critical

Many legacy technologies are crucial to the business and will remain. As an open, services-based platform, Oracle streamlines how CX Commerce has integrated to legacy third-party on-premise and cloud technologies. Additionally, Oracle Integration Cloud (OIC) and our leading Cloud Services suite including PaaS and IaaS can enable simplified data passing and custom development, while maintaining SaaS agility, upgradability, and cost control.

### Customization of the customer experience is paramount

Dated cloud platforms have kept some brands away from SaaS because they lack extensive customization capabilities. CX Commerce's revolutionary server-side extension model grants brand-conscious organizations total control to customize and extend the front-end customer experience without limits, or issues when receiving automatic push upgrades.

### Security and scalability are key

Oracle's heritage in powering the most extensive, most complex retail and B2B eCommerce sites continues into the cloud – but not all clouds are created equal.

### Forrester: Cloud's Rewards Outnumber Its Risks for Retailers Today<sup>15</sup>

- Reduced customization headaches and a greater focus on extensibility.
- The ability to scale up and down, on demand, from any location around the world.
- Access to the most innovative new data analytics and development services.
- Improved availability and faster response to failure.
- Failures and outages do not happen at higher rates than on-premise technology.

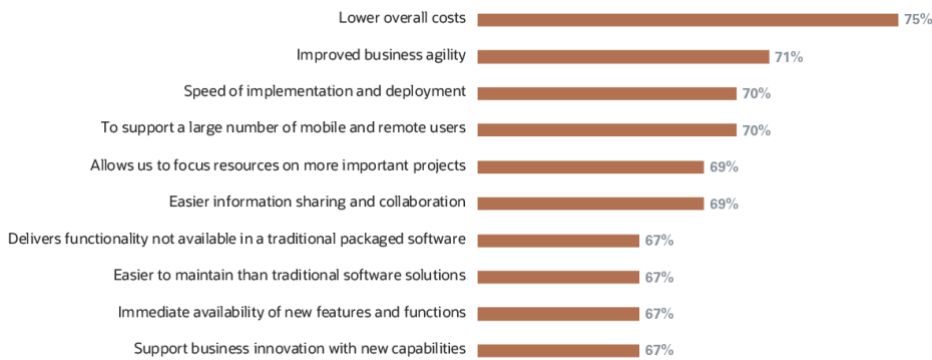
**Retailers can't be in the database business anymore; instead, invest in skill sets like front-end developers, technology architects, and new differentiation in areas like personalization, eCommerce, and digital in-store experiences.**

– Forrester<sup>17</sup>

Oracle Cloud supports the biggest global enterprises and can scale to deliver performance on peak days, as well as handle all security and compliance measures from PCI to GDPR and whatever comes next.

## HOW ORACLE CX COMMERCE DELIVERS ON FORRESTER'S "TOP 10 SAAS BENEFITS" FRAMEWORK

Forrester conducts studies with hundreds of business and IT executives to understand how important different factors are in SaaS adoption.<sup>18</sup> To understand Oracle's strategy and business value of CX Commerce, **let's take a look at Forrester's Top 10 benefits of SaaS** framework for commerce decision-makers want to achieve with cloud technology, and describe how CX Commerce delivers on each.



Source: Forrester Technographics® "It's Cloud Go Time for Retailers," July 2017<sup>19</sup>

### 1. Lower Overall Costs

Oracle CX Commerce moves away from an on-premise "license, own, and develop" model to a SaaS subscription service model, with upgrades, pushed automatically, deployed from the Oracle Cloud. CX Commerce reduces TCO in the following ways:

- **Service model:** Oracle handles the infrastructure and eliminates the need for customers to purchase and manage additional systems. (e.g., database, app server, hardware, software, etc.). Oracle offers a variety of cloud-based services to assist with any virtual infrastructure (IaaS), integration (ICS), or platform (PaaS) needs.
- **Flexible subscription model:** CX Commerce is sold as a subscription service, which helps customers move from a CapEx to an OpEx model. Fees can be paid on a monthly, quarterly, or annual basis, per contract.
- **Predictable, transparent pricing:** Fees can be based on yearly page views (consumption model) or revenue share, if desired. The Page View model sizes customers accordingly, allowing customers to know exactly what they will pay within the page count; there are no hidden fees or minimums.
- **Automatic upgrades included in subscription:** CX Commerce regularly pushes automatic updates throughout the year, so merchants get access to the most modern technology faster, and don't need to invest heavily in order to deliver innovation. There is no additional cost for upgrades and no maintenance fees.
- **Pre-integrated storefront features:** CX Commerce has a fully featured storefront application ready for configuration, versus full development. The CX Commerce storefront has built-in features that allow Oracle customers to eliminate the need for additional vendor technologies while

reducing costly integrations. Drag and drop experience management, responsive design, A/B testing, product recommendations, Image Scaling, and CDN are just a few of the features that come out of the box, included with the subscription cost.

- **Integrated customer service and stores:** CX Commerce supports digital shopping across the web and mobile devices, and customer support via a unified agent console call center application and an assisted selling application for in-store support, service, and checkout from an iPad.
- **B2C and B2B models in a single platform, subscription cost, and UI:** CX Commerce is the only enterprise SaaS commerce solution that can support B2C and B2B selling in a single platform, with shared administration and site assets. Retailers, wholesale and manufacturers who sell to companies and consumers can reduce costs and complexity by leveraging one platform with one price.

## 2. Improved Business Agility

With an all-new drag-and-drop UI, business users can deliver targeted experiences that drive more revenue, faster. Tasks such as refreshed page design, optimizing personalized search, and refined navigation that requires IT intervention with other solutions can be done immediately by the business user with CX Commerce.

- **Drag-and-drop business user toolset:** Visual tools allows business users to build, optimize and preview sites just as their intended audience would see them, on a variety of devices.
- **Build, preview, and push live, on-demand:** Business users can manage the entire experience in a single plane and push updates live per scheduled publishing, or manually on demand.
- **Control everything in one view:** The commerce engine, experience management, personalization, search and SEO, content, PIM, AI, AB testing, pricing, promotions, merchandising, media, and catalog management are fully unified and managed centrally.

## 3. Speed of implementation and deployment

CX Commerce has a variety of deployment options ranging from an out-of-the-box curated storefront, to a headless model. It's provisioned immediately and ready to be customized to meet your business needs - often launching in a handful of weeks to months.

- **Fast, nimble implementations:** Oracle deploys your instance of CX Commerce quickly. Out-of-the-box features and a modern cloud architecture simplifies integration and customization, so CX Commerce sites go live in a fraction of the time of typical on-premise deployments – and faster than SaaS commerce competitors.<sup>23</sup>
- **Modern architecture and plug-ins save time:** An API and REST web services architecture streamlines integrations to critical systems. All functionality is accessible through easy-to-use REST Web Services, with API documentation publicly available. Moreover, prebuilt, low-code plug-ins from technology partners in Oracle Cloud Marketplace can help further reduce implementation time and dollars.
- **Standards-based, flexible:** CX Commerce leverages standards-based languages, allowing for faster development, scalability, and readily available skills. The storefront is built in HTML5, CSS3, JavaScript, and NodeJS. There is nothing proprietary about working with CX Commerce.

## 4. Support a Large Number of Mobile and Remote Users

Expanding is critical for growth and CX Commerce was built from the ground-up to be mobile-first and to serve shoppers around the globe. With CX Commerce,

Globally, 33% of decision-makers indicate that their firms have adopted public cloud platforms (IaaS and PaaS), up from 10% in 2013.<sup>20</sup>

Creating a unique eCommerce experience may require custom coding, but the bottom line is that your new commerce platform must let business users easily innovate, iterate, test, and generally control the customer experience.

– Forrester<sup>21</sup>



there are no additional costs to serving mobile touchpoints or additional regions from the touchpoint of your original instance.

- **Mobile-first:** CX Commerce is fully Responsive / Adaptive and can support an optimized mobile shopping experience from the same centralized UI without requiring additional work. Business users have the option to tweak experiences by viewport, if desired.
- **Multisite:** CX Commerce helps businesses expand into new countries, test new markets, and launch new brands and business models without having to start from scratch, leveraging the same instance. Merchants have the flexibility to determine if central or distributed teams will manage sites that share the same – or unique experiences — while leveraging shared integrations and assets as required.
- **Global language and payments support:** CX Commerce supports 40+ languages and 60+ currencies. Additionally, Oracle supports a variety of regional payments requirements from VAT and cash on delivery and custom payment gateway integrations.

## 5. Focus resources on more critical projects

Oracle CX Commerce takes the burden of infrastructure, custom development and costly upgrades off of your hands and lets you focus exclusively on optimizing and innovating on the customer experience.

As a result, developers enable the business to meet their goals, simplify integrations, and experiment with modern technology in a low-risk way.

- **Development teams become heroes:** With CX Commerce, IT can focus on innovating, rather than standard maintenance and workarounds; enabling the business to safely self-serve on their day-to-day needs and reinvesting time into differentiating innovation, rapid development, and dramatically shortened cycles.
- **Budget is freed for impacting the customer experience:** Merchants can focus on customer experience initiatives that drive more engagement, revenue and loyalty instead of allocating the majority of their IT time and budget to maintaining existing technology that does little to wow customers.

## 6. Easier information sharing and collaboration

CX Commerce unifies traditionally siloed systems with an open platform that helps users stay connected. With a single source of customer experience creation and a 360° view of shopper behavior, data is centralized and transparent.

- **Single administration toolset, flexible options:** With unified commerce activities all taking place in one tool, there is greater visibility into the status and presentation of the site. Central or distributed teams can share the same tool, leverage existing content, layouts, and integrations - or customize variations for their needs.
- **Visibility and Analytics:** Unified administration means faster, greater visibility into real-time performance. Commerce analytics, AB testing, AI metrics, traffic and customer service stats are instant and can be used to optimize experiences quickly.
- **Access tools from anywhere:** Business and technical users of CX Commerce are able to stay productive from anywhere.

## 7. Delivers functionality not available in a traditional packaged software

Traditional licensed and cloud software often delivers a solution-in-a-box and requires costly integrations to a variety of ecosystem applications to deliver a

Oracle ranked #1 of out 18 commerce vendors for agile, fast deployments.<sup>22</sup>

67% of retailers surveyed believe that moving to the cloud will allow them to move dollars away from application maintenance to fund new areas of innovation.<sup>24</sup>

table stakes experience. Oracle CX Commerce delivers everything you need to run a commerce site in a single solution – and how you deploy it is up to you.

- **Loads of extras:** The CX Commerce storefront has built-in features that allow customers to eliminate additional vendor technologies such as drag and drop experience management, responsive design, search, A/B testing, personalization, image scaling, CDN, tax and payment gateways, content, and more. All are included with the subscription cost.
- **Instant access to the newest features:** Oracle R&D pushes releases throughout the year automatically– without IT having to invest in the development of new features.
- **Use – and add - whatever you please:** CX Commerce is modular and flexible, so merchants can use what they want from Oracle, and easily leverage outside technologies with our open integration framework.

## 8. Easier to maintain than traditional software solutions

CX Commerce lifts the burden of software maintenance both from a financial and operational perspective. There’s no more “getting behind” releases or embarking on an expensive and time-consuming upgrade process that disrupts the business.

- **Custom work won’t create upgrade issues:** Due to our unique server-side extension model, whatever merchants do to customize their site experience is not impacted by new upgrades.
- **No more falling behind:** Oracle pushes updates to pre-production environments automatically, with education provided on best practices for leveraging new features. There is no way to fall behind releases, or missing features to meet shopper needs.
- **No maintenance fees:** Automatic upgrades come as part of your subscription costs, so there are no ongoing maintenance fees.

## 9. Immediate availability of new features and functions

CX Commerce puts fresh features and technology into our customers’ hands automatically – all while saving their own R&D investment.

- **Oracle R&D delivers the value:** Oracle pushes new technology to you throughout the year so you can support the latest commerce needs immediately.
- **Start using features immediately:** Pick up new features directly from your pre-production environment, configure them, test them, and go live.
- **Education and best practices:** Oracle provides Release Readiness materials, webcasts, blogs, and office hours to make sure merchants and partners understand features coming and best practices on how to leverage them.

## 10. Support business innovation with new capabilities

CX Commerce is a platform for innovation. Oracle eliminates anything that hinders merchants from focusing on delivering compelling commerce experiences and puts control in their hands.

- **The latest technology available:** With a modern cloud architecture, there are no limits on what your CX Commerce site could look like or what new technologies it could leverage. Oracle’s automatic upgrades keep customers ahead of the curve with experiences that are fresh and scalable as the business grows.
- **Empowering IT:** IT can turn their focus from mundane site upkeep to innovation. API and REST services architecture and unmatched SaaS

extensibility keeps IT building, experimenting, testing – and directly impacting business results, fast.

- **Empowering the business:** Business users have pixel-perfect control over the site to test and experiment with new capabilities, without having to go to IT or wait on a backlog of requests.

## CONCLUSION

Agility wins in the new era of commerce. Deliver on shopper needs quickly and efficiently. Get innovations to market. Experiment and execute on new growth opportunities.

Commerce continues to evolve – be ahead of the curve, embrace change, and grow with a new approach and the right technology.

Learn more about how Oracle CX Commerce can help you:

- Simplify your technology footprint.
- Innovate to exceed consumer demands and stay ahead of competitors in a low-risk way.
- Increase loyalty and revenue to every customer, every time.

Learn more at [oracle.com/commerce](https://oracle.com/commerce)

### Footnotes:

1 [MIT Sloan Management Review](#)

2 [Accenture 2017](#)

3, 6, 15, 17, 18, 19, 20, 21 Forrester Research, “It’s Cloud Go Time for Retailers,” Dave Bartoletto and Anjali Yakkundi, July 2017.

4, 9, 12 [Accenture 2018](#)

5, 7, 10, 11 [Harvard Business Review, “Finding your Company’s Second Act,” Larry Downes and Paul Nunes, January-February 2018.](#)

[Forbes](#)

13, 14 [CIO](#)

16 Gartner Research, Magic Quadrant for Digital Commerce, June 2018.

23, 24 Gartner Critical Capabilities for Digital Commerce, 2018.

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