Orium



The Pragmatic Guide to Composability

You may have already started.

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Foreword

Business leaders today face two major forces: a rapidly changing digital commerce environment and the continuous pressure to improve, evolve and differentiate their online and omnichannel business. From the customer experience they deliver, to streamlining their operations, to driving sustained growth in both revenue and margin, most leaders are trying to address these challenges in a business environment adverse to risk, where any investment in technology must be highly targeted with a clear and predictable value equation.

It's for those reasons that the concept of a composable commerce technology strategy has gone from a niche topic to a strategic imperative.

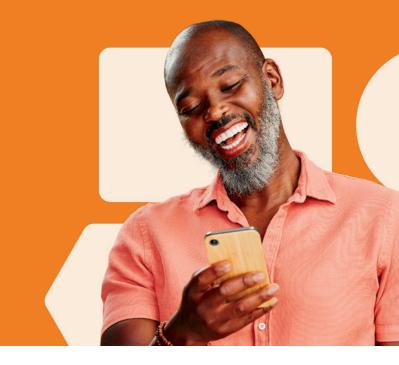
While composability is not an entirely new concept in commerce — businesses have been adding point-solutions to their commerce technology landscapes for decades — the advancing maturity of those solutions have made "composability" an increasingly available and predictable approach. Now solving for specific challenges and opportunities within customer experience and operations can mean reaching for a best-of-breed 'composable' point-solution and combining that with a commerce platform— be it the platform you have been using for sometime, or a new platform initiative.

Alongside all the benefits, composability can introduce risk and disruption. This white paper demystifies composable commerce, providing actionable insights and strategies for implementing a composable technology and solution strategy most effectively. By taking a programmatic approach, business and technology leaders can integrate new technologies that offer the most benefit, minimizing risk and disruption while maximizing benefit and impact.

The journey towards a fully adaptable commerce architecture does not have to be overwhelming. With the right approach, it can be a manageable transition that incrementally builds business value and customer engagement, setting the stage for sustained success and evolution in our increasingly digital age.

Brian K. Walker

Founder & Principal Analyst at StrategyeM and 'Cocktails & Commerce'



Introduction

Brands used to look for a single vendor who could do everything.

Over time, one vendor was no longer enough to meet a brand's needs so they added, and added, and added— but they still needed everything to work well together. That's where composable commerce came in.

"Composable commerce" might sound technical, but at its heart, it's about having the right tools to meet changing business needs. It enables you to pick technology solutions that work together seamlessly so you can improve customer experiences—whether they're online or in-store—without getting stuck because of outdated systems that can't evolve when needed.

Composable commerce is powerful. It's scalable. It's adaptable. And as customers (and, frankly, your board) expect you to be in new channels and to respond to shifts in the market, composability is more crucial than ever before. But composable can seem daunting—maybe you've seen others take a bloated, complicated approach to it and struggle to realize the full value. What's the safe path?

The truth is, it's easier than ever to make these upgrades without significant disruption. You don't need to overhaul your entire system; instead, you can enhance your capabilities gradually, focusing on areas that provide the most immediate benefits to your operations and customer satisfaction. In fact, many business leaders might not recognize that they're already on the path to adopting this approach to commerce because they've been doing it by accident.

This guide is designed to simplify composable commerce, providing the guidance needed to do it right by walking you through how other brands are already benefiting from this proven approach, reducing their risks and boosting their returns. By the end, you'll see how composable commerce is really about smart, strategic enhancements that fit your business needs right now.

Understanding Composable Commerce



Let's get this out of the way first: Composable commerce isn't a brand-new concept. Far from it, in fact.

The term "composable commerce" was officially coined by Gartner in early 2020, but it was based on trends and practices that had been emerging for over a decade. It reflects a shift in approach from traditional, rigid commerce systems to a more flexible, modular method where businesses can choose the best tools for specific needs and integrate them seamlessly. The idea is to build a commerce platform that is not only resilient and adaptable, but also tailored to enhance customer experiences across all channels.

A composable commerce approach is an evolution in how businesses manage and deliver their digital services across both B2C and B2B, empowering businesses to respond rapidly to market changes and customer demands. What used to require an army of developers can now be enabled with the click of a button.

By breaking down the digital experience into interchangeable, upgradeable components,

companies can implement changes faster and more efficiently than ever before. This modularity ensures that businesses can adapt their digital strategies with precision, without the need for costly overhauls or downtime that can disrupt customer interactions and sales.

Understanding composable commerce is crucial for business leaders, as it underscores a move towards greater control over commerce experiences. It encourages an environment of continuous improvement, where businesses can evolve with their customers and markets. Adopting this approach means embracing a philosophy of ongoing improvement, where each component of your commerce system can be optimized or replaced as new technologies and opportunities arise. This not only keeps your systems up to date but also aligns closely with the evolving expectations of modern consumers, providing a competitive edge in the fast-paced digital marketplace.

The Technical Evolution

The landscape of digital commerce has been transformed significantly by technological

advancements, particularly over the past decade. One of the pivotal changes was the emergence and popularization of advanced JavaScript frameworks, such as Angular and React, in the early 2010s. These technologies allowed developers to create more dynamic, responsive websites that could deliver applike experiences in a web browser. This was a crucial step forward in the evolution of modularity in commerce systems, enabling businesses to update and manage parts of their digital platforms independently from the core system.

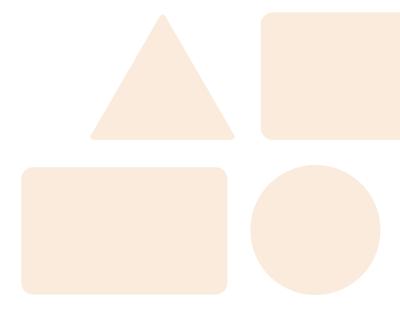
This shift toward modularity is part of a broader trend in favor of interoperability, where different software components can communicate and work together seamlessly. For commerce systems, this means being able to integrate various functionalities—like product information management, order/inventory management, search & product discovery, and many more—without being locked into a single vendor or product suite. As cloud technologies have matured, they have supported this shift by facilitating more robust and scalable integrations, which are crucial for businesses operating across multiple channels and geographic boundaries.

An excellent example of this evolution is seen in the development of content management systems (CMS). Initially, platforms like Acquia Drupal and SiteCore, which were monolithic in their architecture, began to add APIs to increase their flexibility and enable better integration with other systems. This set the stage for a new generation of headless CMSs, such as Contentful and Contentstack. These platforms were engineered from the ground up to meet the needs of businesses adopting multi-brand, multi-region, and multi-channel strategies. They exemplify

the move towards systems that not only offer greater interoperability but are also specifically tailored to support expansive digital commerce operations.

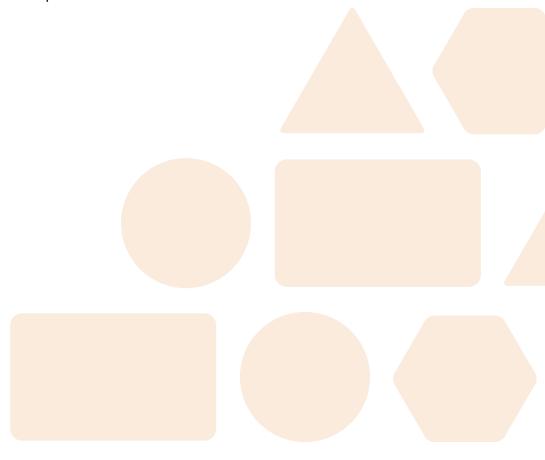
The evolution towards more specialized tools extends beyond customer-facing technologies into the backbone of business operations. For example, the rise of cloud-native Product Information Management (PIM) systems has revolutionized how companies manage and govern extensive product catalogs and information. These systems are designed to support the complexities of handling multiple brands, regions, and channels efficiently, ensuring that all product data is accurate, consistent, and easily accessible across the organization.

Similarly, advancements in Order
Management Systems (OMS) have been
pivotal. Modern cloud-native OMS solutions
provide comprehensive visibility and control
over inventory, regardless of where it is
held—be it in distribution centers, through
marketplaces, with drop-ship providers, or
in-store. This capability is crucial for enabling
seamless omnichannel experiences—such as

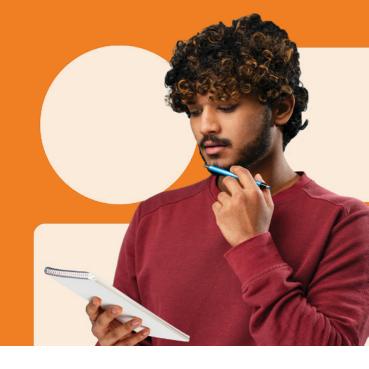


Buy Online, Pick-up in Store (BOPIS)—and for providing endless aisle shopping experiences in physical stores, where customers can access and order products not immediately available on the shelves.

These developments highlight the broader trend towards systems that not only support the specific needs of businesses but also integrate smoothly to enhance overall operational efficiency and customer satisfaction. By leveraging these advanced tools, companies can ensure that their infrastructure is robust and capable of scaling with their growth, and also flexible enough to adapt to changing market dynamics and consumer expectations. This strategic approach to technology adoption underpins the principles of composable commerce, enabling businesses to remain agile and responsive in a competitive landscape.



Debunking Myths and Easing Adoption



Composable commerce, while gaining traction, still faces misconceptions that hinder its broader adoption.

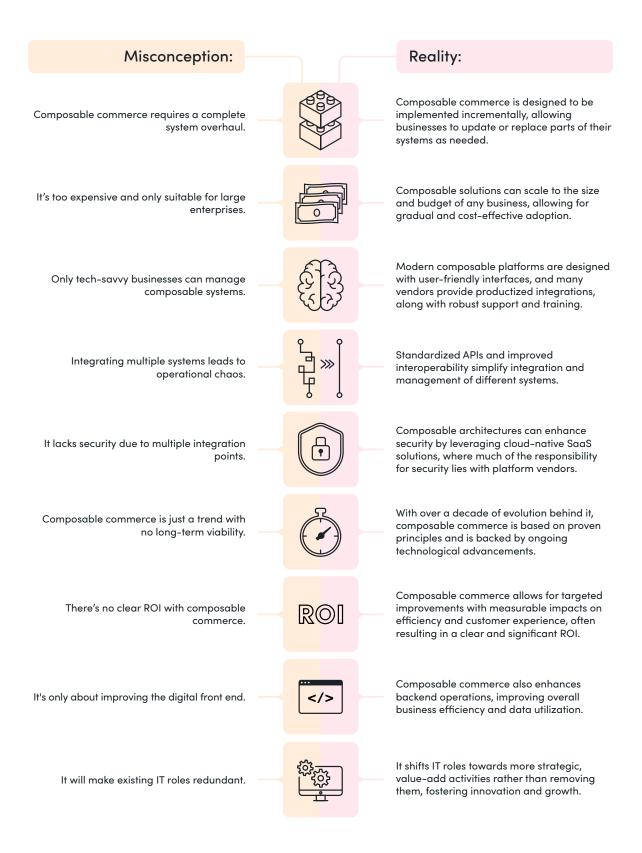
One common misunderstanding is the idea that transitioning to composable commerce requires a complete overhaul of existing systems, which can seem both daunting and resource-intensive. In reality, composable commerce is designed to be adopted incrementally. Companies can start small, choosing to upgrade or replace individual components of their systems as needed, without disrupting their ongoing operations. This modular approach allows for quick adjustments and reduces the risks typically associated with large-scale digital transformations.

Another widespread misconception is that composable commerce is only suitable for large enterprises with substantial budgets. However, the scalability and flexibility of composable solutions make them accessible and beneficial for businesses of all sizes. Smaller businesses, for instance, can leverage composable commerce to integrate technologies like Al-driven search and personalized marketing tools—both of

which have proven ROI for brands who are moving from legacy solutions. This gradual integration helps businesses stay competitive and responsive to market trends without the upfront investment that traditional, monolithic systems often require.

Despite its benefits, some business leaders also fear that composable commerce might lead to increased complexity in managing different vendors and solutions. While it's true that managing multiple components from different vendors can introduce challenges, the use of standardized interfaces and APIs has made integration and management much simpler than in the past. Many vendors now offer support and services that help streamline these processes, and the overall benefit of having a tailored, agile system often outweighs the initial learning curve and setup efforts.

Common Misconceptions About Composable Commerce



Signs and Symptoms You Need Help With Composable



Adopting composable commerce is a strategic move that allows businesses to build and scale their digital capabilities according to their needs and at their pace. As noted earlier, many businesses are already on the path to composability without even knowing it. But stumbling into a solution rarely produces the best outcomes. How can you tell if your brand should be exploring composable solutions? What signals should you watch out for that let you know you need a strategic plan for long-term success before you get too far down the path to composability?

The general reasons for moving to composable are well-known, but those reasons have to be grounded in the realities of your business to justify making a technology change. Some of the most common indications that your brand should be thinking of adopting a composable approach include:

Challenges with scale

As your brand grows, everything from poor site performance to struggles with inventory oversight across channels becomes amplified in a hurry. If your company is facing these issues, you might need to look to composable solutions to support your business as you scale.

Blocked from adapting

One of the biggest challenges brands face with legacy tech stacks is an inability to take advantage of new opportunities to engage with and sell to customers. Waiting to try a new channel or explore a new business model because your current stack can't support the change is a major sign you should be looking to composable options.

Wasted or misused effort

If your technical team is spending more time servicing an ever-growing mountain of technical debt than improving experiences, or your marketing, sales, and merchandising teams are dependent on developers to update content, composability might be your best next step. There are many composable solutions you could implement to provide immediate and significant value to your business.

But maybe you're part of a cohort that has some of those options. Perhaps you've already adopted an advanced search and discovery solution, or you've implemented an OMS alongside your legacy system. If you already have one, two, or even a few specific add-on solutions your legacy or monolith solution couldn't provide, you're actually already doing composable—kind of.

In truth, there is a sizable difference between adopting composable solutions and operating with a composable approach. For many brands that started adopting these technologies in a piecemeal or ad-hoc fashion, they're doing the former and not the latter.

One of the biggest advantages of a composable technology is how robust and capable they are for a specific part of the commerce experience. If your brand has adopted a new tech like search and discovery and you're using it for just the most basic search functions, you're probably not getting the most you can out of it. And when you have multiple composable solutions, the greatest unlock is when you can get each of them performing at their peak individually and then working together across your commerce platform.



Where to Start with Composable Commerce



Composable commerce doesn't have to be an all-or-nothing proposition. In fact, one of its greatest advantages is its incremental and staged nature, allowing organizations to embrace flexibility and manage the scope of implementation according to their specific needs and timelines.

For many businesses, starting with customer-facing components such as search and product discovery, omnichannel personalization, or a headless frontend supported by a headless CMS can provide quick wins. These areas typically offer immediate improvements in user experience and performance, which can directly influence customer satisfaction and sales. From there, organizations might choose to modernize their backend systems, such as inventory management or product information management, to further streamline operations and enhance capabilities. Each step in this process is guided by strategic priorities, allowing for tailored solutions that are both practical and impactful.

Common Starting Points

Frontend Modernization

In the digital age, the first impression is often made online, making frontend modernization a critical entry point for businesses looking to adopt composable commerce. Consider a retailer who revamps their online store to be more user-friendly and visually appealing by employing a headless CMS. This allows the retailer to manage content from a central platform and distribute it seamlessly across multiple frontends, such as mobile apps and web pages, ensuring a consistent brand message and user experience. Simultaneously, integrating Al-driven search can significantly enhance how customers find products by providing personalized search results based on past behaviors and preferences. This not only boosts customer satisfaction but also increases conversion rates. Moreover, utilizing modern JavaScript frameworks such as Next.js enhances website performance and responsiveness, making interactions smooth and engaging for the customer.

<u>Discover how FilterEasy</u> boosted customer experiences with a modern CMS and search and filter integrations.

Omnichannel Enhancements

Creating a cohesive customer experience across all channels is essential in today's market. A business that synchronizes its online and physical store experiences can significantly enhance customer satisfaction. For example, a customer might browse products on a mobile app, make a purchase on a desktop website, and choose to pick up the item in-store. Throughout this process, the customer expects a seamless transition from one channel to another, which can be achieved through robust customer data platform (CDP) and OMS integrations. These systems ensure that customer profile, purchase history, and inventory information are consistent and accessible, regardless of the customer's point of contact. This not only streamlines the purchasing process but also empowers sales associates to provide personalized customer service based on detailed customer profiles and purchase history.

<u>Explore how Harry Rosen</u> was able to create unified customer and advisory experiences at every touchpoint with tightly integrated composable solutions.

Integration of Online and Offline Experiences

Integrating online and offline experiences is becoming increasingly important as consumers seek convenience along with personalized shopping experiences.

Techniques like BOPIS offer customers the flexibility to shop online at their convenience and collect their purchases when it suits

them, merging the immediacy of physical shopping with the convenience of online browsing. Additionally, implementing features like endless aisle, where customers can order products not available in-store directly to their homes, ensures that sales are never missed due to stock issues. These strategies require a tightly integrated inventory management system that provides real-time visibility across all channels, enabling businesses to manage stock more effectively and meet consumer demands promptly.

<u>Read about how APP Group</u> was able to create seamless shopping experiences with clear end-to-end customer and product data.

Operational Efficiencies

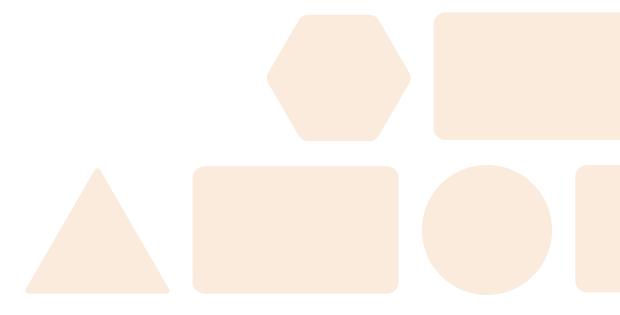
Enhancing operational efficiencies is vital for businesses aiming to maintain competitive advantage and adapt quickly to market changes. Implementing a PIM system can revolutionize how businesses handle product information. A PIM system consolidates data from multiple sources, ensuring accuracy and consistency across all platforms, which is crucial for multi-channel marketing and global distribution. Furthermore, the adoption of a headless CMS can separate content management from content delivery, allowing businesses to quickly update and deploy content across various channels without backend complexities. This level of efficiency not only speeds up time-to-market but also reduces the workload on IT departments, freeing up resources to focus on innovation and strategy.

<u>Learn how Spoonflower</u> was able to increase control over their unique business model with over 1 billion SKUs using scalable composable solutions.

Targeted Business Models, Regions, or Brands

New business models, geographies, and brands: Each of these entry points provides a strategic path for businesses to begin their journey towards composable commerce, exploring new channels and tactics in a safe context with limited risks and faster time to learning. Whether digitizing wholesale order submission, launching a subscription selling model, entering a new region or market, or modernizing a smaller lower impact brand, choosing one of these starting points enables a business to think through the end-to-end impact of a new opportunity. By focusing on one or more of these areas, companies can incrementally implement changes that collectively transform their digital commerce operations, leading to improved customer experiences, streamlined operations, and ultimately, greater business success.

<u>Dive into how Altitude Sports</u> improved site performance and gained total control over product for their discount brand as a stepping stone to composability across their organization.



Technology Providers and System Integrators



In composable commerce, choosing the right Independent Software Vendors (ISVs) and System Integrators (SIs) is crucial. These entities are not just vendors; they can be strategic partners who play a pivotal role at every stage of digital transformation— from initial research and system purchase to implementation and ongoing operations.

These partnerships are founded on clear communication, shared goals, and mutual trust, ensuring that the solutions implemented are effective, scalable, and adaptable.

The relationship between businesses and their technological partners is dynamic and evolves as the business grows and as market demands shift. Strategic partnerships with the right ISVs and SIs ensure that a business's composable commerce platform remains robust, responsive, and capable of meeting both current and future needs.

Role of ISVs and SIs

During the research phase, Independent Software Vendors (ISV) help brands understand the specific capabilities and

potential of their platforms. They provide detailed insights into how their solutions can meet unique business needs and support strategic goals. System Integrators (SI), leveraging their broad expertise, assist in evaluating how different technologies can be integrated to form a comprehensive solution that addresses the business's complex requirements. ISVs provide critical data and demonstrations that help businesses make informed decisions about technology investments. SIs support this process by helping to tailor proposals that integrate multiple technology solutions into a viable system that delivers on business objectives, and may even be involved in supporting the development of a business case for the investment.

During implementation ISVs offer essential support for businesses opting to self-implement their solutions, providing specialized knowledge and assistance tailored to their platforms. SIs play a crucial role in managing the implementation process, ensuring that all components of the technology stack are integrated smoothly and

function cohesively to meet the end goals of the project.

After implementation, ISVs continue to support the solution with updates and technical support, ensuring the technology remains effective and secure. SIs help optimize the operation of these systems, providing ongoing support and advice, troubleshooting issues, and advising on upgrades or changes as business needs evolve.

Specialist vs. Generalist System Integrators

The choice between specialist and generalist SIs can significantly affect the outcome of technology implementation. Specialists provide deep, targeted expertise and tailored solutions that are highly tuned to the needs of the business and that incorporate specific ISV technologies, ensuring more reliable integration and operation. Generalists, while offering a broader range of experiences, might bring cross-industry solutions that can add unique value but may have less familiarity with composable solutions and the specific technologies chosen by the brand.





Conclusion

Composable commerce represents a transformative approach to how businesses can structure and scale their digital capabilities. It empowers companies to adapt to changes in consumer behavior and technology, ensuring they remain competitive in a rapidly evolving marketplace. The key benefits of composable commerce—increased agility, improved customer experiences, and enhanced operational efficiencies—position businesses to not only meet current market demands but also to anticipate and lead future trends.

If your organization is leveraging any form of modular technology solutions, or if you are considering upgrades to your digital platforms that emphasize adaptability and scalability, you are already embracing the principles of composable commerce. Now is the time to assess your current digital capabilities and consider how adopting a composable commerce approach could enhance your business operations and customer relations.

The journey towards a fully composable architecture does not need to be daunting or abrupt. Instead, it can be managed as a

progressive path, with each phase building on the last, maximizing returns and minimizing disruption. This strategic approach equips your business for the future, empowering you to create market-defining customer experiences and operational excellence.

By choosing to engage with specialized system integrators like Orium, businesses can ensure their transition to composable commerce is smooth and successful. Whether you're looking to understand the technology landscape better, or you're ready to build out your plan for a transition to composable commerce, Orium's expert consultants can help you get started on your journey to composable success.

Explore your options with a <u>Planning</u> <u>Consultation</u>, or connect directly with a member of our team.



orium.com hello@orium.com