

Master **Commerce Tech** Evolution With **Function- First** **Thinking**

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Publication II

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Summarized report: Master Commerce Tech
Evolution With Function- First Thinking

Summarized by: Omar Hassan

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Target audience: Retail CIOs & Tech vendors

Publication purpose: (1) Guide retail CIOs on how to select commerce tech. (2) Standardize the functionality included in each commerce tech market category.

Relevance to us: Since this vision report attempts to (1) standardize various commerce categories, (2) shape retail CIOs perception towards tech vendors, and (3) provide advice on how to select commerce tech, could in turn impact how retail CIOs choose and perceive us.

Full report: Can be provided upon request
(Forrester login credentials required)

Publication purpose (1)

Guide retail CIOs on how to
select **commerce tech.**

Sample CIO challenges

"I am struggling to identify which tech vendor solution could solve my business problems."

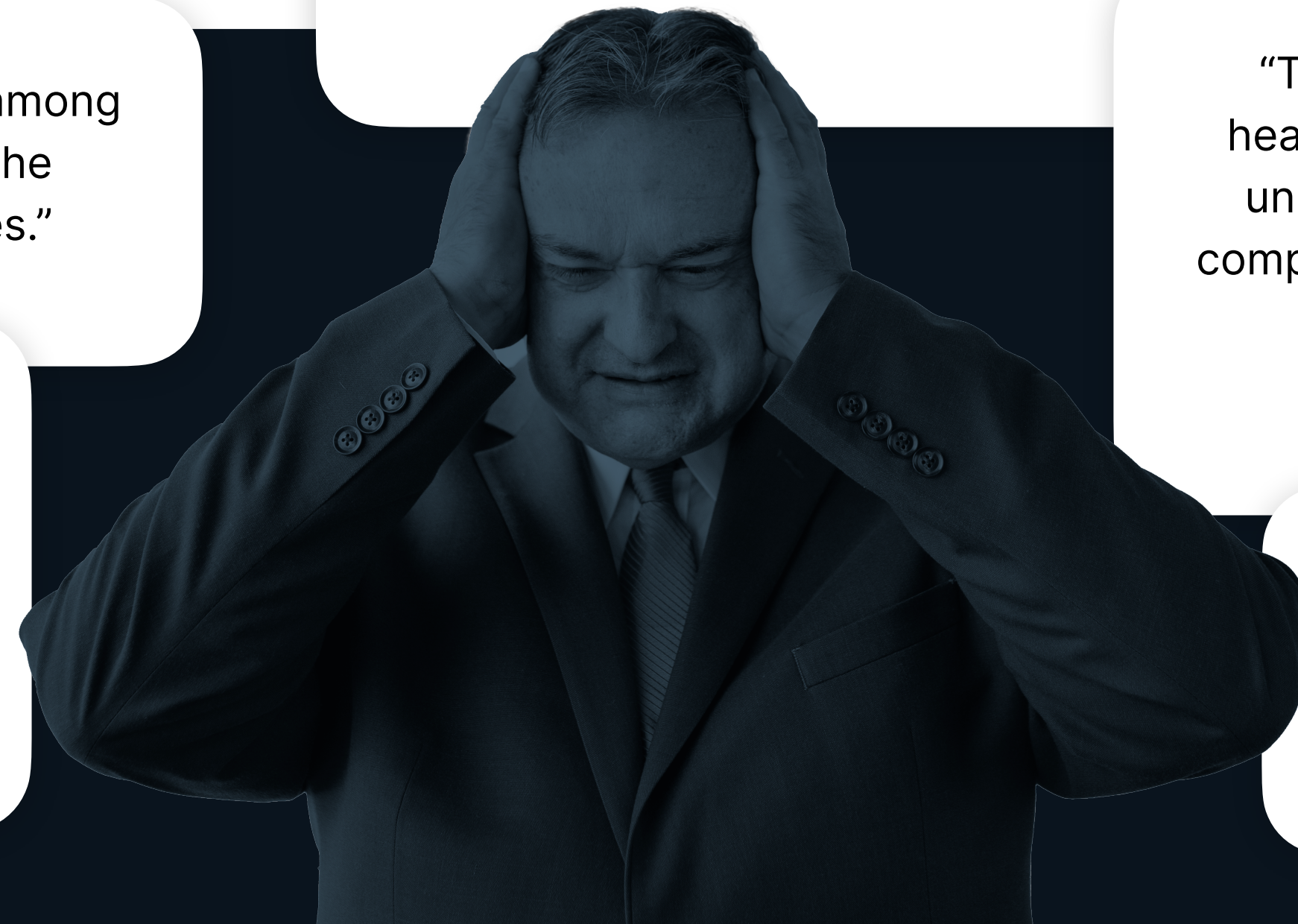
"This tech vendor says "we are an OMS solution vendor" but what that includes is different from what this other vendor provides.
What a mess!"

"There is a lack of standardization among tech vendors when it comes to the functions each category provides."

"Vendors almost make it too easy to compare at a high level, but when I actually assess them, it's not clear what I have to enable to actually make those promises happen."

"This one vendor says they provide headless commerce, but this one says unified commerce, and this one says composable commerce. So, umm will this solve my problem?
What the heck, I am confused!"

"We need to hire an agency to decipher the terms tech vendors are using."



Six out of 10 brands/ retailers agree that the terminology tech vendors use is confusing or inconsistent



Seven out of 10 brands/retailers agree that it is difficult to compare the commerce tech solutions they're evaluating



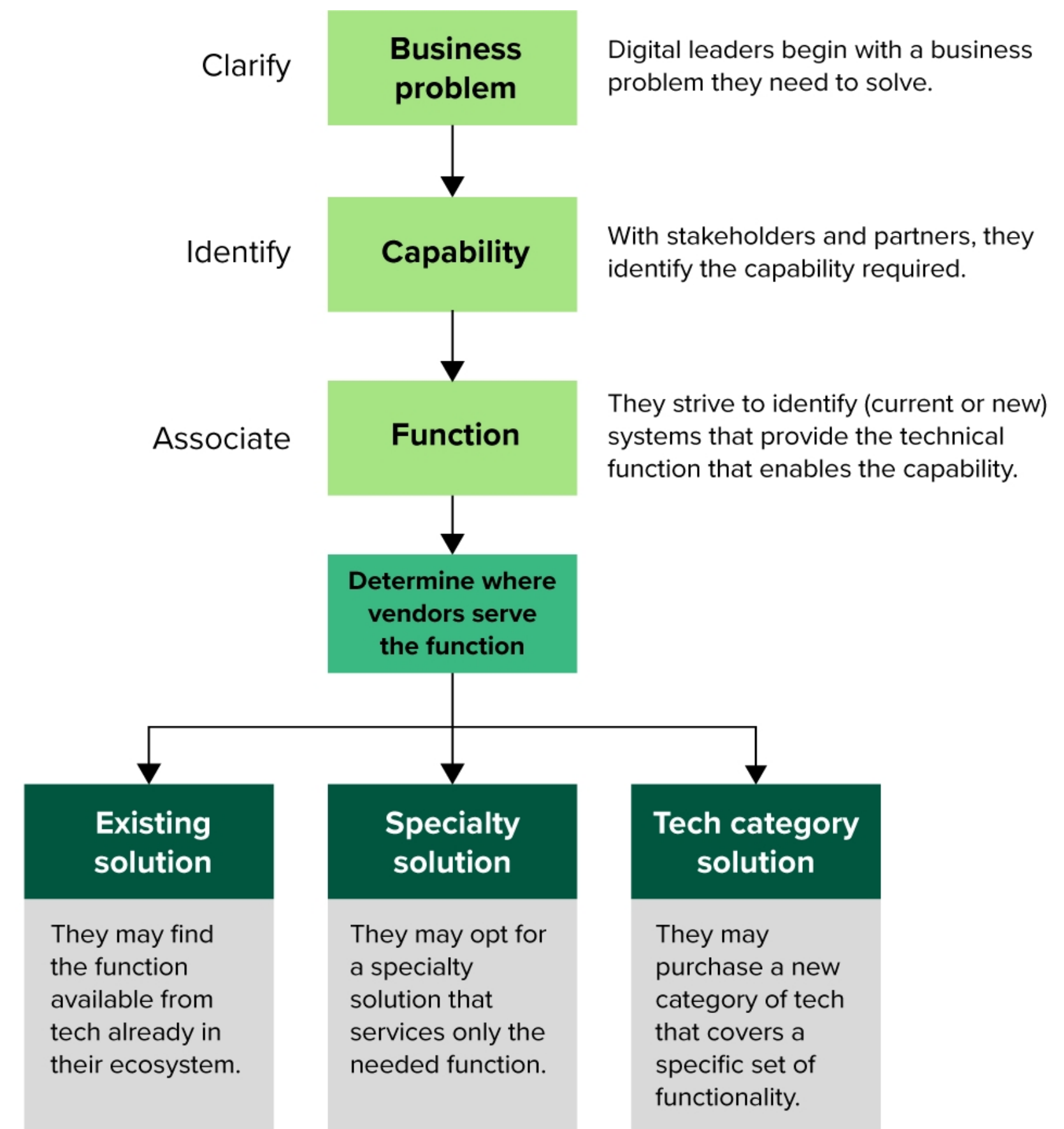
Eight out of 10 brands/retailers agree it is challenging to understand how (or how well) a tech solution will actually solve their business problems



Source: Forrester interviews with 60 brands and retailers

Advice to CIOs when selecting tech vendors

To avoid technical debt (from buying solutions they had to customize to accomplish what they needed) and ecosystem bloat (from purchasing more than necessary). Forrester advises CIOs to follow a methodology they developed called “Function-First Tech buying” (shown here on the right side).



Evaluate whether the function from existing solutions serves the need — or whether adding a specialty solution or new category solution is best.

Takeaways from publication purpose (1)

Guide retail CIOs on how to select **commerce tech.**

Use the methodology when onboarding new clients by mapping their business problem and funnelling it down to the solution we offer.

The methodology can be used to evaluate or justify new added functionalities within EVA.

Assess the solution against the initial problem — soon after launch and iteratively. “Lets do this for them”

CIOs are searching for solutions to address specific problems. Umbrella solutions could be perceived as an ecosystem bloat.

Do you see more takeaways? Please share!

Publication purpose (2)

**Standardize the functionality
included in each **commerce
tech** market category.**

Functions included in each commerce tech market category

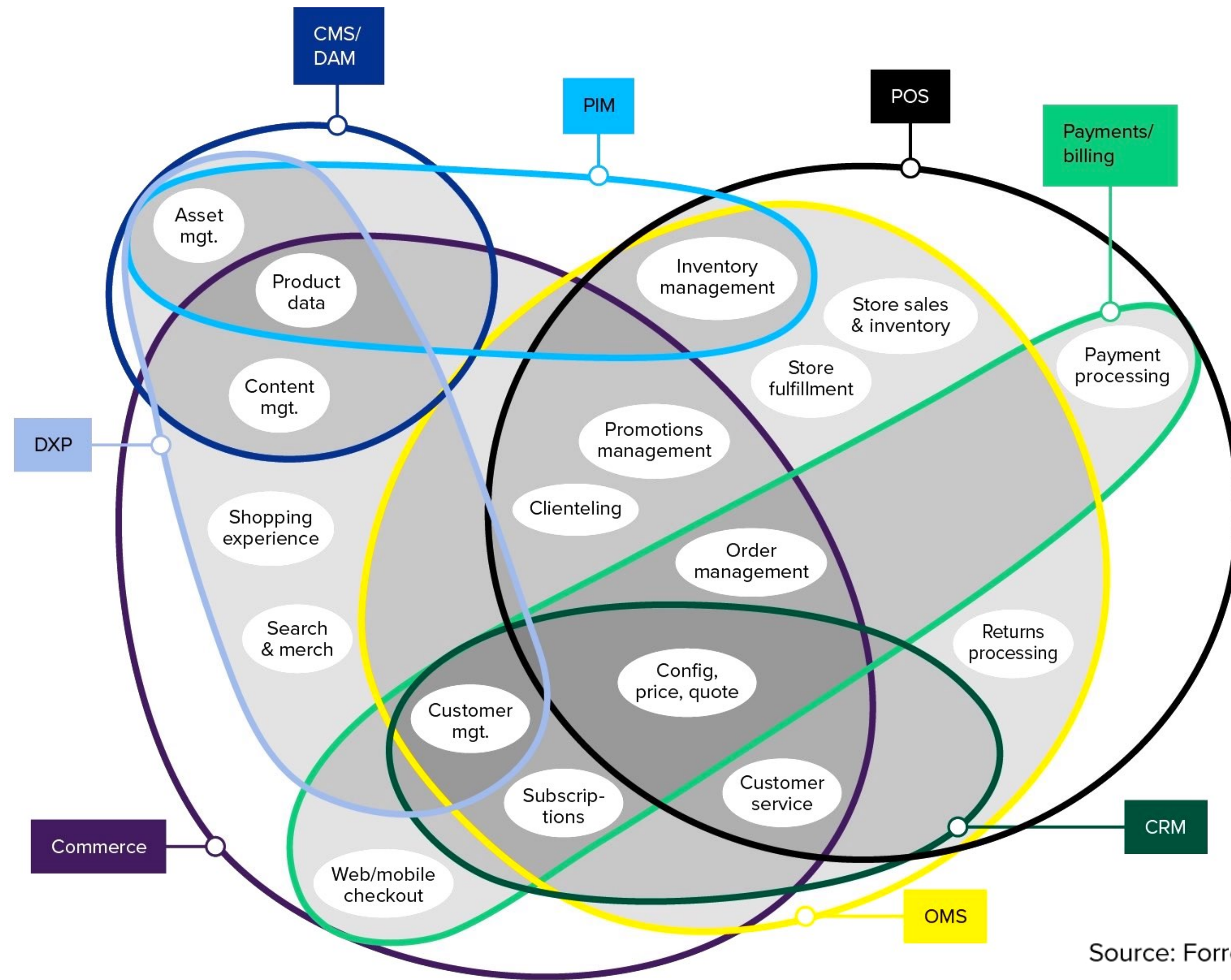
“Commerce tech market category” in this context, refers to what we call modules in Admin Suite + Apps.

Function	Commerce	OMS	POS	DXP	CMS	DAM	PIM	Payments	Billing	CRM
Amendments orchestration and management									Core	
Asset management	Less common			Core	Core	Core	Common			
Billing logic									Core	
Card issuance (virtual/physical)								Common		
Churn mitigation								Common	Common	
Clienteling	Less common	Common	Common							
Configure, price, and quote	Common	Common							Common	Core
Content management	Common			Core	Core	Core				
Customer account entitlements, terms	Common	Common							Common	Core
Customer account hierarchy	Less common								Common	Core
Customer profile management	Core			Core					Common	Core
Customer service (contact center support)	Common	Core	Core							Core
Dynamic pricing										Common
Entitlements logic									Common	
Inventory visibility		Core	Common				Less common			
Invoicing and collections									Common	
Order entry and processing	Common	Common	Core						Common	
Order orchestration		Core							Common	
Payment processing			Core					Core		

Function	Commerce	OMS	POS	DXP	CMS	DAM	PIM	Payments	Billing	CRM
Product catalog	Core				Core	Common	Core		Common	
Product information (system of record)	Common					Common	Core			
Product syndication	Less common					Common	Common			
Promotions management	Core	Common	Common							
Recurring payments management								Common	Common	
Returns management		Common	Common							
Revenue recognition									Common	
Search and merchandising	Core			Common	Common		Less common			
Store fulfillment		Core	Core							
Store sales and inventory		Common	Core							
Storefront (self-service web)	Common			Common						
Subscriptions management	Common	Common			Common			Common	Common	Common
Usage data management									Common	Common
Web/mobile checkout	Core							Common		

Core function
 Common function
 Less common function
 Not a common function

How functions overlap categories



Takeaways from publication purpose (2)

Standardize the functionality included in each **commerce tech** market

Build customers a similar ecosystem using the “functions overlapping cloud” to consolidate solutions needed and avoid amassing a mess of redundant features (technical debt).

Provide guidance when it comes to which category a function is or should be classified under.

What functions are core, common, less common, and not common when we refer to certain categories.

Avoid the customization trap which brings maintenance and upgrade concerns. Make the difference between “can be done” with its already built-in.

Do you see more takeaways? Please share!