



Back-End Issues in E-Commerce

Back-End Issues in E-Commerce
Customer and Order Management

1
2

Delivery and Fulfillment

3

An initiative of:



Funded by:



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Canada

Back-End Issues in E-Commerce

Web sites have to be eye-catching, easy to use, and functional. This allows customers to make the most of your site and entice them to purchase your products or services. Building a customer-oriented site is difficult enough without considering the back-end issues of running an e-commerce web site.

The front-end aspects of your e-commerce site are essential to making a sale and, therefore, have to be carefully planned and designed. It usually takes even more careful planning, design and hard work to get the behind-the-scenes elements operational, and even more to keep them working.

Integrating online operations with regular, day-to-day operations is essential for smooth running.

Integrating Internet sales with the rest of your regular business operations can allow your business to run more efficiently and help avoid certain problems that might arise from selling products online. For example, if your inventory systems for online sales and store sales are not linked together, you might run into a challenge if you sell a product online and then discover that you do not have any left in stock. If you have guaranteed a delivery time to your online customer, now that deadline will not be met. This leads to dissatisfied customers — the one thing all businesses cannot afford. If e-commerce will be playing a major part in your business, integrating online operations with day-to-day operations is essential for smooth running,

The most important behind-the-scenes activities in a well-built e-business:

Inventory and resource management - showing what you have to offer; ensuring you have the products when you need them; and dealing with supply and demand factors.

Customer and order management - Nurturing the customer relationship; providing prompt reply to inquiries; moving revenue-generating information through your system.

Delivery and payment tracking - Making sure that goods or services are delivered on time and to the correct location; and ensuring that the money owed is received promptly.

Monitoring - Trading site performance; trends in order/transaction activity, fulfillment, staffing costs.

Resource management in e-business is almost identical to that of traditional, brick-and-mortar options. Your e-business resources may include:

Physical Stock - Whether books, medical supplies, or beef jerky. You may have an electronic stock management system already, or you might do everything by hand. Either way, it's often necessary to have an inventory database on the web site that is linked to your back-office environment.

Staff and Service Resources - You need to be able to schedule your staffing to provide the correct amount of person-hours per project. This can be automated or left to human planners. You will need to let your customers know your delivery times.

Be Choosy - Avoid putting everything online. Restrict your inventory to products that will be most attractive to visitors and most profitable to you. That way, you can ensure that the inventory you have on hand meets customers needs.

Customer and Order Management

If you are moving from a paper-based system, or not, you should have comprehensive customer and ordering information.

If you are moving from a paper-based system or not, you should have comprehensive customer and ordering information. This information is important to your e-business and it is imperative you keep it live at all times.

There are numerous software packages to help you do this; any system is satisfactory if it gives you access to:

- Customers' personal details
- Ordering history
- Details of individual orders and their status
- Financial details
- Account status, etc.

You need this information before you can adequately deliver anything.

Delivery and Fulfillment

Depending on the size and nature of your e-business, delivery can be a large or small part of the job. In either case, it is necessary that you take care of it. If products are not delivered on time (or at all), there is little chance the customer will make a repeat purchase.

Getting paid is just as important. On the Internet, watch out for expensive payment methods (foreign checks can be tricky). Stick to simple methods such as online credit card payment.

Key research findings include:

- Only 26 percent see Internet integration into their business among their top three priorities.
- Almost 50 percent do not have a clearly defined Internet integration strategy at this time.

The Local Commerce Monitor, an ongoing study of 600 small businesses, found that small businesses are integrating Internet and e-commerce technologies with their offline operations in order to streamline customer interactions. While much of the focus of small-business Internet use has been on e-commerce, the study found that small businesses have shown an interest in using the Internet to enhance operational efficiencies.