Now or never. 6 reasons why **delayed replatforming** will cost you more tomorrow.

Exploring opportunity cost and the impact of delayed tech adoption on e-commerce businesses

Spryker

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Postponing your replatforming project? Think again!

It's without a doubt that market intelligence institutions across the globe are unanimously reporting increased demand for enhanced e-commerce solutions. According to Gartner, by 2023, organizations that have adopted a composable approach will outpace competition by 80% in the speed of new feature implementation. This further confirms that agile businesses are swiftly shifting towards more adaptable and preemptive solutions. It is clear now, more than ever before, that immediate replatforming is imperative. Businesses delaying their replatforming projects now stand to miss out on the growth rewards in the near future.

If you are a modern CEO, you are aware that the global surge in e-commerce demand carries with it a list of higher expectations and complex demands that require robust IT infrastructure. As a savvy leader, you are obliged to enable your organization to work smarter and make faster, more significant or well-placed investments. If a future-proof solution is already staring at you, take the leap and consider the additional cost of upgrading as an investment. Incur the opportunity cost now, expedite your due diligence and upgrade to a best-of-breed solution that can scale your business to new heights. Only the early adopters will emerge stronger against the odds and secure a sustainable future for their e-businesses. Move with the times and keep up with the CEOs of today!

> **Today's CEOs want three things: growth, digitalization and efficiency.**" — *Gartner, Top Strategic Technology Trends for 2022*

PART 02

Consider opportunity cost

Opportunity cost, in this instance, is the difference between the returns you receive from retaining your current solution and the return you would've received from migrating to a future-proof solution.

At first glance, investing in a new technology platform may seem daunting to many decision-makers, however opportunity cost can be considered as the small price you pay now in order to gain more tomorrow. It serves to remind business leaders to thoroughly research alternative options and new opportunities before "playing it safe" or sticking to what they know.

Many businesses ignore the future risks of their current rigid solutions, which usually suffice until a problem or potential loss arises. In the world of modern commerce, any delays or hesitation to innovate directly correlate to future losses that can be inflicted by unexpected global changes, like war or a pandemic, as already experienced in 2020. Take a moment to think about how much market share established e-commerce stores won over all the physical stores that tried to hustle up last-minute websites during the lockdown period. This scenario was most evident in the hospitality industry, where the slow-movers frantically attempted to build or upgrade their websites, while restaurants on established e-commerce platforms were cashing in on all the sales. They also had the capacity and agility to create more enhanced user experiences for their existing and new-found customers.

A survey conducted by Statista in May 2020 saw 31% of U.S. respondents deliberately purchasing restaurant meals and takeaways online instead of offline.

The costs of retaining your current solution vs. the benefits of migration

Although making the big switch can be time-consuming and expensive. Now is always the ideal time to make that leap into the future. Even though your current structure may be barely paid off, delaying action could lead to significant expenses down the road.

Cost of retaining current system	Cost of migrating to Spryker
Loss of market share	Additional investment
Lack of flexibility	Additional labor costs
Slower time to market	
Lost opportunities for growth	
Expensive upgrades	
Developer demotivation	

Benefits of retaining current system	Benefits of migrating to Spryker
No additional investment incurred	Flexible future-proof solution
	Improved developer experience and retention
	Competitive advantage
	Fast time-to-market
	Additional resources for innovation
	Superior customer experience
	Enhanced products/services
	Increased revenue

Average tech today will be obsolete tomorrow

If you are not fully convinced to switch to a new and advanced platform, you should be prepared for the missed opportunities that come with delayed adoption of new technology. It's a fine line between winning and losing in the e-commerce game, and those with the best technology always come out on top.

Ask yourself these questions and consider the potential impact of your missed opportunities:

- Can you keep up with your competition?

- How fast can you adapt?

- What's your time-to-market strategy?

- How many projects do you plan to implement in the coming year?

- How much will it cost you to implement new features in the current commerce system?

- How satisfied are your employees with your current commerce system?

6 opportunities you'll miss if you don't upgrade today

Missed opportunity 1: Market share

The loss of industry market share, plus the additional cost for a solution that isn't versatile, is hard to reverse.

Can you keep up with your competition?

The race for the ultimate transactional experience will never slow down so you can keep up. Your competition will only accelerate even more when they don't see you right behind them or leading the race. They are working tirelessly on swiftly occupying your portion of the market share. If you don't move at the same pace as your competitors now, the gap will only increase significantly as time passes. Are you already an innovation leader or are your competitors slightly ahead of you?

> The only way for companies to survive is to constantly adapt to new conditions and evolving consumer demands. Fear of digitization is simply a means of ensuring failure, as it's a fact that customers now want multiple sales channels, including online. 'Death by inertia' is not inevitable – all retailers need to do is embrace change, and go digital.
>
> — *Alexander Graf, Co-CEO of Spryker*

Missed opportunity 2: Flexibility

A system that does not give you the absolute flexibility you need today will be inadequate for the challenges of tomorrow, and the gap will continue to widen.

How fast can your business adapt?

The digital market is developing faster than ever before. In order to manage the immense pressure to develop solutions for increasingly complex and unique business requirements, time and resources will be of the utmost importance. Solutions that can be implemented quickly without significant financial overheads will become vital. Robust capabilities, processes, and production will be the guiding force toward a strategic move to the next stage of exponential growth. Can you flexibly adapt to new challenges with your existing solution?

Missed opportunity 3: Time to market

The longer you delay, the more costly it becomes to catch up.

What's your time-to-market strategy?

Regardless of what your initial plans may be, customers of today are looking for more enhanced experiences and you need to align your strategy to these expectations:
- Click & Collect
- API & Headless Solutions
- Live shopping, AI, and visual commerce
- Compelling deals or promotions
- Seamless and Self-checkout processes
- Multiple payment options and plans

Speed is a critical factor. Your e-commerce system must be able to match the pace of your growth ambitions. How aggressive and innovative do you want to be?

Missed opportunity 4: Growth

The later you switch to a scalable solution, the greater the unused or lost opportunities.

How many projects do you plan to implement in the coming year?

The more diverse projects you plan, the more important it is to have the right technological basis. Implementing a new system costs time that is worth the investment if it allows you to realize bigger and potentially more profitable projects. Does your current system allow you the scalability you are aiming for?

Missed opportunity 5: Seamless updates and innovation

With the unpredictability of modern markets, every new feature is a bet. The more expensive and complex it is to place a single bet, the lower the chances of winning.

How much will it cost you to implement new features in your current commerce system?

Consistent upgrades to match customers' demands will require more capital for digital infrastructure, which can be challenging without the right solution. Agile companies and first-movers, in particular, can initiate these processes with ease using Composable Commerce solutions that enable their enterprises to soar. How much time, money, and developer resources do you need to further develop your existing system, to open up new features, touchpoints, or entire business models?

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The UK is the leading market for quick commerce, with 61% of the 2500 average UK shoppers we surveyed are doing at least some of their grocery shopping online (and are spending just as much as they do offline), and 28% envision they'll be doing most or all of it online in the next two years. 80% of respondents would shop online more often if the user experience were improved.

— The Online Grocery Report 2022, U.K. Online Grocery Shopping in 2022 and Beyond

Missed opportunity 6: Developer retention

If a system doesn't meet all of their needs today, dissatisfaction and potential frustration within your tech team will increase over time.

How satisfied are your employees with your current commerce system?

A commerce system is not measured merely in terms of the revenue it generates. As decision-makers, it is essential to conduct internal reviews of your digital infrastructure before making any impactful decisions. If your developers are working on repetitive and tedious upgrades when they'd rather be innovating – it's time to change. Your tech landscape is also an asset, and the sooner you do something about developer retention, the sooner you will see positive results. Are the developers working with the system satisfied with your current solution?

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You can't predict the future, no business can preempt their customers buying behavior or expectations in the next 12 months for instance. Or what new devices or touchpoints will be available. Digital transformation is not a once-off project, it requires constant innovation. Don't delay the value proposition, aim for small impactful changes or upgrades as you work towards your big changes that may take more time.

It won't be cheaper tomorrow. Time is of the absolute essence most important KPI. There's no incentive to wait. Talent costs, acquisition opportunities, or marketing spend will only increase with time.

— Boris Lokschin, Co-CEO of Spryker

It's now or never.

It may seem like a logical decision to delay your replatforming initiative or even to stick with what you know because it's easier and it won't require any additional investments. It also makes sense to follow due diligence criteria before making a major business decision. However, it's highly likely your vertical is extremely complex and rapidly changing. An agile approach is critical for your business to keep up with industry advancements and remain competitive.

Digital commerce in Europe and the U.S. is expected to grow by more than 50% by 2024

Less integration means more innovation

Focus your resources on innovation and start your epic journey towards:

– Meeting evolving customer requirements,

– Improving your time to market,

– Getting ahead of your competitors, and

– Delivering quality products and services – simultaneously.

Find out more about Spryker's low investment, low-risk solution today!
Check out our demo to know how successful software migration works

About Spryker

Spryker Systems GmbH is a privately held technology company headquartered in Berlin, Germany and New York, USA. Founded in 2014, Spryker enables companies to build sophisticated transactional business models in unified commerce including B2B, B2C, and Enterprise Marketplaces. Spryker is the most modern, fully composable platform-as-a-service (PaaS) solution with headless & API-based architecture that is cloud and enterprise-ready and loved by developers and business users worldwide. Spryker customers extend their sales reach and grow revenue with a system that allows them to increase operational efficiency, lower the total cost of ownership, expand to new markets and business models faster than ever before: Spryker solutions have empowered 150+ companies to manage transactions in more than 200 countries worldwide and is trusted by brands such as Aldi, Siemens, Hilti, and Ricoh. Gartner® recognized Spryker as a Visionary in the 2021 Magic Quadrant™ for Digital Commerce, just one year after it first appeared (2020), and has also been named as a major player in B2B e-Commerce by IDC. Finally, it is the only commerce platform to provide full B2B, B2C, D2C, and Marketplace capabilities out of one stack. Find out more at spryker.com

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