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How eCommerce Principles can bring Economies of Scale to Business.

Vinny O'Brien examines the benefits of using eCommerce for your business and how the traditional view of eCommerce needs to be redefined.

eCommerce needs to be redefined or reclassified. It is now so ingrained in most businesses in some form, that we need to look at this next phase of eCommerce, at a time when we need to take it seriously for the future health of our businesses. The continued snowball effect of what it means to be connected has never been more daunting or accessible at the same time. eCommerce needs to start including B2B figures to give a better macro view of how it contributes to the national take annually and not just what we perceive to be eCommerce – having a website that sells “stuff to consumers”. We traditionally view eCommerce in this guise and we need to change that. Fundamentally, the underlying systems that enable this business are the same for business to business selling, tendering on government contracts, banking – the list is not finite, but it is long.

The case for eCommerce – traditionally viewed

€6 billion – That is estimated to be the amount Irish consumers will spend on online shopping this year and for yet another year, almost 70% of this will be hitting the accounts of non-Irish companies. It's been widely challenged that more Irish companies need to be transacting online or getting close to customers. For the most part this is true but not every company that trades needs to be selling online to customers. (Despite conventional wisdom, that is my belief having spent the last 12 years or so working with companies across various industries and of varying sizes).

In my opinion, eCommerce is, broadly speaking, the most connected view you should have of your business. A strong boast maybe, but if you pause to consider the journey your product or service has from inception to customers giving feedback; this needs to be recorded,

measured and refined in a systematic way that is understood by all and underpinned by clear KPI's that ultimately contribute to the bottom line. It is time to evaluate your journey into eCommerce through a different lense. The evolution of the industry has seen dramatic cost reductions, opportunities for upskilling employees and the ability to measure business process for change in ways we don't typically think about. Not only that, but our ability to reach global markets has never been easier.

Ireland has reengineered its position in recent years to being something of a tech-mecca for the new multinational plethora of online businesses residing here. This affords us access to knowledge we may not normally have enjoyed so readily. It has also given rise to a new attitude in how we think about business itself and how we can lean on digital technologies to build and grow businesses. Something that would not be possible without the shift in how eCommerce technologies have driven costs down and the need for efficiencies up.

If you have not yet taken the decision to migrate to digital, consider the following 10 reasons why you should use eCommerce:

1. Software as a service (“SaaS”) – The platforms to deliver eCommerce are now affordable to any business and in some cases free. Shopify and Big commerce are 2 companies who have made huge strides in simple to set up, cheap and effective platforms to trade.
2. You no longer need to be a tech developer to understand how to build a store and connect it to your existing business systems. Again, this heavy work is being done by third party companies to build extensions to your store making it easy and quick to get connected.

3. Pushing your business into a digital sphere means you can now get a single view on your business and all of its analytics to allow for better and more rounded decisions.
4. You do not have to be an eCommerce native to understand how best to use these platforms. In fact, they sometimes work best when teams use them with business knowledge to apply their knowledge and years of experience in new, scaled ways.
5. Build once, use many times. Your set up should be carried out in a way that allows you to build your data set once and use many times, in multiple markets to extend your business profile.
6. Build a business based on facts and data. Everything is measurable. The idea of fail fast is something of an Amazon mantra, but your ability to test and learn on the go has never been easier to execute or stop should you need to. Real time analytics can help you learn if your latest marketing push is delivering your expected outcomes or not.
7. International markets are accessible today. Anyone can set up a store on eBay or Amazon should they want to understand if there is demand for their product and understand the competitive forces they need to contend with quickly. You can expand into other countries once you can ship there and are prepared for the customer service questions in multiple languages and time zones, even these barriers are being eroded.
8. Understanding where your customers shop is difficult and getting even more so as technology increases. Most platforms now come with a ready-made suite of connections that mean you can tap into many markets from day one and then start refining your channels of business depending on where they are. Easy to connect without the seemingly expensive need for non-statistical based approaches to market research. Speed of entry is quicker than ever. Whether you are a start-up or a mature existing business, market entry can be gained in days or weeks rather than months or years.



9. Existing data paints a picture. There are thousands of sites with free resources that provide the opportunity to research your ideas in great depth prior to making any decisions. There is a published quarterly index of retail figures already in existence and you can use these to build business cases with relative comfort that the numbers are accurate.
10. Intra EU and US trade is possible from Ireland in ways and volumes that make it feasible for businesses looking to expand their potential or reach a market that was previously unachievable. Solving tax status issues can also be taken care of through agency partners or simply set up yourself.

It is not without some hurdles still to overcome in an Irish context. We still have issues with broadband coverage and in many cases labour mobility is a problem too. While there is a lack of overall numbers of people with experience in eCommerce in Ireland, we have a lot of talent throughout the country itself. Enabling these people with the tools that are available and trusting them to deliver the business is key. Our changing attitudes to business and the "Start-up Ireland" model means people are amenable to sharing data and insights without much consideration for the implication.

Companies like Apple have adopted the work from home model and have been quickly followed by eBay and more recently Shopify. Meaning you don't need to have an expensive fun filled office space. (This has the direct result of meaning the cost of hiring in non-urban areas will come down and the talent pool is increasing also). You could even outsource this work to people outside of Ireland altogether.

We are aware of companies like Stripe that have experienced phenomenal success in a space thought only to be for the biggest and most experienced. Their solution was elegant and well considered – removing friction from being able to transact online for non-developers and bankers alike. Vision gave them the ability to build for the largest market they could. Then they started making broad connections. eCommerce platforms have been built since the 80's and refined now to a point where we can all access them. They say don't put off until tomorrow what you can do today, so start realising that by not realising the potential in deeper investment into digital, you may not be realising your true potential.