Digital Transformation:

Unifying Your Data & Using it to Grow Your Business

goVirtualOffice Featuring tadpull | CFO DIVE Custom content for goVirtualOffice by studioID

Even among retail organizations invested in digital technologies, data still exists in silos. Across their various departments, retail organizations still commonly house their data in disparate software systems that don't communicate with each other.

"It's very uncommon for us to encounter a new customer organization that is in agreement on where all of its data lives and where it's going to be stored forever," says Torm Hustvet, Application Consultant (SuiteCommerce and Integration Specialist) at goVirtualOffice, a leading NetSuite solution provider. "It's typically like, 'Oh, we store this here, that there, and that's kind of Marketing's thing or that's kind of Operations' thing, and we all stay out of each other's way.'"

Increasingly, staying out of each other's way leads retailers to miss opportunities.

"A really typical example is when Finance's ERP is totally siloed from eCommerce and marketing, for instance," notes Chris Davis, Solutions Architect at Tadpull. "That makes it really challenging to look into things as simple as 'What is our margin on our top selling products?' or 'What do we have in stock?' — let alone ask more complex questions like 'How much should we be buying for the future, in terms of inventory, based on the demand Marketing thinks we're going to have?'"

Answering those questions becomes easier with the right approach to data. Now is the time for retail organizations to take their digital transformation efforts to the next level by unifying their data and using it to drive business outcomes.

Going beyond the status quo

A typical status quo for a retail organization might include using QuickBooks (and a lot of spreadsheets) for accounting and using a platform like Shopify or Amazon Seller Central for eCommerce. Marketing and Sales likely rely on their own solutions too, and QuickBooks, another third-party software, or even a spreadsheet- or paper-based system may all serve as the tools for maintaining Operations information.

When data lives in such disparate locations, uncovering trends and making sense of correlations can seem difficult. Unifying and centralizing a retail organization's data enables them to break down data silos, empowering their departments to work together to see trends and patterns while understanding how they affect each aspect of the business.

"It's best to kind of bring all these different groups together because eCommerce does involve every department," explains Hustvet. "It's really an opportunity for everyone to get on the same page."

As the Finance department becomes a central source of data, its interactions with other departments, particularly Sales and Marketing, can drive improvements, enabling organizations to understand the 'stories' behind the numbers.

"Let's take Shopify or Amazon as an example," adds Hustvet. "There's one person managing it who could tell everybody what sales of items are, but nobody in Finance knows what that looks like. And Finance may have some data on the items in terms of costs and margins, but the person in Marketing doesn't really know that either — they're just kind of out there creating products and doing what they do best, which includes product descriptions and email campaigns. Everybody knows what item we're talking about, but they all don't tell the story together. They're all working from their own information."

Increasing data transparency & exchange

Working from shared information leads to better outcomes. Ultimately, increasing data transparency and exchange between departments can increase value creation for the company.

"The biggest thing is achieving data transparency so that everyone knows their numbers," says Hustvet of the ideal end state. "You want things like Shopify profitability or Amazon profitability to be viewable in one dashboard to someone from Finance or from Operations or in the C-suite. You don't want to have to email your Amazon person to pull data and do Excel work to finally get you the numbers you can share."

To reach that end state, business leaders need to rethink measuring and tracking their business to ensure systems align. With the right technology unifying data across departments, retailers can bridge the gaps in their existing strategies. Examples include:

- Getting stakeholders across functions talking about things like overstocked products.
- Determining ways to move inventory still not turned over.
- Assessing the cost of goods and incorporating the changes immediately into prices.

"If you're using a harmonized system like NetSuite, you can put in the new cost of an item, do all your profitability reporting immediately, and then change the price in NetSuite and have it load in Shopify in one fell swoop — rather than finding out as you're selling product that the distributor changed pricing, and two days later, your Shopify person finally logs into Shopify to change it."

Torm Hustvet Application Consultant at goVirtualOffice

Appealing to high-value customers

Finance can also help Sales and Marketing find value-generating opportunities — such as appealing to high-value customers.

As many retail leaders recognize, existing customers tend to provide the most profits. (A classic report from Bain & Company and Harvard Business School found that increasing customer retention rates by 5% increased profits by 25-95%. According to the classic business-school book Marketing Metrics, the probability of selling to an existing customer remains up to 14 times higher than the probability of selling to a new customer.) Knowing this, CFOs and sales leaders can identify instances of value in the data together, to make sure they put resources toward areas with the most profit potential.

"Once you know CLTV (customer lifetime value), for instance, the most basic and easy thing you can do with that metric is say 'let's give our best customers our best offerings and our unique deals,'" explains Davis.

"A basic example of this would be to give your top 10% valued customers an extra week to shop Black Friday deals before things go out of stock," adds Davis. "You could also provide exclusive offers or products to those high-value customers, such as a unique color [of an apparel item] that's only available only if you meet certain criteria."

Of course, marketing strategies like loyalty programs and VIP offers need to align with the company's broader business goals. Organizations must determine the right balance between growth and profit; that requires first getting stakeholders across the business on the same page — and relying on the same source of truth — through shared, common dashboards and regular discussions of the latest priorities and pipelines across departments.

95%

25%
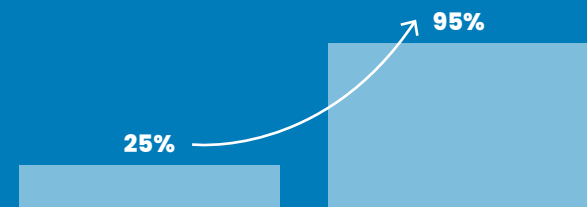
Increasing customer retention rates by 5% **increased profits by**

25-95%

Getting the most out of the investment

With systems in place that can talk to each other, retail organizations can better collaborate across departments. Implementing NetSuite, with the help of a trusted solution provider, can help organizations unify and centralize their data.

"Having a good implementation partner like goVirtualOffice is super important," says Davis. "If you get to the end of your implementation and you feel like you don't either know how to use your tool, or it didn't do the things that you hoped it would, then the entire project and anything that's built off of it is just going to be doomed from the start." (Importantly, goVirtualOffice takes a phased approach to ERP evaluation, implementation, and continual transformation for customers.)

But even with implementing a solution like NetSuite, retailers often don't realize that they do only close to the bare minimum with their data.

"With NetSuite analytics, it's pretty easy to look into, say, total sales on Shopify month over month," observes Hustvet. "That's a pretty common data point, but it doesn't tell you how many new customers from Shopify you had this month or how many repeat buyers you had from Shopify this month."

"That's where our partner Tadpull really flexes its muscles," says Hustvet. "If you have initiatives to increase your customer base or increase repeat customers, they're going to help you with that." (Tadpull helps people build and manage successful eCommerce businesses by using software and services to help grow traffic to their websites, increase conversions and revenue, and retain their best customers.)

"After a year of researching different ERP solutions, we finally settled on Netsuite and could not be happier. The system is easy to use and has great functionality for all aspects of our business, from inventory management, customer service, order processing, warehousing solutions and accounting. Initially, we were concerned about using an accounting program that was integrated with the rest of the software, but it has streamlined our processes and made us more efficient. We could not have done it without the help of goVirtualOffice. They executed all of our data migration and transferred all of our existing information into the NetSuite platform. They sent a team to our headquarters for an on-site training and made sure that everything was working properly before, during, and after we went live with the new system. We had a very positive experience with goVirtualOffice, and their team was professional and extremely responsive to our needs. We could not have asked for a better experience."

Stephanie Carter CEO & Founder, Wallaroo Hat Company

goVirtualOffice

We're a team of former CFOs, CPAs, senior managers, and industry experts who can help make your business lean, efficient, and agile. For over 17 years goVirtualOffice, has been implementing cloud-based Enterprise Resource Planning (ERP) software and providing service for the systems as their business needs change. goVirtualOffice enables companies and organizations of all sizes to make dramatic gains in efficiency and productivity by improving the way they organize and manage their business processes and fit for use reporting.

LEARN MORE

tadpull

Tadpull is an eCommerce growth engine designed to increase sales and revenue for mid-market brands. With our proprietary software and expert guidance, Tadpull customers can see all of their eCommerce data and insights in one place and make more informed, timely, and profitable decisions.

LEARN MORE

studio / ID

BY INDUSTRY DIVE

studioID is Industry Dive's global content studio offering brands an ROI rich tool kit: Deep industry expertise, first-party audience insights, an editorial approach to brand storytelling, and targeted distribution capabilities. Our trusted in-house content marketers help brands power insights-fueled content programs that nurture prospects and customers from discovery through to purchase, connecting brand to demand.

LEARN MORE