

S N C E

Composable Commerce: a paradigm shift solution

Embracing the Future of eCommerce
Dagorà Community Day - 9th November 2023

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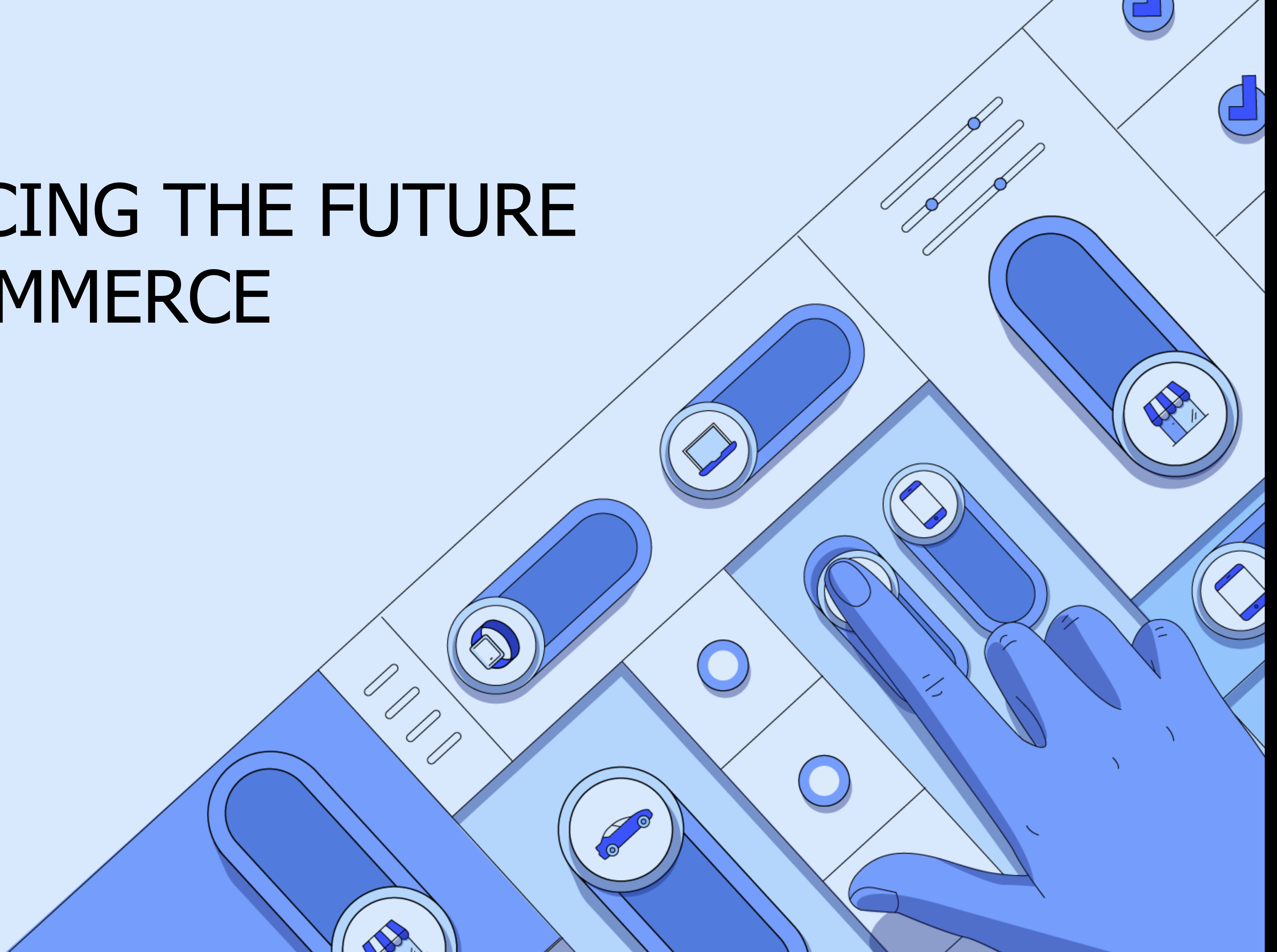


GABRIELE PEREGO
CTO @S'nce Group

+10 years of experience with large companies in designing and implementing Enterprise applications led us to embrace a Composable approach.

- Several experienced limitations with classic development approach on monolithics.
- Core belief in technology as the foremost strategic asset among corporate decisions.
- Advocacy for a Digital-first approach as the best way to secure long-term sustainability in modern eCommerce landscape.
- More than 5 years of experience in supporting companies in the transition to ~~microservices~~ service-oriented architectures.

EMBRACING THE FUTURE OF eCOMMERCE



KEY CHALLENGES IN MODERN COMMERCE LANDSCAPE

Digital transformation demands an evolution from “one-size-fits-all” legacy platforms to a modern tech stack



More and more Brands facing challenges stemming from the limitations of monolithic systems.

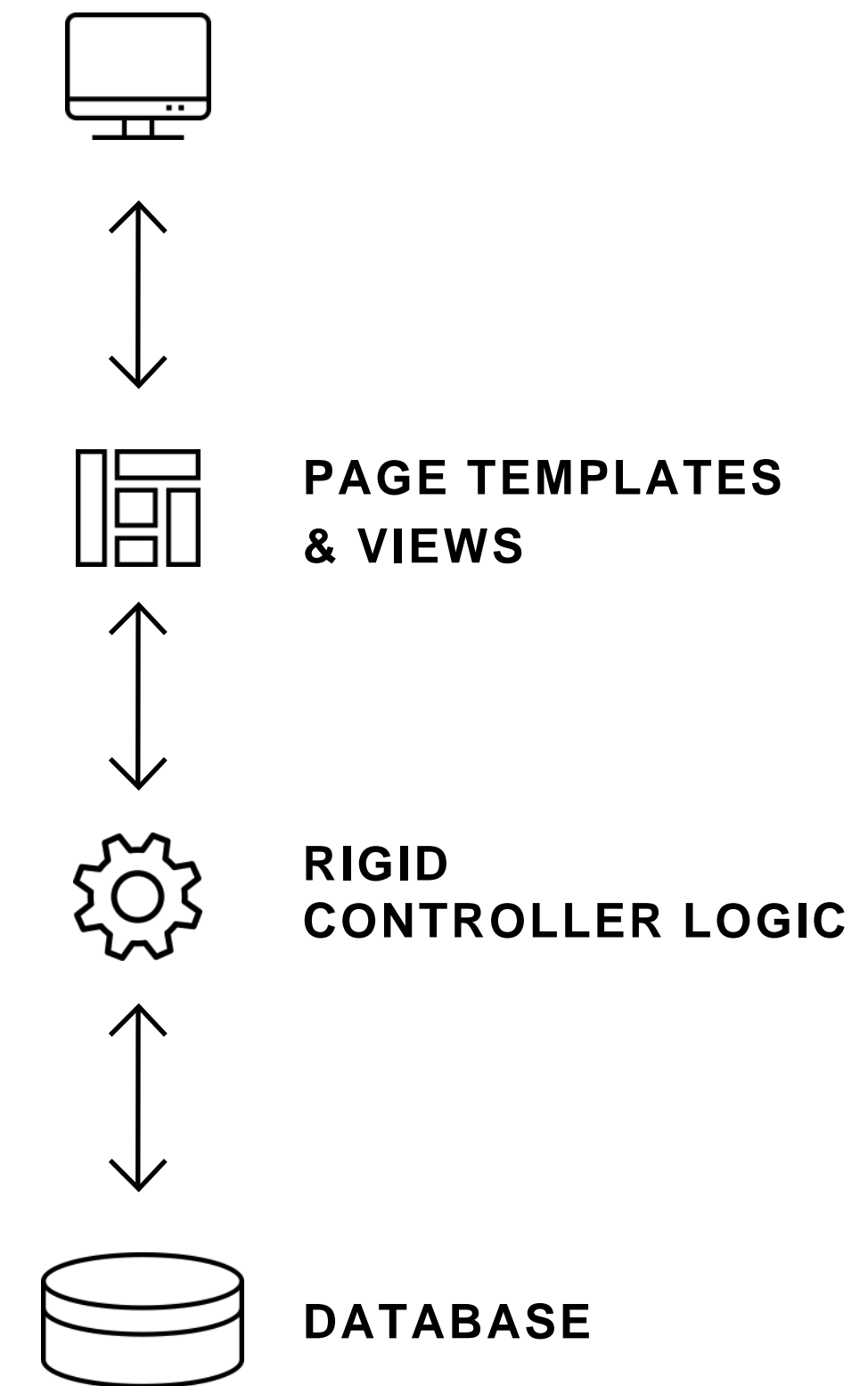
Forward-thinking brands turning to MACH technologies and Composable Architectures.

Adopting a modern, composable, API-based and Headless approach unlocks the full potential of businesses, enabling capabilities and competitiveness enhancement.

Two decades ago, monolith architectures were the primary option for eCommerce, needing constant updates and maintenance.

Despite their apparent simplicity, these all-in-one structures posed challenges over time, being intricate and tightly coupled.

Minor changes demanded extensive coordination, slowing responsiveness and adding unnecessary complexity.



Glossary

Monolithic architectures

All-in-one solutions designed to handle multiple related tasks: selling products, managing and publishing web contents. They usually contain a catalogue service, a DAM, an ordering system, a payment function and a shipping component.

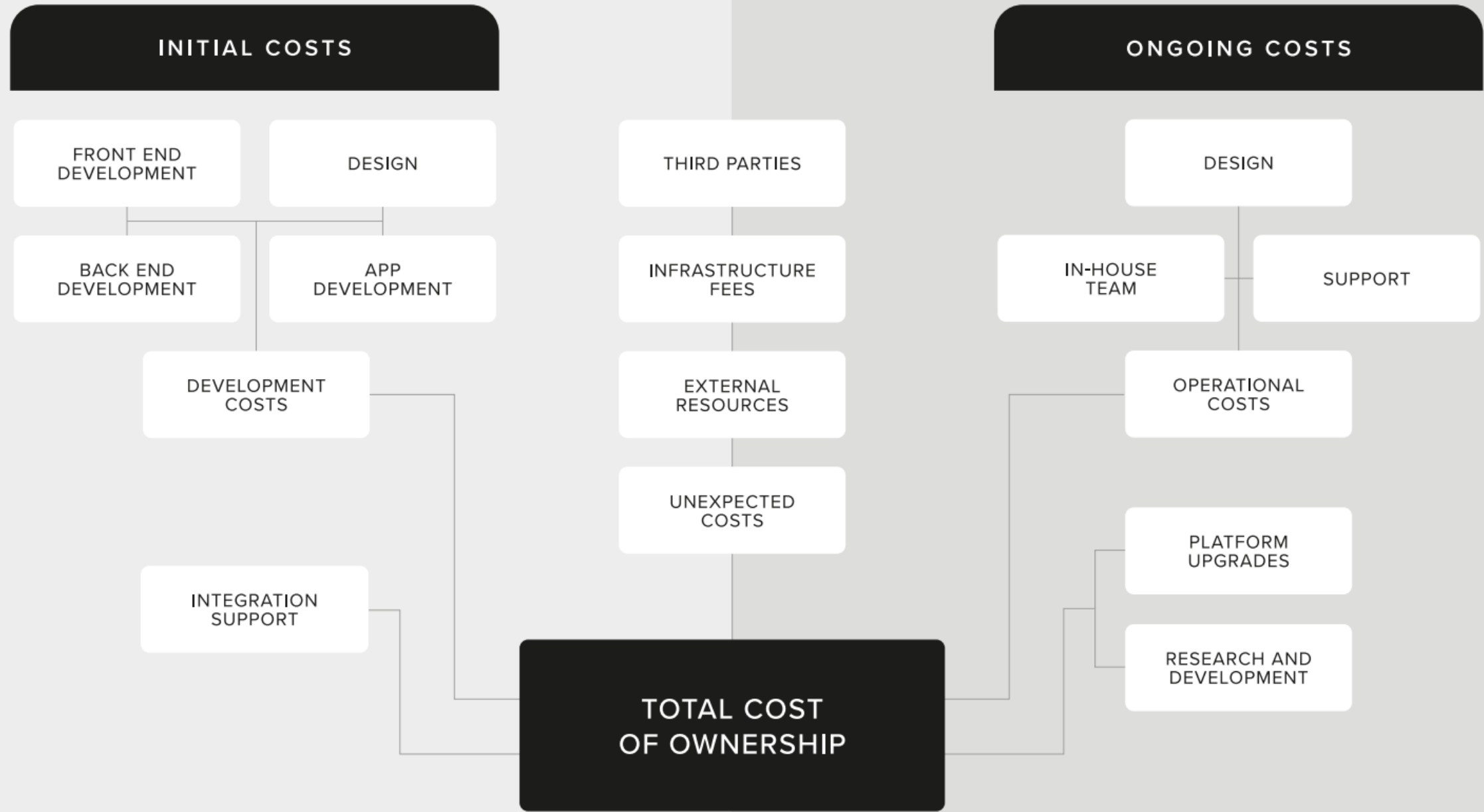
Main Monolithics limitations:

- Lack of Global Expansion & Channel Integration
- Slow Time-to-Market & high dependencies
- Absence of Adaptability, Flexibility and Reliability
- Hindered Omni Channel Customer Experience
- Limited Customer Behaviour Insights
- Inability to Scale Omnichannel Experiences
- Expensive & Complex Operations Management
- Slowing Down & Costly Maintenance



Attempting to maintain the pace of monoliths can result in the TCO spiralling out of control, presenting challenges in achieving a positive ROI.

The issue of eCommerce TCO with monolithic architectures remains a pressing concern for enterprises, posing ongoing challenges that require careful consideration.

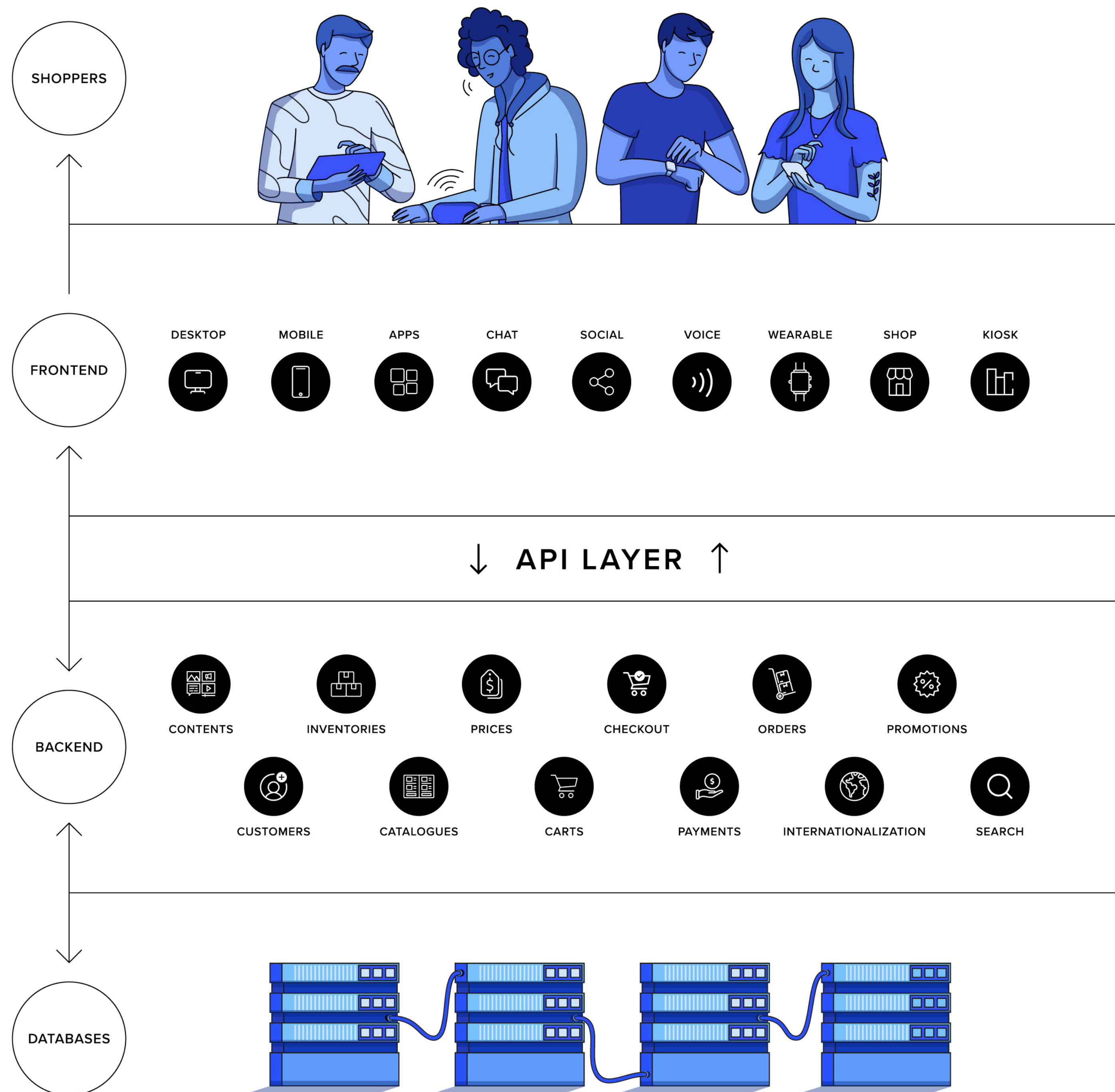


Glossary
Total Cost of Ownership
TCO is the crucial financial KPI for organisations looking to make informed decisions about their investments. It measures the direct and indirect costs of a technology solution over its lifetime.
Usually it is the combined cost of the initial purchase and implementation of the eCommerce platform and its operational costs over 3-5 years.

What strategies can Brands employ to address present challenges?

How to thrive as leaders in the rapidly evolving Digital Commerce landscape?

HEADLESS COMMERCE is the game-changing solution for enabling Brands to overcome enterprise eCommerce cost, process and operational inefficiencies, while strategically managing their digital sprawl for succeeding in the dynamic global market.



Glossary

Headless Commerce

A term for software architecture in which the central assumption is separating the UI (frontend) from the business logic (backend). These two layers communicate via API, and there are no strict dependencies between them.

Why should Brands move towards Headless Commerce?

5 MAIN BENEFITS

Details

Business advantages

Customization

Flexibility and control over the front-end allows businesses to shape brand identity based on their UX design principles without being restricted by standard templates.

- Brand recognition
- Higher Conversion Rates and Lifetime Value

Freedom of experiment

Headless environment allows UX experiments without risking the ecosystem.

- Faster learning
Culture of innovation
- Less dependances on IT/Dev department

Speed & Agility

In a decoupled environment, UX changes can be implemented faster without redeploying the back-end, and teams can work in parallel, making development more efficient, and testing is simplified.

- Freedom to push seasonal or trend-seizing promotions
- Efficient software maintenance

Scaling

In a best-of-breed environment, the front-end and back-end can be independently scaled ensuring absence of impacts on commerce functions due to traffic peaks.

- Faster time to value
- Efficiency

Flexibility & Extensibility

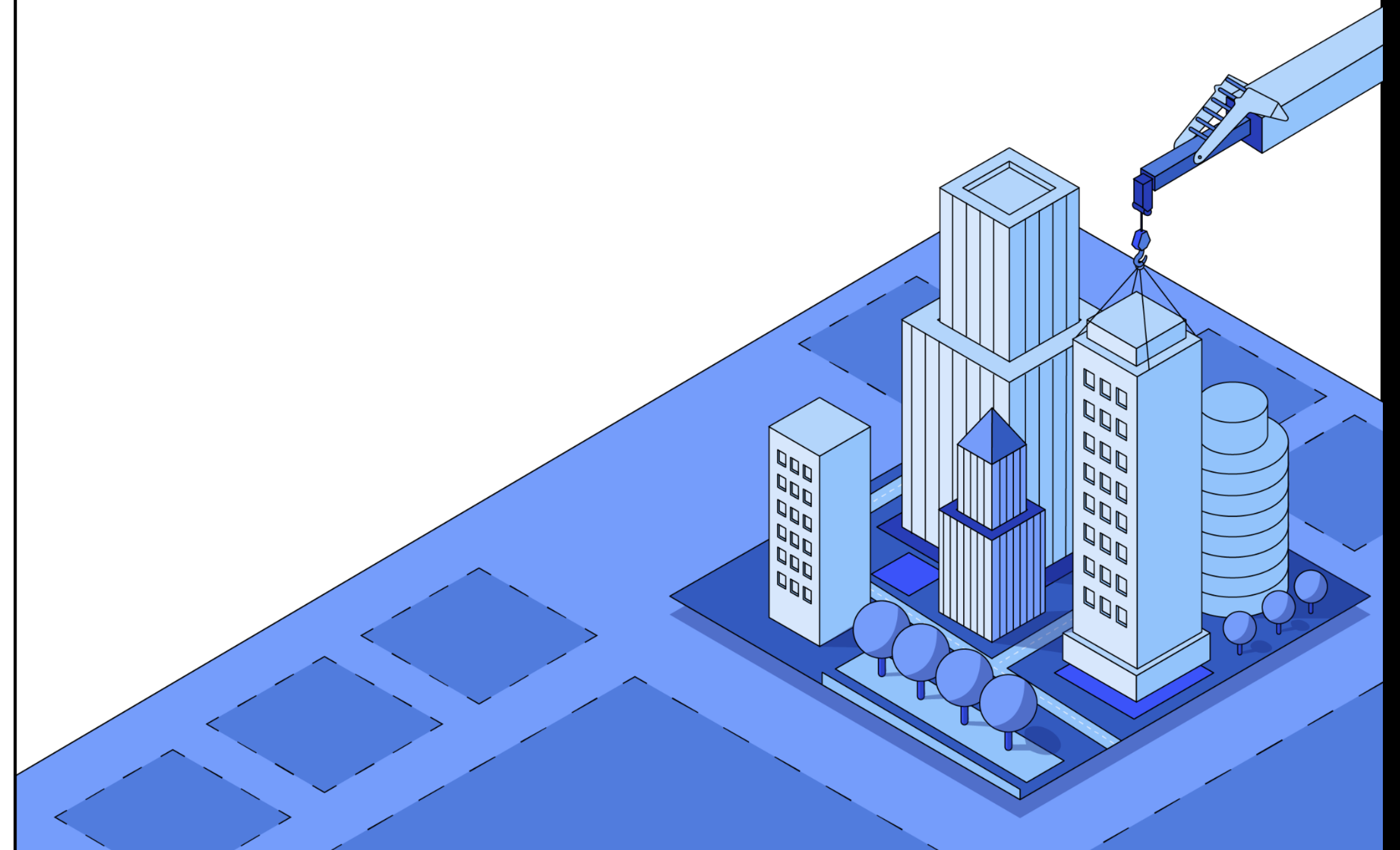
In a Headless scenario, multiple front-ends can connect to one API and underlying system, enabling easy and quick integration of various channels without requiring a new back-end for each.

- Competition advantage
- Brand loyalty
- Profitability

Composable Architecture takes the flexibility offered by Headless one step further.

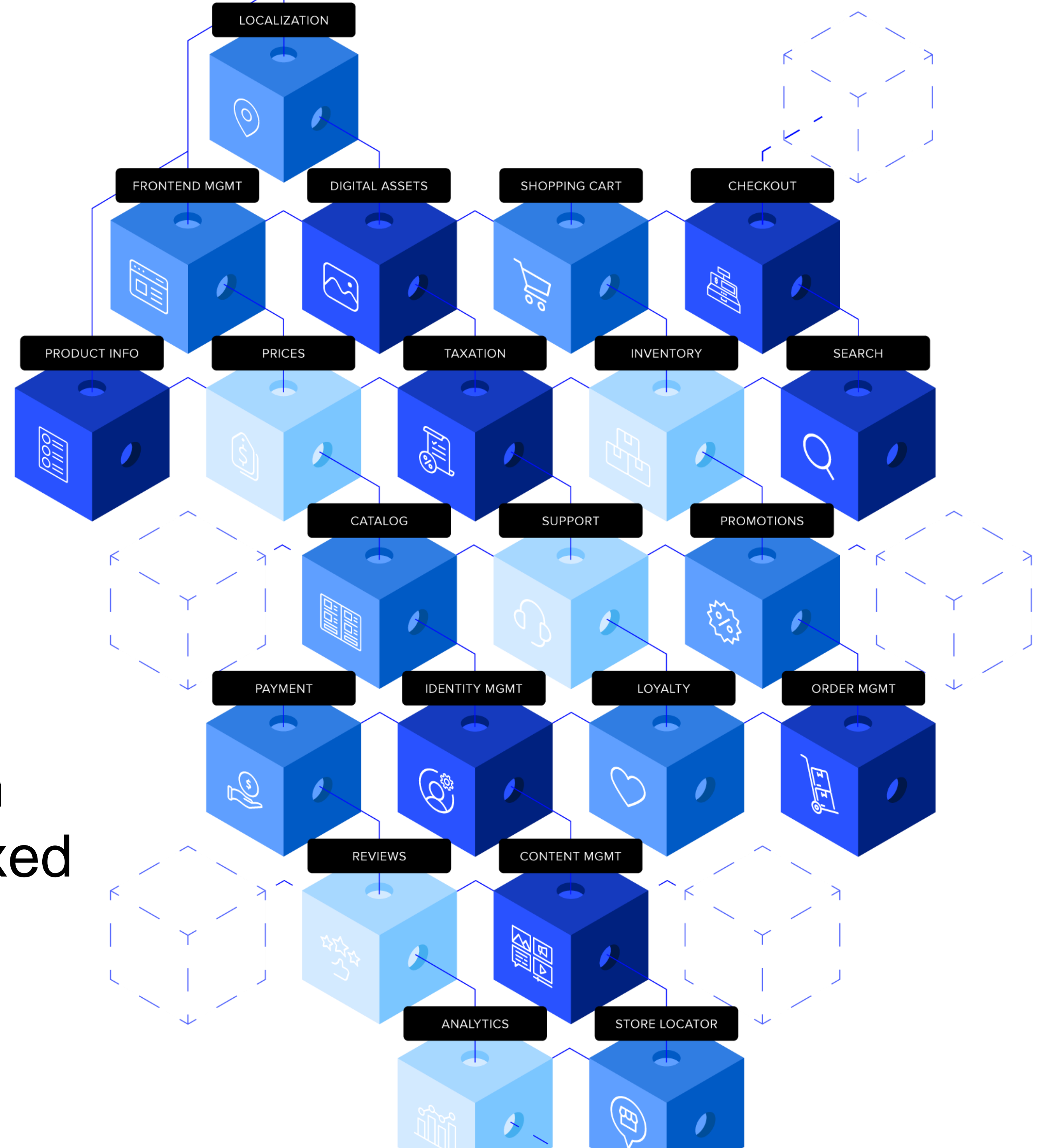
This modular approach breaks down the entire commerce platform into independent components that are pluggable, customisable, and replaceable without system-wide impact.

Composable Commerce empowers Brands to select best-of-breed commerce components— like cart, checkout, payments and advanced search – creating a tailored technological stack for delivering enhanced customer experiences over time.



COMPOSABLE: EXPANDING BEYOND HEADLESS

The composable approach results in a modern, modular, custom Commerce Application where components can be mixed and matched to meet evolving commerce needs.



THE UNDERLYING ARCHITECTURE OF MODERN COMMERCE TECHNOLOGY

MACH is the way out for mid-market eCommerce business owners that will stretch their capabilities limitlessly.

Headless is the foundation of Composable Commerce, complementing MACH principles.

Created to provide a high level of control and agility for any business that wants to innovate rapidly

The modular environment granted by a MACH architecture enables brands to overcome all the pain points or disadvantages caused by legacy or all-in-one platforms.



M



Microservices-based
Independently
deployed capabilities
loosely connected
via APIs



A



API-first
Software that lets
two applications
communicate,
grant access and
transfer data



A



Cloud Native
Software-as-a-service
that enables scalable,
secure capabilities.



C



Headless
A front-end customer
interface uncoupled
from the back-end
database.

KEY BENEFITS OF COMPOSABLE COMMERCE FOR ROLE

<div>Business & Digital leaders</div> <div><ul style="list-style-type: none">• Increase revenue by quick addition of new digital touchpoints and sales channels• Unlock rapid innovation and speed to market• Accelerate building of modern digital experiences at enterprise scale merging online and offline commerce systems</div>	<div>IT</div> <div><ul style="list-style-type: none">• Fastly limitless implement and scale of new features• Work on groundbreaking technology• Gain higher productivity</div>	<div>Marketing</div> <div><ul style="list-style-type: none">• Keep real ownership of the CX/UI layer• Launch unique “customer experiences” on any frontend device• Foster brand loyalty with a seamless customer experience</div>
	<div>Finance</div> <div><ul style="list-style-type: none">• Free the company from expensive licenses, upgrades, and maintenance costs• Maximum ROI at the lowest TCO• Access SaaS subscription models for only paying what used</div>	<div>Platform Owners & Project Managers</div> <div><ul style="list-style-type: none">• Deliver every kind of content & experience at scale• Rely on a Headless solution able to work with and around existing technologies• Own the key for digital sprawl</div>
<div>Content Team</div> <div><ul style="list-style-type: none">• Gain back the power over the content deleting any dependances from IT• Maintain brand and message consistency across the entire digital ecosystem• Gain higher productivity</div>	<div>eCommerce</div> <div><ul style="list-style-type: none">• Maximize conversion rates and ROI at a lower TCO• Outpace competitors with a faster time to market• Gain limitless flexibility</div>	

COMPOSABLE COMMERCE LOWERS ECOMMERCE TCO

In terms of investments, Composable Commerce
- with its flexible, scalable and cost-effective
approach - is the most Value maximizing and
Risk reducing ecommerce solution available.

50%

→ reduction in IT costs
for managing SaaS
operations as a result of
composable application
architectures by 2024

20%

→ uplift in total revenue
for organisations
offering a unified
commerce
experience by 2025

50%

→ of new commerce
capabilities will be
API-centric products
by 2023

SOURCES

[2022 GARTNER MAGIC QUADRANT™](#)

[2020 GARTNER RESEARCH COMPOSABLE COMMERCE MUST BE ADOPTED FOR THE FUTURE OF APPLICATIONS\).](#)

Re-platforming away from monolithic systems embracing a Composable approach has become a critical factor for accessing future growth opportunities in today's business landscape.

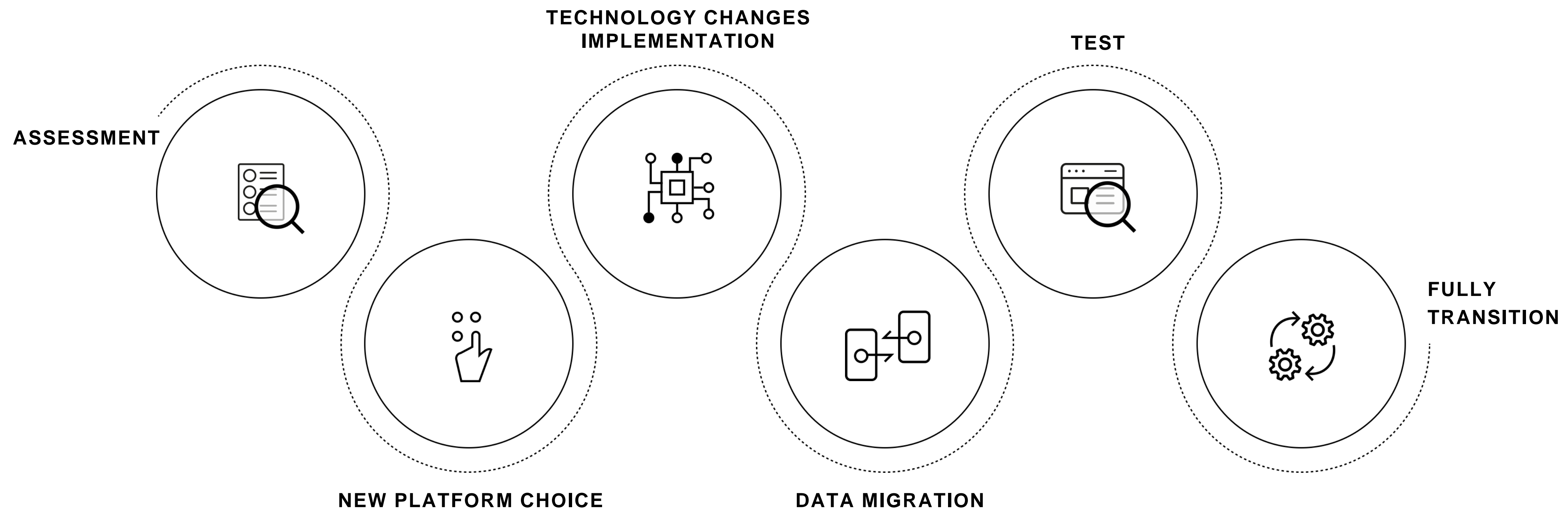
Many companies hesitate to move towards a new tech architecture due to previous investments made in re-platforming to traditional monolithic commerce platforms.



The transition towards a Composable Architecture does not fall under the conventional understanding of "Re-platforming" as commonly perceived by companies.

WHAT IS A RE-PLATFORMING

Re-platforming is the process involving the move of a business's digital operations from an older, outdated Monolithic platform to a newer one.



Re-platforming could produce a series of criticalities businesses must be aware of.

- Technical debt
- Data migration
- Downtime
- Integration issues
- Dependence on the technology vendors

MAIN RE-PLATFORMING PAIN POINTS

Re-platforming requires a “rip-and-replace” approach that can be expensive, risky, and time-consuming, especially for seizable businesses.

Complexity

- Re-create from scratch the set of consolidated existing features on a new platform
- Expected features - usually deeply involved in the Brand Experience - resulting from previous extensive customizations
- Over-complicated integration issues
- Massive Data Migration

Time and costs

- project extension for months, more often even years
- total cost of a Re-Platforming project often difficult to even estimate
- Time and cost control easily spiraling out of control, significantly impacting ROI

Commerce operations

- frequent impacts on key eCommerce operations processes (due to both the "rip-and-replace" approach and hyper-complexity)
- potential significant internal management difficulties (change management)

User Experience

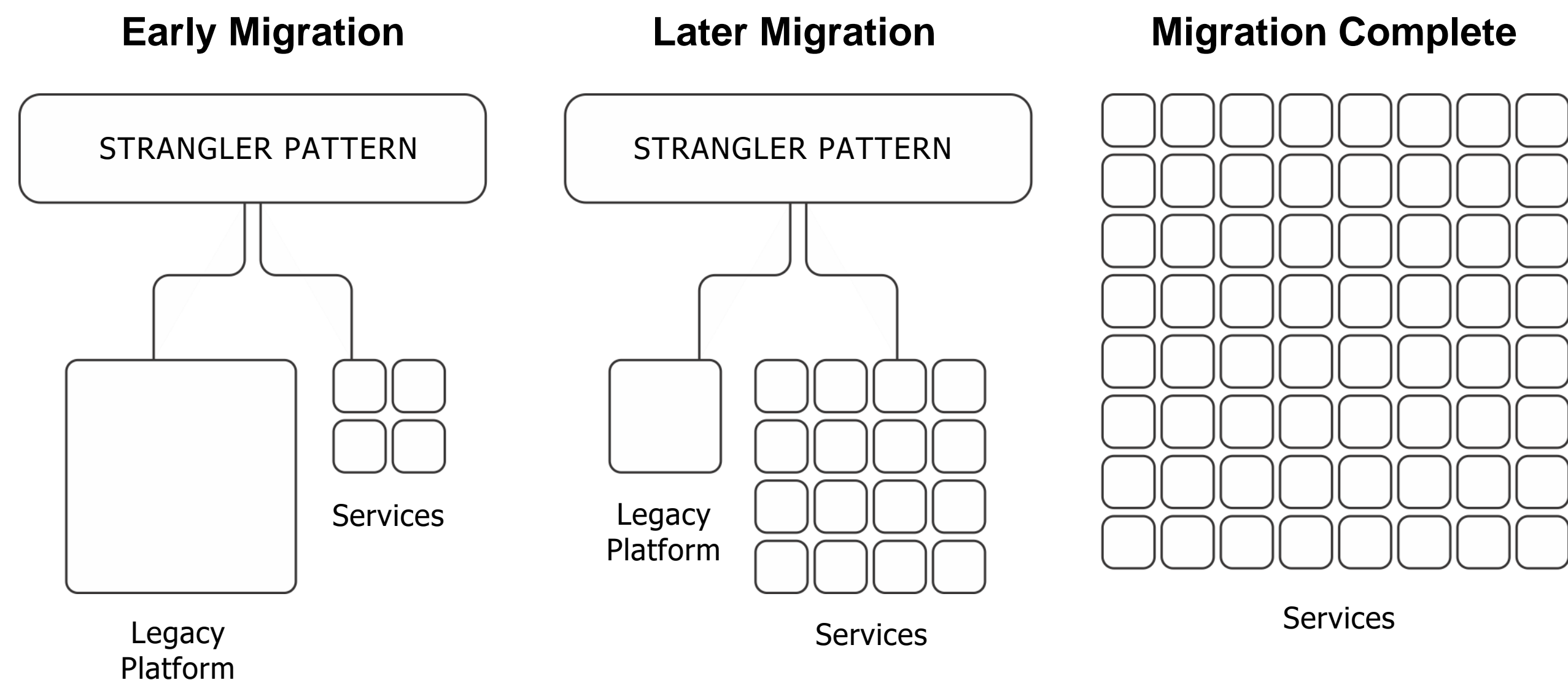
- potential negative impact on the overall Consumer Shopping Experience with cascading consequences on the main business metrics

Re-platforming is becoming more and more unsustainable for Enterprises.

WHAT IS A MIGRATION

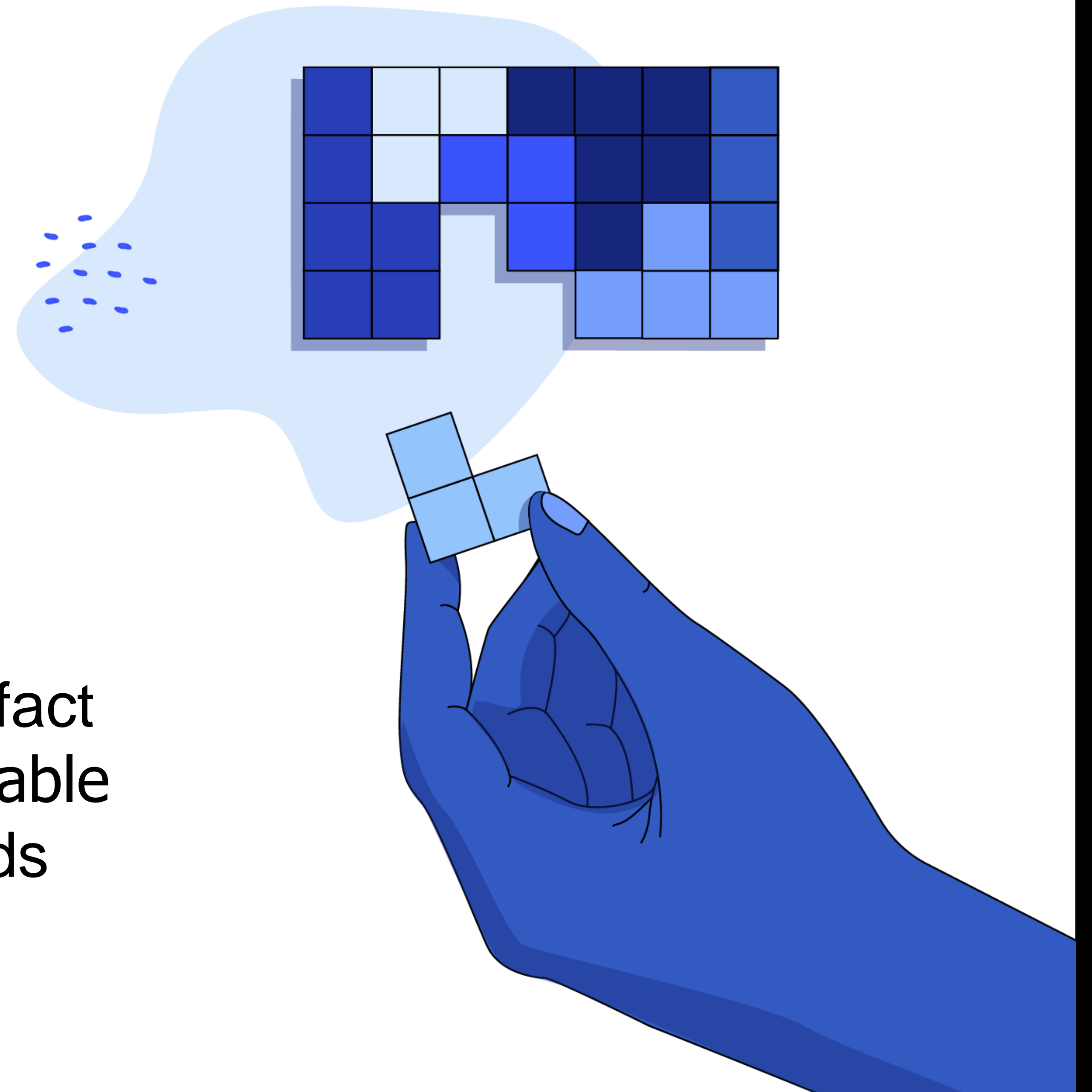
The transition from a Monolith towards a Composable Architecture entails a Migration process, leveraging Headless technologies to design a seamless blueprint and smoothly migrate functionalities in distinct phases.

- segmenting the existing platform into distinct Business Domains
- transferring the relevant functionality and data from the legacy system to either the front-end or back-end systems via APIs
- promoting an effective collaboration within Business and IT teams



When correctly executed, a Migration offers businesses the potential to break free from traditional Re-platforming concerns.

Independent components are in fact pluggable, customisable, replaceable to meet evolving commerce needs without system-wide impact.



THE “NO RE-PLATFORMING” APPROACH

Migrate towards Composable involves a deep mindset-change in considering an Enterprise eCommerce website, weather if D2C, B2B or B2C2B.

From...

...to.

One among Corporate applications _____	Concrete, Strategic and Core corporate asset
“One-Shot” application Logic _____	“Value Product” logic with a concrete, strategic and valuable dignity
Limited website Lifetime _____	Potentially unlimited website Lifetime
“Rip-and-Replace” approach _____	Continuous and Sustainable enhancement over time
Centralization of hard technological dependance _____	Differentiation of Best-of-Breed technology providers for each strategic business domain
Implicit technical debt _____	Explicit future-proof & Best-of-Breed technology capabilities

OUR APPROACH

Aware of the huge impact of an architecture change, we - together with our Partners - usually suggest a POC approach (Proof of Concepts).

DEFINE
THE NEED

PICK THE
RIGHT
APPROACH

CREATING A
WORKING POC
PROTOTYPE

ITERATE AND
IMPROVE

CREATE
A ROADMAP
FOR
THE FUTURE

INTRODUCING OUR KEY MACH TECHNOLOGY PARTNERS

Our partner ecosystem includes best-in-class technology providers enabling us to develop and customize the most modern and future-proof solutions for our customers.

The foundation of our Enterprise eCommerce stack:



LIMITLESS COMMERCE POSSIBILITIES

The inventor of headless commerce, [commercetools](#) provides some of the world’s most iconic brands and growth-focused businesses with powerful, flexible, scalable solutions that support their ever-evolving digital commerce needs.

As the visionaries leading the modern MACH architecture movement, commercetools provides customers with the agility to innovate and iterate on the fly, merge on and off-line channels, drive higher revenue and future-proof their eCommerce business.

- commercetools

Composable Commerce
- commercetools

Frontend
- commercetools

Checkout
- commercetools

Connect

<div>\$30B</div> <div>GMV</div> <div>order volume processed 2023</div>	<div>>20K</div> <div>ORDERS</div> <div>per Min / per Customer</div>	<div>>10B</div> <div>REQUESTS</div> <div>per Week</div>	<div>100%</div> <div>UPTIME</div>
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THE LEADING COMPOSABLE CONTENT PLATFORM



Contentful is the intelligent composable content platform that enables both technical and non-technical users to easily create, manage, publish, and expand distinct content experiences for any digital channel — all with speed and scale within one comprehensive and unified content system.

Contentful customer experience increases basket size, boosts conversion, and reduces time to market.

Contentful platform

Contentful studio

Contentful marketplace

AI Content Type Generator

AI Content Generator

AI Image Generator

31% of the Fortune 500 have battle- tested Contentful	38k Live global websites powered by Contentful	>10B Active Contentful users worldwide	100% API calls per month
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ATLASSIAN

asics

Rapha

Media Markt

Spotify

AUTODESK

audible
an amazon company

PELOTON

NIKE

NOKIA

DANONE

alpro

Heineken



Algolia is the world’s only end-to-end AI search and discovery platform for Search & Discovery empowering brands and companies with the Search, Discovery, and Recommendation services they need to build, power, and optimize world-class leading UX across platforms and devices.

Algolia’s engineers invented a breakthrough use of AI to create exponentially better Search & Discovery experiences by surfacing the desired content instantly and at scale.

Search

Category Navigation

Product Recommendation



99.999% SLA available, 100% API uptime	1.75 TR Searches/Year	<50m/s Response time	100,000+ queries per Second
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SEPHORA

KitchenAid®

ZEGNA

ASOS

PRADA

MaxMara

amica
farmacia



LUXOTTICA

Dior

S N C E

Thank you

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Appendix



Companies Have Three Main Challenges



Flexibility

Companies get stuck, changes to the customer experience or releasing new functionalities takes months or even years instead of days.



Scalability

Increased risk of downtimes due to higher traffic volume as well as hidden costs for updates and maintenance put the business at risk.



TCO

Up to 70% of the IT budget goes to maintenance and project costs end up 3x the initial budget.

Flexible Components

to enhance experience and capabilities

Cloud-Native

for highest scalability and availability

Tech-Agnostic

for fast enablement and cost efficient rollouts

Composable Commerce Overcomes These Challenges



How commercetools solves this Challenges



L.L. Bean intends to enhance its in-store and online experience by blending its physical and digital retail touchpoints.

These points of contact with the consumer include social commerce, in-store POS systems, pop-up shops, clienteling, and transactional customer care.”



Designed to supercharge distributor growth and elevate customer experiences around the globe, Herbalife One will be our first-ever unified data and AI-powered global digital platform, enabling growth by delivering a best-in-class digital experience around the world.”



Without cloud technology, we had been purchasing hardware for future growth, a process that can be painful for a retailer that is not in the hardware business.”



commercetools provides *the leading composable commerce platform*, giving 450+ companies all of the components required to run outstanding **shopping experiences across all digital and physical touchpoints.**

That way we help them to achieve their business goals **faster and at lower cost.**





commercetools product portfolio

commercetools **Composable Commerce**

Modular digital commerce built on MACH principles that enables companies to run their digital commerce business with limitless flexibility and complete control of their customer-facing layer.

commercetools **Frontend**

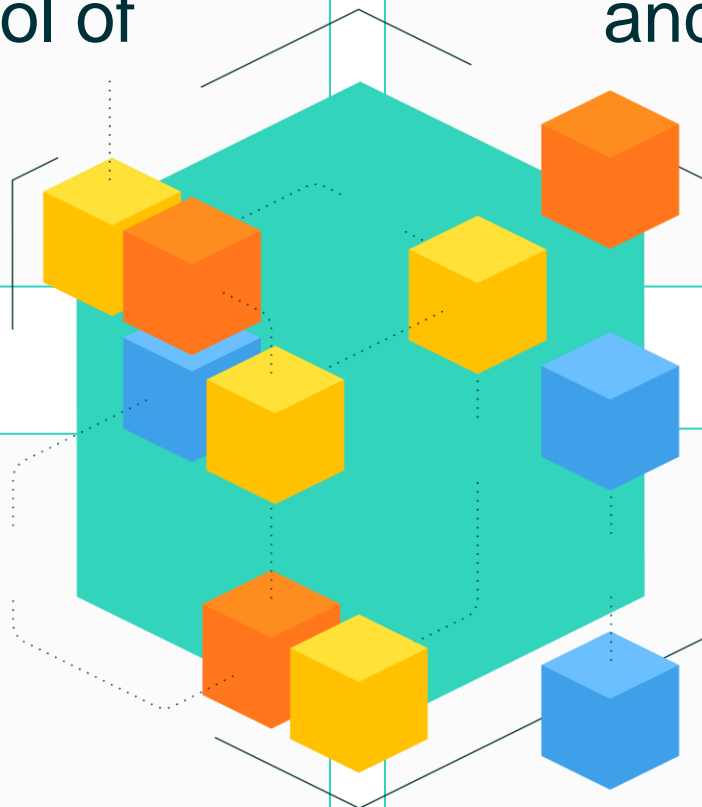
A native headless solution, commercetools Frontend provides a complete tooling package for business users and developers to create, optimize and customize their digital storefronts fast and without friction.

commercetools **Connect**

Providing an execution environment for certified connectors built by the community, partners and customers to help customers the entry in MACH and Composable Architectures. It especially improves time to market, reduces operational overhead, de-risk eCommerce related operations and enforces quality standards.

commercetools **Checkout**

Add-on module built to capture conversions at the point of customer inspiration. commercetools Checkout enables retailers and brands to compose a checkout experience across a variety of digital engagement channels.



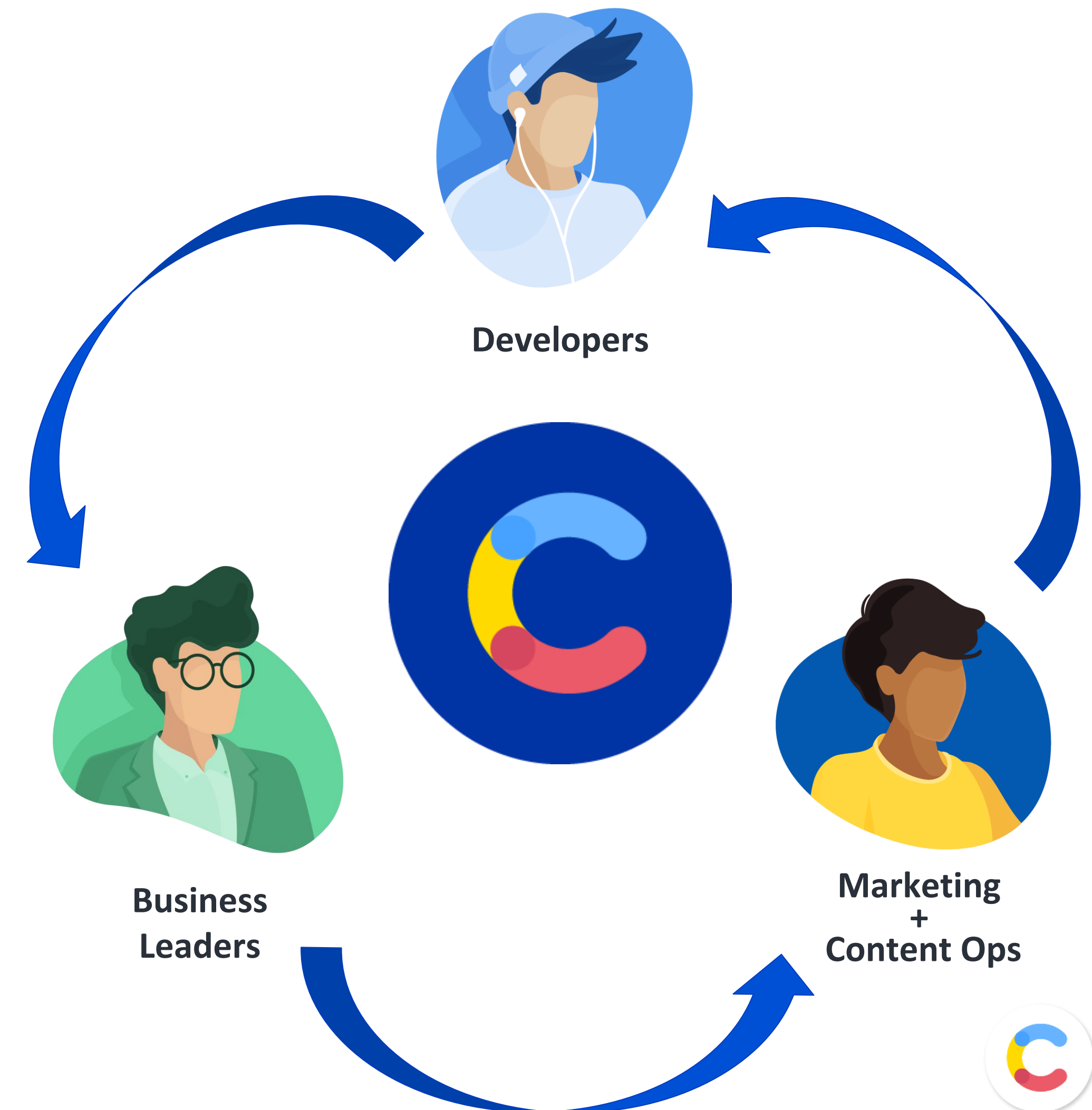
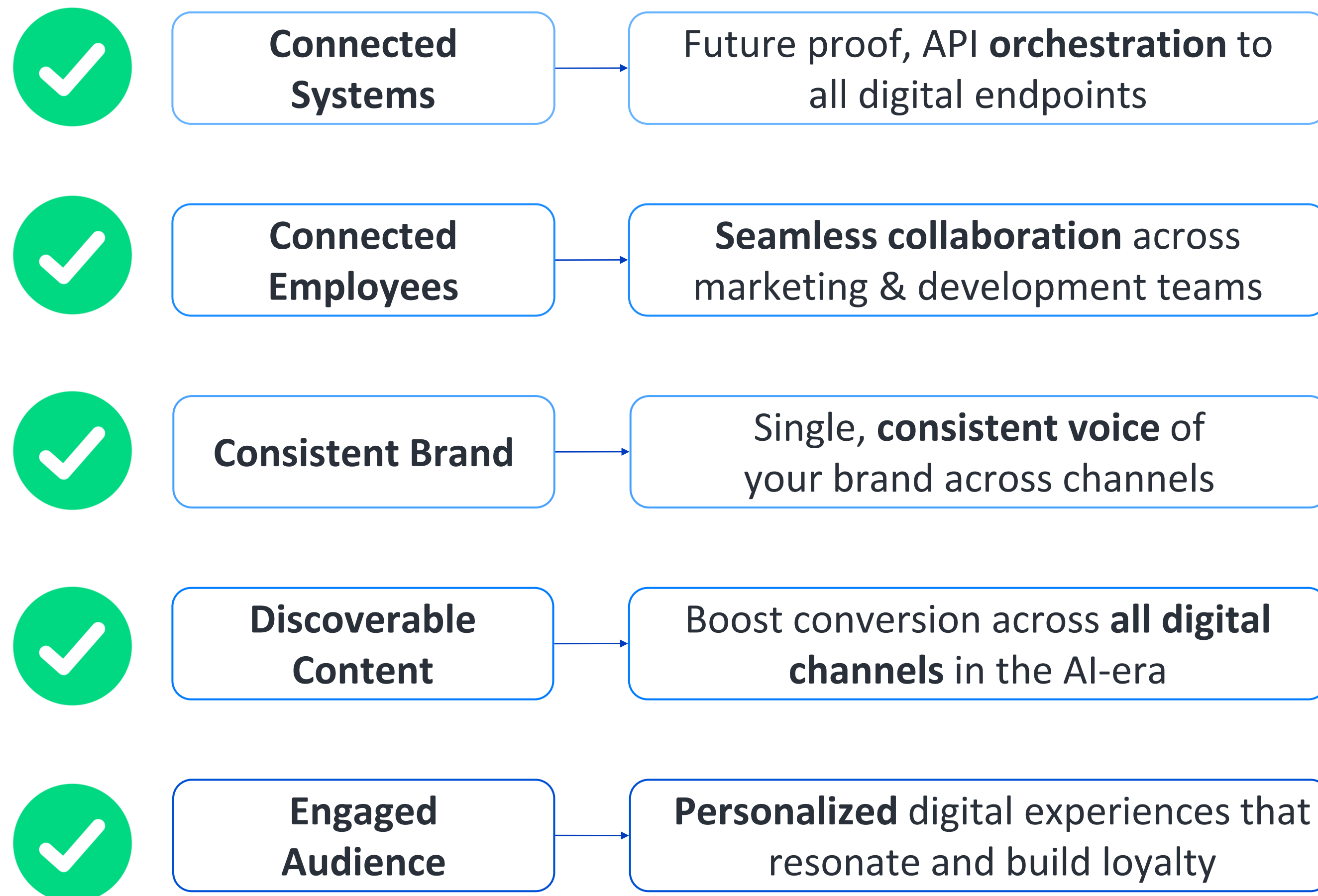


In today's world, **content** is the customer experience

Businesses now **interact** through content, **differentiate** through content, and **win** through content



We solve for the business issues you and your employees are facing



... and drive real business results



Consistent Brand



Discoverable Content



Happy Audience



Grow revenue & gain market share

- **Increase existing customer spend** with personalization
- **Acquire new customers** with faster go to market and SEO optimization
- **Retain more customers** with a unified experience



Connected Systems



Connected Employees



Drive engagement & efficiency

- **Increase content production efficiency** across the entire Marketing department
- **Save on engineering and development** costs, leverage the latest AI capabilities
- **Reduce future tech debt** with API first architecture

Contentful customer experience increases basket size, boosts conversion, and reduces time to market

MediaMarkt Staples ALDO Notion Fender twilio

coinbase NOKIA alpro moderna GUCCI Heineken

ATLASSIAN Rapha UiPath asics AUTODESK e-on

SWAROVSKI
OPTIK

Thousands of global brands have
used Contentful to build what's next

B&B

EUROVISION
SONG CONTEST

Hootsuite

contentful

NIKE

PELOTON

Jack
in the box

Lenovo

GANT

teva

URBAN OUTFITTERS

audible
an amazon company

itv

wework

DANONE

Spotify

DOORDASH

COSTA
COFFEE

Algolia Overview

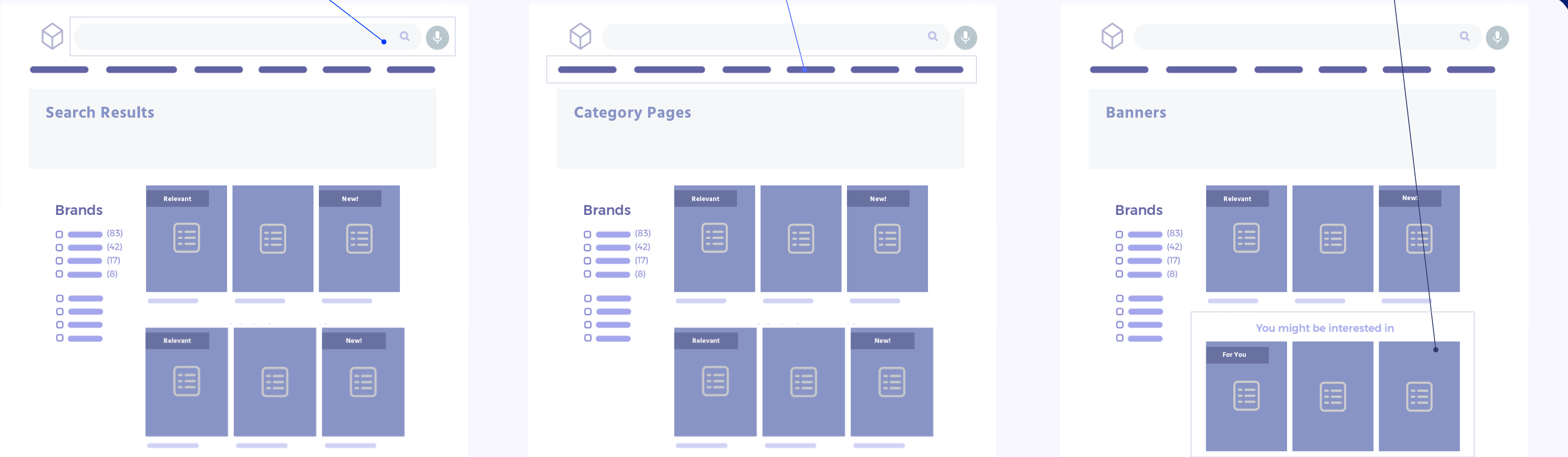
Search and discovery platform

Algolia is a search and discovery platform

Search

Category
Navigation

Product
Recommendation



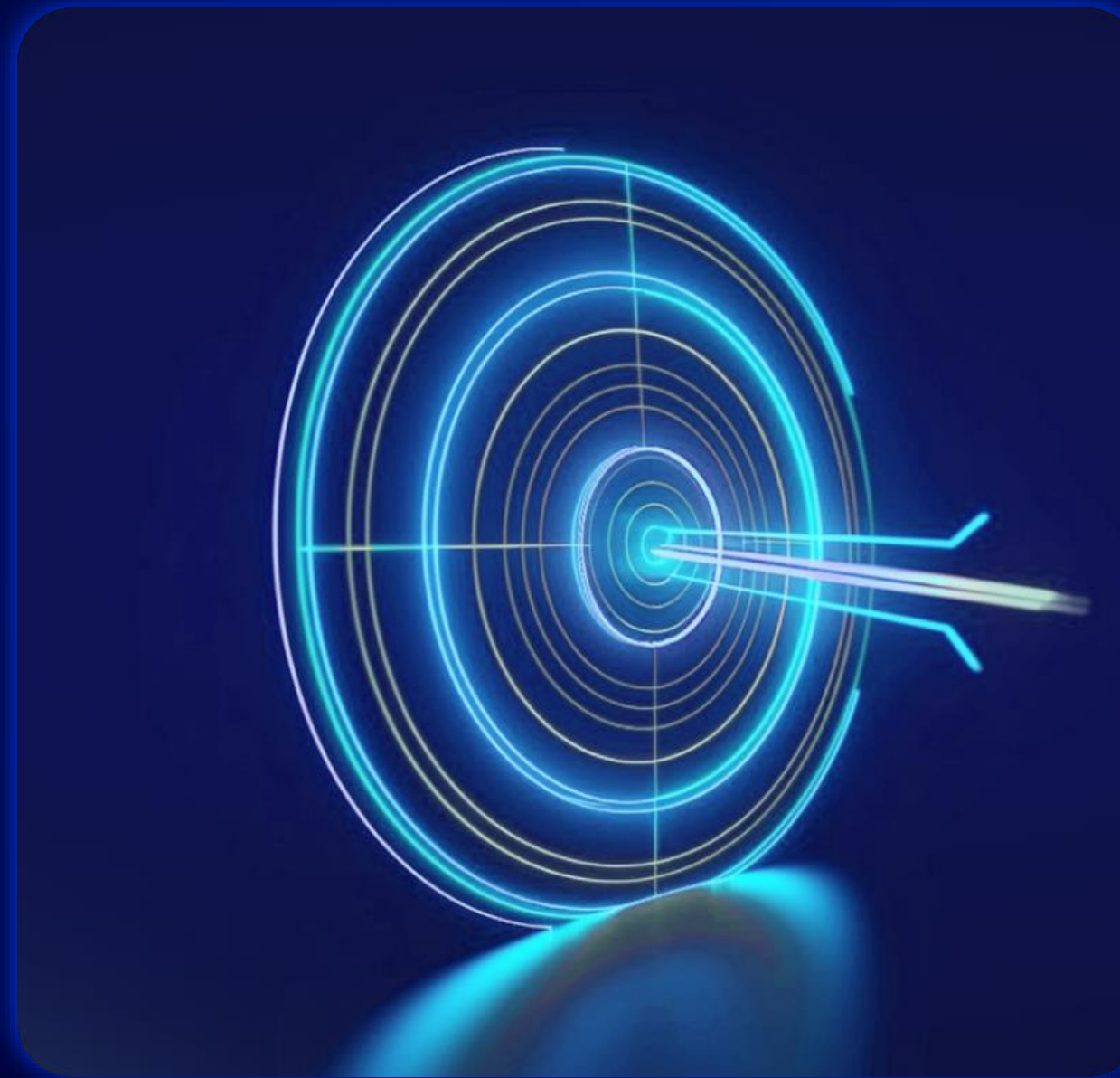
Differentiation across three core pillars

SPEED AT SCALE



Global sub 20ms response on
1.5 Trillion Queries/Year
(2-300MS for competitors).
Real time Indexing.

RELEVANCE



Typo tolerance and semantic
understanding on every single query with
full stack AI

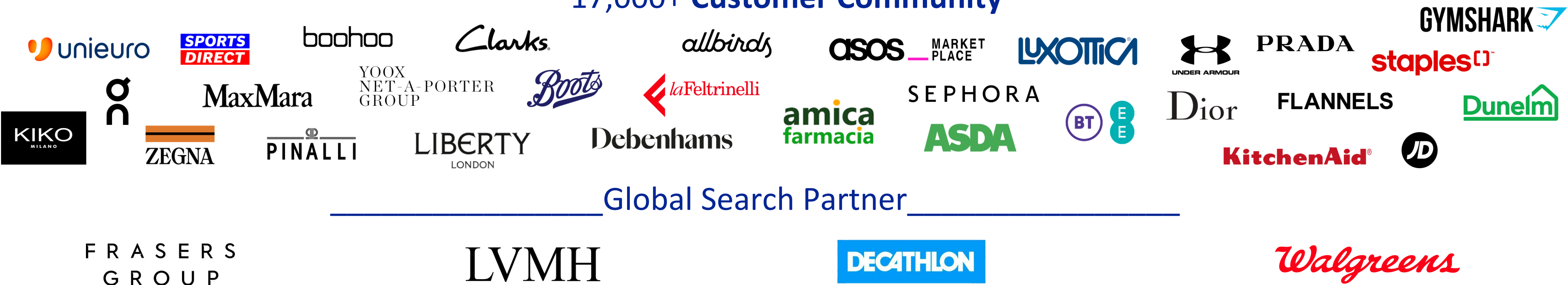
CONTROL



Fully equipped business user suite for
merchandising, rules, analytics,
campaigns

Algolia at glance

17,000+ Customer Community



99.999%
SLA available,
100% API uptime

1.75
TRILLION
Searches/Year

<50m/s
response times

100,000+
Queries per Second

30+ Awards in 12 months



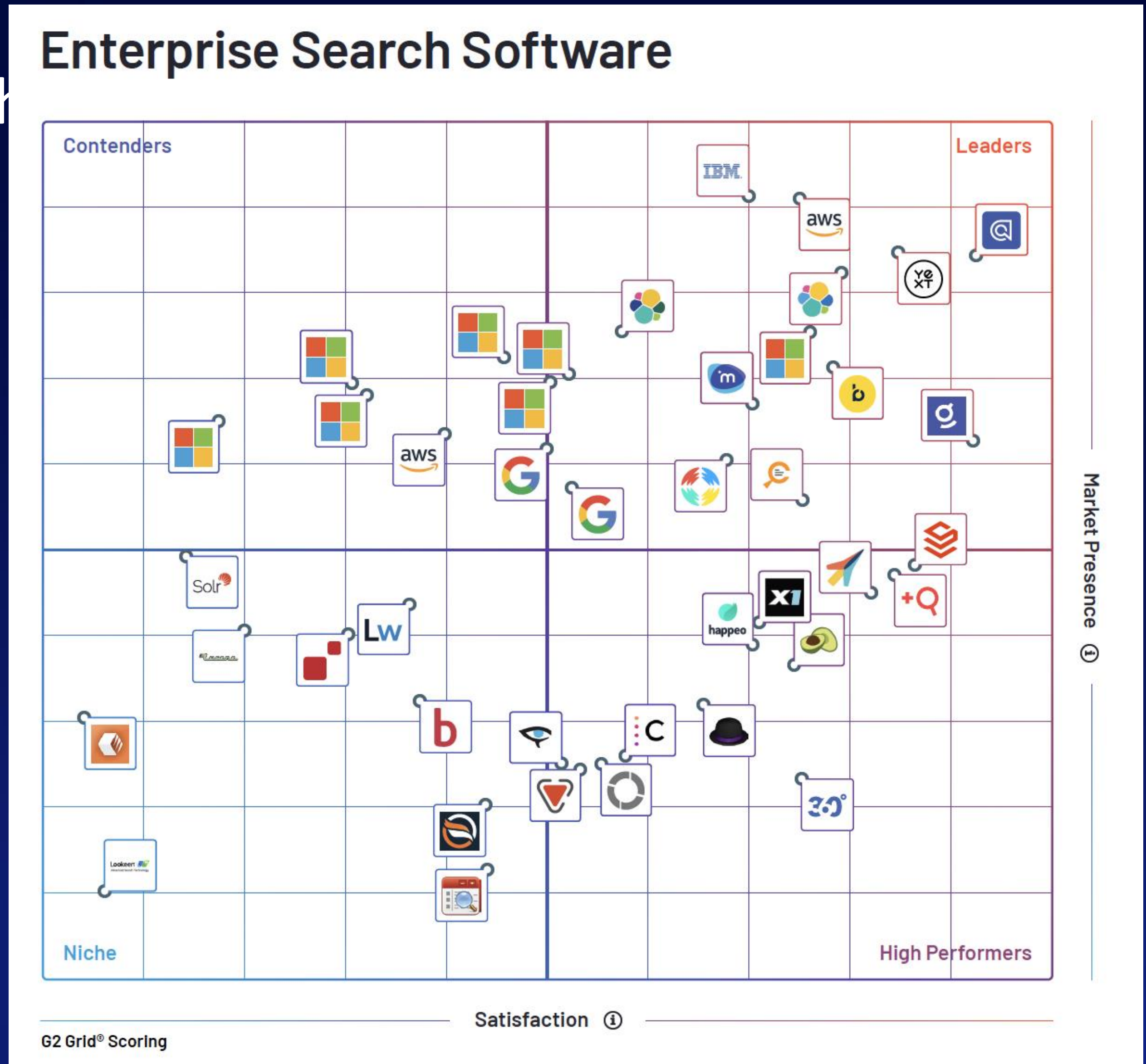
PIONEER
API-first
+ Event-Driven Architecture

Grid[®] Report for Enterprise Search Software Winter 2023



Algolia Named Top Enterprise Search Software on G2 Grid Report for 13th Consecutive Time

According to G2's report, Algolia received the highest satisfaction score among all Enterprise Search Software available on the market today. Ninety-eight percent (98%) of verified G2 users rated Algolia's platform 4 or 5 stars, 93% of users believe it is headed in the right direction, and 93% of users indicated they are likely to recommend the Algolia platform. G2 software buyers rated Algolia's natural language feature the most favorably at 97%, followed by its faceted search (96%) and highlighting features (96%).



S N C E

Thank you