Coronavirus Survival Guide

How to Prepare for a Post Corona World

Five strategies to help your commerce business successfully survive COVID-19

Spryker

Content

Intro

It cannot be denied that COVID-19 has reshuffled the cards of the market economy and probably changed the way we approach business forever. After the initial shock-induced paralysis, many companies are now looking for ways to adjust their short and long-term planning to ensure their business can weather the storm and benefit from new flexibility and strength in a post COVID-19 world.

Certainly, there are not many companies that have yet to address the issue of "digitization." After all, even before COVID-19 there was pressure to digitize from competitors and Amazon. Though, if you take a closer look at many of these "digitization projects", they are actually more concerned with the topic of electrification. In other words, the transfer of some analog or outdated processes to the online world.

Many retailers must now painfully admit that this is not enough, begging the question: **How can my organization change processes in such a way that it can continue to play a role in a world where retail can primarily take place online?**

Spryker is here to help. In this guide, we will answer this question with five short-term strategies guaranteed to create long-term digital success.

Strategy #1: Create a corporate structure with a digital core

Many companies are operating in outdated hierarchical structures. However, when the Coronavirus crisis forced employees into "home office" overnight, those who had not dealt with digital communication or agile processes were left behind.

Traditional company structures must be retooled with a digital core and, ideally, with a CIO as the technical lead. This CIO has the task of driving growth and flexibility in the long-term and ensuring the efficient, continued existence of the company through its entire digital transformation.

> "
>
> *Systems such as software and business models are a reflection of the communication structures of their companies. Large companies, whose departments are in constant conflict, are severely limited if they build business models that do not function efficiently."*
> - Alexander Graf, Spryker Co-CEO

Digital CIO Mindset	Traditional Mindset	Digital Mindset
Strategy	Efficiency	Innovation
Culture	Hierachy	Collaboration
Talent	Low cost	High skill
Technology	Legacy	Cloud, mobile, apps
User experience	"Who cares?"	Mission critical
IT philosophy	Default to "no"	Default to "yes"
Project management	Waterfall	Iterative (agile)
Business model	Service & support	Relationship & partner

There is no question that the total transformation of the corporate structure is radical, but this crisis caused by COVID-19 proves the right set-up of an organization is essential. **A company must be able to react quickly to new market conditions.**

Strategy #2: Drive processes forward faster

One factor that prevents projects from being implemented quickly is the Request for Proposal (RFP) planning. In the most recent times of crisis, as is the case today, every entrepreneur must realise that there is no time left for huge Excel documents with details of requirements and specifications.
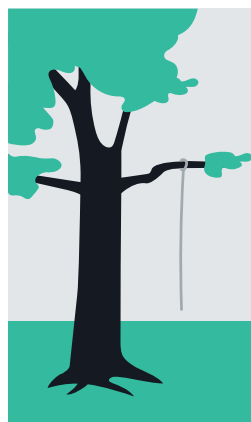
Digital projects are often polished down to the smallest detail and requirements are well defined down before market entry. The intention: Everything should be perfect before the official go-live.

What the customer initially thought they needed

What the customer really needed

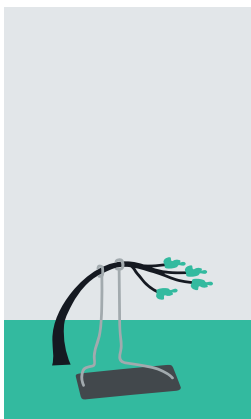How the RFP documented the requirements

How the sales person sold it
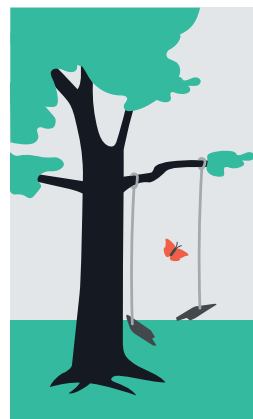
What was actually bought

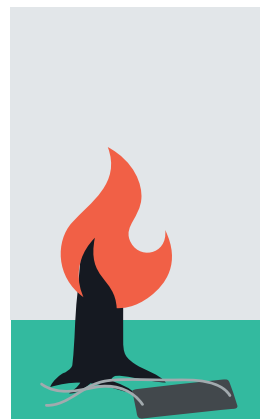How the implementation consultants configured it

What was delivered on the promised delivery date

When the full system was finally delivered

How it performed in practice

What the users thought of it

5

If the RFP document, which takes weeks or even months to create, is agreed on by all stakeholders before the start, put out to tender and then rolled out, an average of 18 to 24 months will pass. In times like today, that is far too long. Decisions must now be made quickly.

The e-commerce market is currently doing everything they can to adapt quick strategies to help alleviate the damage done by this situation, and are developing so rapidly that attributes and requirements from the planning stage at go-live may be outdated. **You have to be faster than your competitors.**

Chapter 03

Strategy #3: Optimize your internal communication

Many companies are struggling when it comes to internal communication. This becomes particularly apparent in times of crisis, especially for work that can only be done from home office. What is the reason for this?

On the one hand, there is a lack of willingness to map communication and documentation of processes via digital communication tools and, of course, to integrate these into the daily work routine. On the other hand, teams are often not set up properly for this type of communication environment. The higher the number of project managers and the more complicated the team structure, the more difficult communication becomes. Especially when this communication can only take place via digital tools.
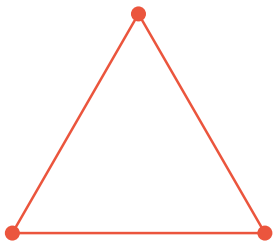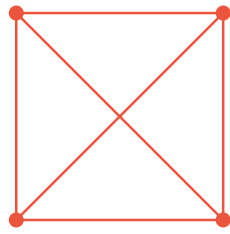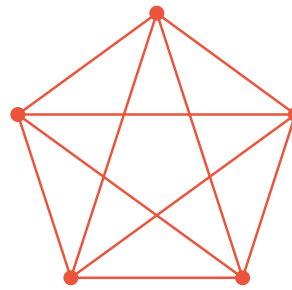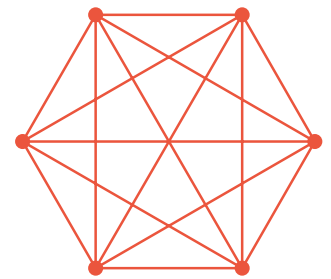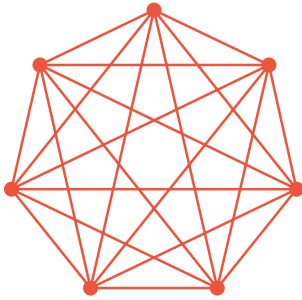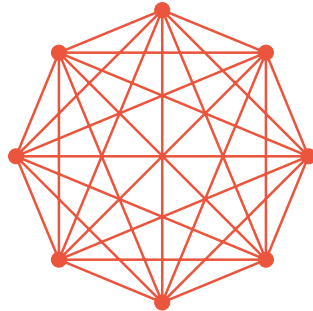
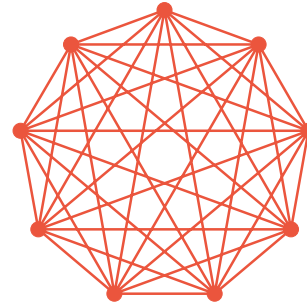3 people, 3 lines   4 people, 6 lines   5 people, 10 lines   6 people, 15 lines
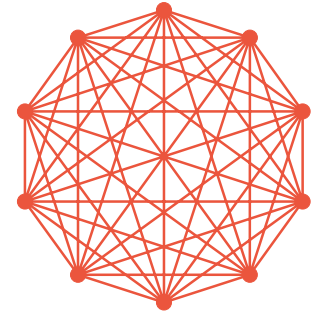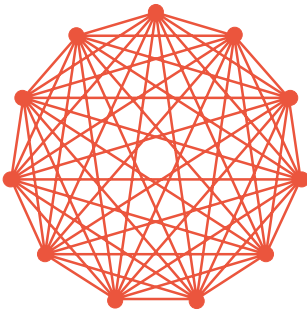
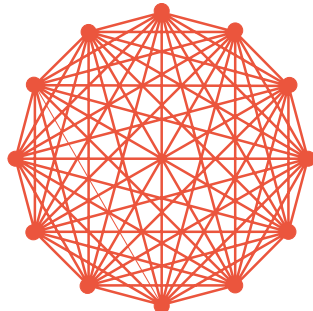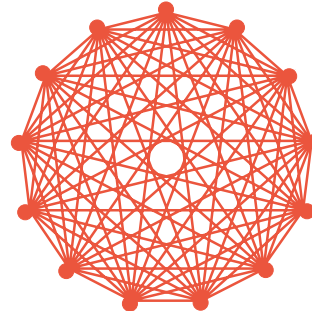7 people, 21 lines   8 people, 28 lines   9 people, 36 lines   10 people, 45 lines

11 people, 55 lines   12 people, 66 lines   13 people, 78 lines   14 people, 91 lines
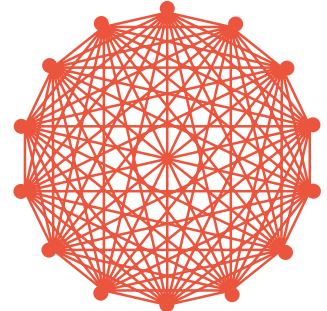
This organizational chart illustrates the difference very well: a small team of three members has three lines of communication. If only one more person is added to the team, the number of communication lines grows exponentially to six channels which need to be managed. Limiting the team member communication to create a structure that is weighted only by core decision makers is crucial for smooth and lean communication.

Have only as many people on the team as you really need, so that decisions and processes can be implemented quickly. **Several smaller teams are more efficient than one large team.**

Strategy #4: Give yourself the ability to change course at any time

Today, the survival or demise of a company is determined by whether it is possible to win customers through e-commerce and retain them. It is necessary to react to new customer needs at any time. In times of Coronavirus, only those who respond to their customers in a personalized manner and who distinguish themselves through special services, have a real chance of winning customers.

Owning flexible software plays a central role here. Standard software often has limited possibilities when it comes to configurations. That makes it hard to differentiate from your competitors in order to attract and keep the attention of the customer. There is no substantial chance of long-term success without the possibility of quick configuration.

COVID-19 has made the demands of online merchants much more complex almost overnight, meaning: **digital commerce has to be presented via a dynamic platform whose functions can be continuously developed.**

Strategy #5: Leave Scrum behind and become agile

In order to make optimal use of your own systems, the DevOps approach is considered the most agile link between the development and operation of software. This is often organized in vertical teams. These are usually small teams without complicated communication and end-to-end responsibility: from requirements management to development, to the release of individual features or attributes which results in several releases per day. This does not always have to be a big-bang release, but can mean a lot of AB testing, and it is precisely this which provides information about new needs in the market.

	Traditional	"New"	2016+
Methodology	Waterfall	Scrum	"Hyper Agility"
Teams	Project team	Horizontal	Vertical
Releases	Quarterly	Bi-weekly	1-10 times a day

Why is this kind of organization more efficient than a Scrum with weekly sprints? You will be able to identify and fix bugs faster and improve the customer journey. Today, efficient development is more important than ever if your goal is to avoid chasing long outdated standards. Now is your chance to overtake your competitors who do not yet understand this.

Success Story: Toyota built their Corona Viable Product Within 3 Weeks

Many companies have contacted us at Spryker to work together to find solutions to the new challenges created by the sudden market changes in the wake of Covid-19. One of these companies was Toyota, who worked with Spryker to launch a Corona-caused Minimum Viable Product in record time, coining the new term Corona Viable Product.

Toyota by the Numbers

2 billion Euros
annual revenue

3 weeks
to launch online shops

4,000
product variants

Toyota's car dealers were hit hard by Covid-19 lockdown. In Order to support them, Toyota wanted to create a B2B2C online catalog for dealers to showcase their products online while their dealerships were closed. An offering to the dealers to connect and interact with end customers that had to be realized in a record-low time-to-market.

Reacting to Market Changes in No Time

Toyota Deutschland GmbH reached out to Spryker to build an online platform to help Toyota dealers remain connected to their local customers during a time when social distancing has become the new standard. With local dealerships representing such an important connection to potential customers, Toyota needed to create an easy-to-use online platform to empower their local showrooms across Germany to interact with customers safely and effectively. The pandemic turned the market upside down and Toyota understood that they had to take action as fast as possible.

Flexible Innovation on the fly through MVP

Challenge accepted! It was Toyota's explicit goal to create and optimize customer journeys on the fly. This urge for flexibility and innovation matches their "Kaizen philosophy", which is a core value of Toyota and can roughly be translated as constant, continuous improvement. The MVP approach was the perfect match for these demands as it offers the chance to launch quickly and adapt the product on the fly. But still, the aimed at time-to-market of two to three weeks was very low by all standards. Yet it was important for Toyota to fight their competition and the effects of the pandemic with innovation, speed, and passion.

Connecting Dealers and Buyers with a great Customer Experience

Toyota pivoted quickly and launched a brand-new platform from scratch within three weeks. But they have not foregone a high degree of customer focus either. With the Spryker Cloud Commerce OS, they delivered a simple but effective solution that enables customers to happily browse Toyota cars online. The entire process from product selection to dealer selection takes only 5 clicks and makes it easier than ever to get in touch with suitable dealers. And at the same time, Toyota managed to cater to over 200 dealers online all across Germany. They were the main target group of this solution as they would not have the technical knowledge or the capabilities to implement a solution at the highest standards on this scale. So for them as well, the platform was designed to be easy to use and onboard.

The Learning

With passion for customers and the unconditional will to innovate, Toyota managed to launch their Corona Viable Product within three weeks. This record-breaking time-to-market was possible because of the modular and headless architecture of the Spryker Cloud Commerce OS. The sky is the limit in terms of speed, when you really commit to the MVP approach and know which aspects to focus on. Now, Toyota has built a solid foundation that can already be used by dealers and customers, and that is easy to improve with many exciting features to come.

Conclusion

The market is currently in a state of emergency. Companies that hope and wait for normality will soon lose as the economy will never be the same as it was before the crisis. **Take advantage of the opportunity to set up your business model for the current situation, but do it with the future in mind in order to optimize your processes for tomorrow.**

It is not only the company structure, lean processes, and team structure that are crucial to achieve the necessary flexibility and a strong customer focus. The right software also plays a central role in order to remain successful in times of crisis. Only then can individual measures be brought online quickly.

Spryker

About Spryker

Spryker enables companies to create winning commerce experiences in B2B, B2C, and marketplaces. It is the most modern platform-as-a-service solution with over 900 API-based modules, cloud-enabled, enterprise-ready, and loved by developers and business users worldwide. Extend sales reach and grow revenue with a system that allows you to increase your operational efficiency and lower your total cost of ownership. Expand to new markets and business models without technical limitations. Spryker solutions have empowered 150+ companies to manage transactions in over 200 countries worldwide and is trusted by brands such as Toyota, Hilti, Lekkerland, Hero, Rose Bikes, and Prym.

Do you want to learn more about e-commerce best practices and innovative digital solutions?

Visit

spryker.com

Contact

hello@spryker.com

Do you have feedback for us?
Please feel free to contact us!

content.marketing@spryker.com