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The 10 Most Frequent Problems & Solutions in E-commerce Project Management

From the known classics every company suffers from, to surprising pitfalls in e-commerce project management

From known patterns and weaknesses that always arise, through to aspects that can be completely overseen by a large part of the company for ongoing project management: here are our top 10 project management faux pas, which not only create headaches for those involved in the project but which could also cost a lot of money.

Which Weaknesses can be Found in Nearly Every Company?

1 A project without vision is like stumbling about in the dark

Put simply
These are the questions you should ask yourself before starting a project:

1 Why does this project make sense and how does it contribute to the company's success?

2 Can the project be eliminated because it doesn't contribute to the strategy and/or targets?

If your answer to the latter question is yes, then it helps immensely to tell teams about the objectives and what difference their work can make. This enables teams to make more relevant decisions: they can evaluate the business value of individual features better and solve problems within the entire context of the vision.

Employee motivation also benefits from a clear vision. Compare:

How to drain team members:

Take a list of dry requirements without meaningful context

How to excite team members:

Make them focus on a comprehensible objective, which is carried by all stakeholders. The icing on the cake: better work results.

By the way, the same applies to service providers. These are often left out of the equation completely. The role of the pure implementer is counterproductive though, as sharing the vision benefits service providers and internal teams alike, resulting in more knowledge and better decisions in favor of project success.

2 Vanity-ridden make-or-buy decisions
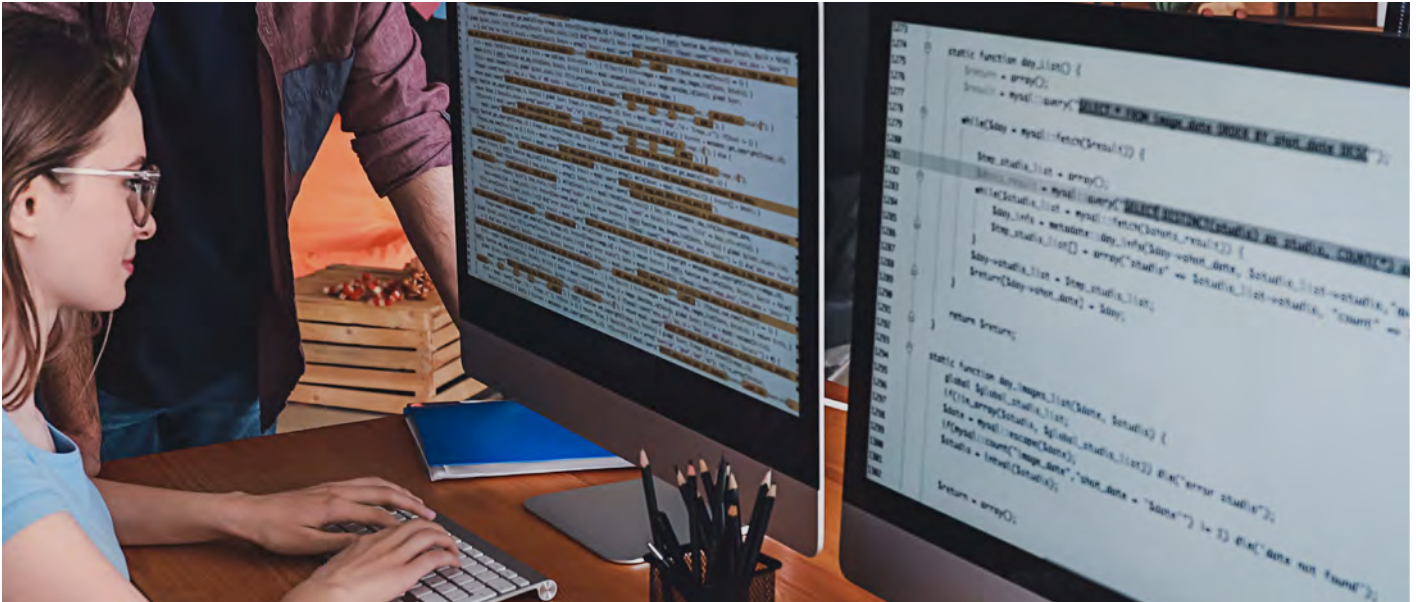
This phenomenon is found frequently in companies with a strong IT department or a high degree of self-organization. "Let's do this ourselves because we do it best" often leads to the complete overestimation of the team's capabilities. The common results: exceeded deadlines and budgets, cut features, extensive maintenance, and impossible further development of the software. It's particularly "exciting" if substantially involved employees leave the company. The result can very quickly turn into an absolute and business-critical risk.

What to do if you have already decided and are working on your in-house software?

The regular schooling of all team members and very clean documentation help to anchor the knowledge. In spite of all risks and associated costs, in-house development can even pay off in certain cases. Specifically, if a company has a competent team coupled with a very specific use case that is not covered by standard software - or, if you are using a solution that can be heavily individualized, such as the Spryker Cloud Commerce OS.

If the decision is not pending, you should absolutely involve business-oriented departments, in order to balance out the ambition for development with KPIs. You can often reach the best result by buying a solid basis and superimposing your own development.

3 Copy-paste brings no added value!

Projects are often started because of the urge to implement a new strategy. However, planning the re-platforming or the re-launching of systems often starts like this "Let's simply re-build the current processes and functionalities (for a start)." You know what they say: No one pours new wine into old wineskins. It is better to use a new barrel.

A new start gives you the possibility for reflection. What did you yourself learn from the previous system? What can be achieved with the new system? And what should you confidently leave this time?

An improvement is always possible. Focussing on the genuinely needed functionalities and establishing new standards gives you the opportunity to increase productivity and customer acquisition through additional channels and custom features.

4   Rigid budgeting hampers success

Most projects are calculated on the basis of a fixed-price budget or a strict ROI calculation. Particularly companies that are not family-owned pay a lot of attention to ROI. In practice, this certainly makes sense, because companies would like to know what they're getting involved with and what the outcomes will be. Will half a million investments lead directly to break-even after six months, or will it take longer? The downside of this approach: if you are able to achieve much better quality with just a 20-percent increase in budget, and don't even consider taking this chance, you are risking opportunity cost.

Real strategic thinking is always accompanied by constant evaluation and optimization. What factors give an advantage in competition, reduce costs in the long term, or drive productivity forward?

A one-time calculation before the project start will help with the first assessment; in the end, it pays off to regularly check resources and to release the budget if needed. Some projects are really never finished, like running an e-commerce platform. Instead, you need to invest constantly in order to remain close to the needs of your customers. What value does it bring to complete the perfect outcome that had been perfect for two months, but which no longer fits all the standards? Our recommendation: Add start and end dates only for project sections, but not for planning an entire venture.

5 Parallel projects as a guarantor for longer project durations

Projects never run completely isolated - especially in e-commerce. Dependencies have to be considered and, under certain circumstances, other processes and separate systems have to be adapted. What should be avoided, however, is to launch a new shop and at the same time reorganize product data management, merchandise management system, fulfillment, logistics, warehousing, etc. in parallel. Since many systems and teams communicate with each other, there will be friction. Waiting times arise, transfer points may be defined differently in different teams and implemented several times. If you can't find any other way, you can "ease the pain" with the help of good communication and mutually coordinated priorities.

The "We do everything in one go" approach should be avoided if possible though. Spryker customer FOND OF did it the clever way. They started the re-launch in their smallest shop first and thus gained experience with their new system landscape. Only then they gradually rolled out the Spryker Cloud Commerce OS in their other B2C and B2B branches.

What Pitfalls are Often not Taken Seriously?

6 Clueless...

Medium-sized or B2B companies often have specialized teams that manage their own processes, but no project management team that supports them in task accomplishment, timeline, and budget management. Product owners are also often missing, who bear a technical responsibility for the projects. Usually, people from other departments are then assigned to project management. This is particularly common in the IT department because it's obvious in software development.

What many ignore is that project management is a specialist discipline in its own right. The skills for this must be learned. It is therefore not surprising that these types of companies are often helpless when there are suddenly larger projects, such as a re-launch or system change, that require more comprehensive management.

But the solution can be so simple. External support can provide either operational or initial strategic help. Especially when it comes to managing teams and defining requirements, experts can share knowledge that many companies lack.

7 Standardization as the enemy of customer orientation

The customer is king… or what was that again? What is generally known and taken for granted is nevertheless regularly disregarded. Functions and processes are often designed according to one's own needs instead of having the customer's needs in mind or even understood them.

Fortunately, at Spryker we are seeing more and more companies wanting to test their ideas - often developed with their customers - first. They proceed iteratively: first functional versions are published, information about customer behavior is collected, and adapted variants are developed. Thus, as a provider, you continue to approach the needs of the customer. But there is one thing that doesn't fit: the strategy of standard software providers. They offer a great deal of functionality, which is, however, subject to strong standardization. What is good for one retailer can't be bad for another, can it?

But how can you as a provider still stand out from the competition? How can one carry out the described iterative procedure, and thus the ever more purposeful address of the customers - if nevertheless the selected software sets on the fact that one uses standard functions out-of-the-box? Uniformity is not rewarded by customers. It seems arbitrary and boring. Consequently, the customer turns to competitors who better meet his needs.

Many companies bet on the wrong horse before projects have even started. What then follows is tragic: Standard functions are removed at great expense and replaced by their own functionality. The supposed advantage of standard software is therefore reversed: existing functionality does not save money, but destroys it.

Instead of adapting customer processes to standard software, you should therefore start with the customer and define customer-oriented requirements and processes as the basis for software selection. This allows you to generate customer benefits right from the start of the project.

8 Missing laser focus
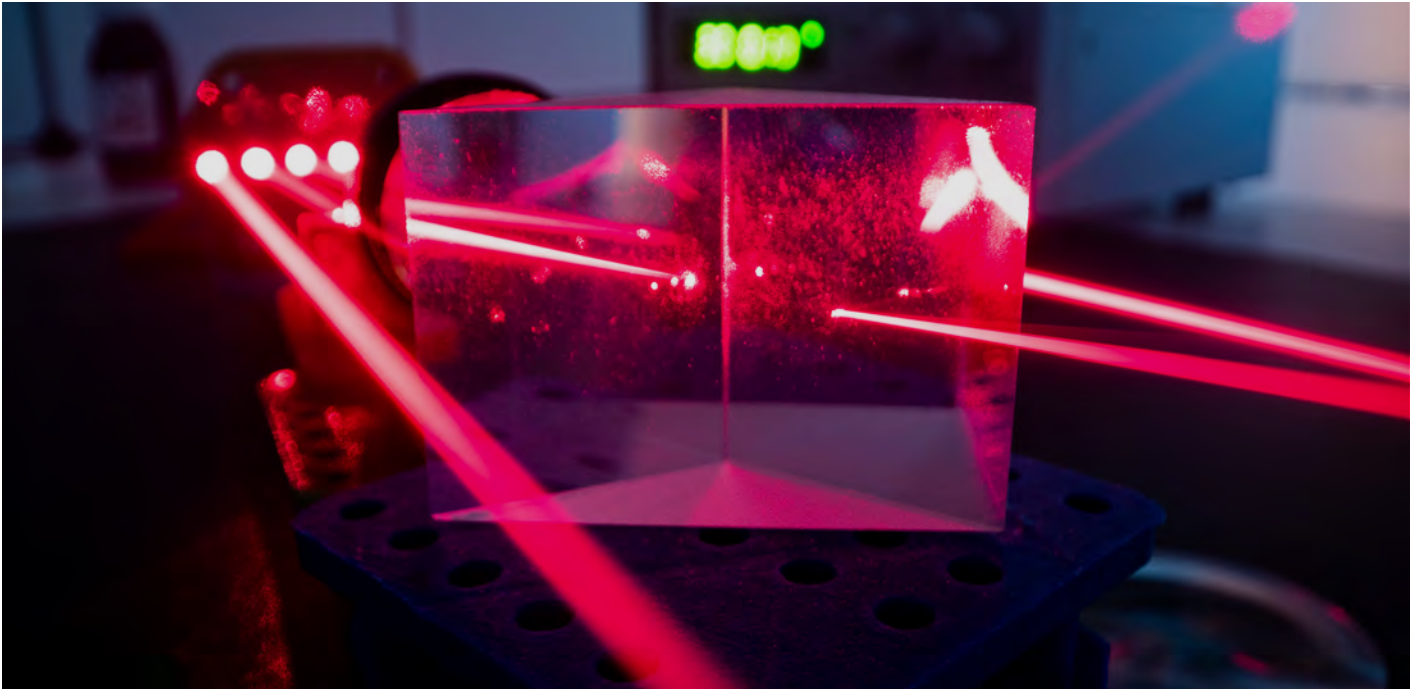
We are all familiar with this problem. You plan the week, concentrate on prioritizing and ticking off your to-do's and something comes up: an incident in productive operations, a sudden request from colleagues, or a staff shortage that doubles the amount of work at once. In the worst case, these "sideline projects" lead to nothing being done right.

Although this is so detrimental to quality and employee motivation, companies usually turn a blind eye. If these distractions turn into constant overload, the situation quickly manifests itself in a loss of quality, which can result in high costs. Even worse: If the product owner is deterred in this way from his actual task - namely the description of requirements - the productivity of the entire project team suffers.

Important: insist on laser focus, avoid distractions! Measure the velocity of the team and talk regularly to the team members. Pay attention to their nuances and rigorously eliminate any sideline activity. If you can afford it: Take the most important people out of the day-to-day business. You will be rewarded with higher quality and adherence to delivery dates.

## 9 Wandering aimlessly through the jungle of tasks

This applies both to departments that concentrate only on their own KPIs and to a centrally controlled prioritization of resources, which makes it difficult to provide cross-departmental input promptly. This type of silo mentality often goes hand in hand with a lack of management support. This can manifest itself in the fact that targets or impulses are set from above, but no support is provided for operational obstacles and problems.

The catch: without support from above this deficiency can rarely be eliminated, because only a purposeful way of thinking, which concentrates on the product as a whole and not individual partial goals, can cause a reorientation here. Constant communication is the be-all and end-all.

How can middle management be convinced? As a rule, a constructive sharing of knowledge and resources quickly leads to a stronger ability to implement, i.e. one moves forward faster and improves output quality significantly.

10 No risk (management), no fun
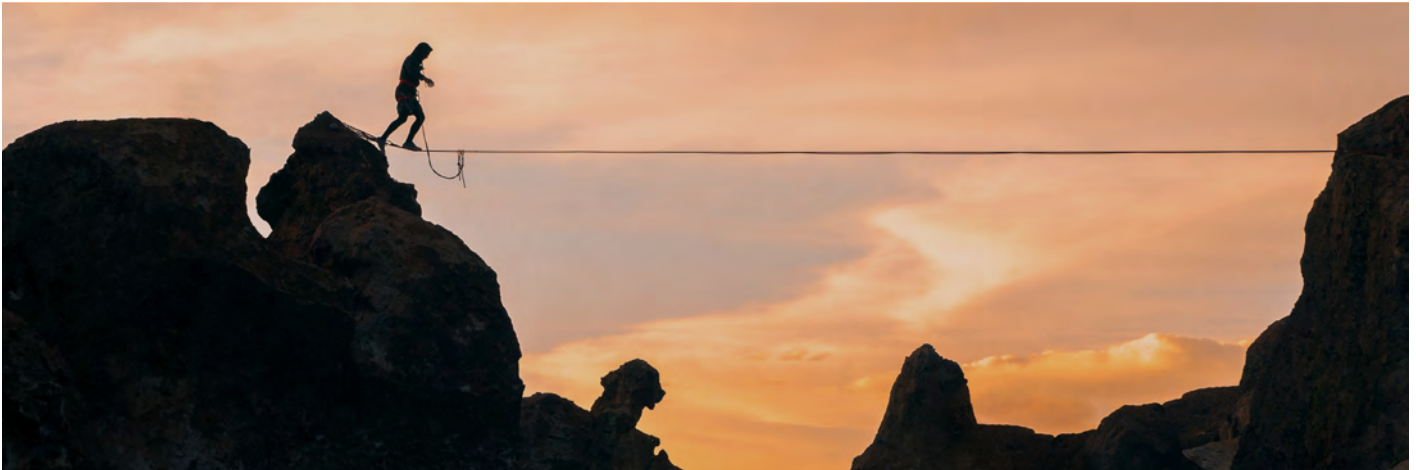
Let's close the circle with a review of the first part of this list: Projects are meant to make a difference. By definition, projects are therefore fraught with risk. With the right tools and initial experience, junior project managers can also assume responsibility - as long as everything goes well. What can happen, however, and how do I deal with it if problems arise? Not infrequently, an unprepared worst-case scenario leads to wrong decisions, which are made under pressure and cause even greater damage than you would ever have imagined - if you had done it before.

We say: "Risk management is project management for adults".

Anchor consistent risk management in your everyday project work! It's actually very simple: consult with experienced colleagues from the various specialist departments and together consider which pitfalls are possible - including worst-case scenarios.

With a formula for the probability of occurrence and the effects, you can determine relatively quickly what could burn and which scenarios don't require you to lose sleep. To do this, you define a value between one and ten for each - 10 is the highest - and multiply both factors by each other, so that the result is a value between one and 100. All factors with more than 50 points should definitely be looked at more closely. The same applies to scenarios with a high probability of occurrence. If possible solutions have been developed and communicated for these scenarios, you can be much more relaxed about countering the project risks.

Enjoy what you read? You might benefit from reading <u>7 Concepts to Make You Faster</u>. Speed has become a crucial success factor in digital commerce as markets are changing at an accelerated pace. But how do you get your digital business up to speed without sacrificing quality? This guide gives an overview of the latest trends and hacks around concepts that accelerate your business.

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