

Baum Digital Case Study

Industry: E-Commerce (Hardware retailer)
Tech Category: E-Commerce Platform, Amazon
Web Services Cloud
Baumdigital.com

Evolving customer demands in the age of digital are creating a new challenge for retailers: transform quickly or fall behind the competition.

One home improvement and hardware retailer with a strong presence in the southern United States understood the urgency for digital transformation, but its leaders were not sure where to begin.

With its traditional brick-and-mortar business model, the company's first hurdles were introducing an e-commerce platform and integrated systems across all locations. With over 35,000 stock keeping units (SKUs), the logistic complexity of working with numerous suppliers and distributors made this a mammoth task.



The Challenge

In order to build the systems from the group up, the retailer approached Costa Rican digital specialist Baum Digital.

According to Rojas, navigating the company's many internal systems and departments was the biggest challenge when developing the platform's blocks. The platform was also meant to operate across several cities, adding multiple layers of suppliers and distribution centers to the mix.

Integrating multiple players at a scale of 35,000 SKUs was certainly complex," recalled Rojas. "Distribution for hardware supplies also has its own business rules. For instance, flammable products cannot travel with certain goods. There we many things to consider.

For Baum Digital, the planning phase was critical as it increased the team's understanding of the client's business while also revealing specifications, associated costs, and delivery times, which were important influencers on the client's decision.

The Solution

Following a thorough business analysis, the team at Baum Digital worked on a prototype front end, applying user experience principles to the interface design. They also developed a technical plan detailing the tools required to build the final platform.

A second phase required the client to obtain feedback and proposals for the project, which was followed by service development, backend work, and configuring the infrastructure. The platform was set up on the Amazon Web Services cloud, a robust and scalable infrastructure that supports high volumes of web traffic.

Once a tangible product was ready, the company began running real-time tests, stress tests, and further systems integration processes. This was achieved by leveraging Scrum methodologies paired with Jira for project management. The platform was finished two weeks before the scheduled date, giving Baum Digital time to run additional tests.

All that was left was to launch the e-commerce platform, with support from the client's marketing and commercial strategies.

The Results

Retailers entering the digital realm must adapt to new processes and embrace a change in company culture. For this hardware retailer, the solution was to hire new staff to support the digital side of the business, such as e-commerce managers, front end technical support, and digital strategists.

There were areas of the business that underwent a complete, progressive transformation to successfully introduce the e-commerce store, which is now as important as their physical branches, explained Rojas.

The platform was successfully launched to great praise from the company's customer base. Despite a slow rollout and a discrete marketing strategy, the e-commerce platform brought in a surprising amount of new sales. By the fourth month, the retailer had generated US\$85,000 through the platform in the first city where it was launched. Furthermore, the act of "nearshoring" the platform's development—or outsourcing it in a similar time zone—turned out to be half the cost of outsourcing locally, without compromising quality.

Today, Baum Digital is continuing to work on improvements to the platform according to the client's growth needs. "We're continuing to plan with caution and precision, which has been the most important skill we picked up from tackling the project," concluded Rojas.

In 4 months, the new e-commerce platform generated US\$85,000 in additional revenue.

The main objective was to build an e-commerce platform and adapt it to the client's way of working, not the other way around.

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