



COMPOSABLE ARCHITECTURE:

The modular way to commerce agility.

Customer expectations for commerce are changing faster than ever. Technologies and methods of digital engagement that once seemed cutting edge have become commonplace across industries. The result? Today's *next big thing* is tomorrow's *no big deal*.

In this environment, your brand's commerce strategies, channels and capabilities can't just move at the speed of business. They need to move at the speed of *want*.

In a new series of articles Deloitte Digital explores six trends in digital commerce that are helping brands become more indispensable for customers—and more agile and resilient as businesses. A composable approach is one of those trends.

Composable architecture

Digital commerce doesn't stand still. Just look around. The buy-online, drive-up delivery model scarcely existed until retail shutdowns during the early months of the pandemic—and now signs of it are (literally) in every retailer parking lot. Digital wallets are rapidly supplanting credit cards as the payment method of choice. And manufacturers of everything from industrial machinery to candy bars are venturing beyond tried-and-true distribution channels into new terrain with direct-to-consumer sales.

Point is, the pace of change in commerce is only quickening. And all of these advancements require new technology solutions to deliver and support them. It's not a stretch to say that the commerce functions and features—even business models—the market demands now will need to be refreshed or reimaged before you know it.

That doesn't mean you can't be ready for it. The need for agility is why market-leading companies are turning to composable architecture as a way to build and rebuild their commerce capabilities block by block as they respond to changing trends and needs.

From monolithic to modular.

To understand why composable architecture is a game changer, consider the limitations of traditional commerce platforms. These all-in-one monoliths come with a predefined, bundled set of features and capabilities. Problem is, they're hard to customize or advance because you can't easily scale or swap out capabilities when your business strategies change or customer expectations shift.

A modular, composable approach, on the other hand, allows you to swiftly and

economically add, replace or scale just the features or functions you need. Releasing four or five new features can happen in a week or less, compared to over a month for adding a single feature on a monolithic platform. You choose from "best in breed" building blocks from multiple technology vendors, rather than being wed to a cookie-cutter templated solution from a single vendor.

Here are some of the ways companies are tapping the benefits of composable architecture for commerce:

- A clothing brand reduced its online return rate after adding functionality for 360-degree product imagery across its commerce channels.
- Through a unified, adaptable platform, a sports league with dozens of teams created

unique experiences for people shopping for merchandise, depending on the team or player they root for.

- By adding in-car connected commerce functionality, drivers can turn on subscription services for features like dynamic navigation systems, safety assistance and, believe it or not, even heated seats, allowing an auto manufacturer to standardize its production line—and add new revenue streams.
- A B2B company connected its siloed billing and shipping systems—and then connected its internal system to resellers, affiliates and end customers for smoother communication.

Creating a composable organization.

Adopting composable approaches gives companies the adaptability they need to thrive in commerce today. But there's more to it than nimble technologies. New mindsets, processes and operational structures are vital to tapping this new paradigm of fast evolution.

To begin with, your IT teams will need to stretch their thinking—to look at problems differently and break old patterns. While it becomes easier and faster for IT teams to make updates and incorporate new tools, they need to be ready to leverage new learning resources and networks.

Same goes for processes and operations throughout other parts of your organization.

Legal and finance teams, for instance, will need to expand their thinking to embrace agile approaches. Gone are the days of managing one contract or paying one annual invoice from a single commerce platform vendor. With composable, those teams will now need processes for managing multiple vendor relationships.

For commerce organizations more accustomed to thinking about *next year* than about *tomorrow*, these changes won't necessarily happen today. Fortunately, once you get rolling, the very nature of a composable approach means that wherever you are today, you can adapt—component by component—to exactly where you need to be tomorrow.

Composable reaches the C-suite.

Composable architecture has been a buzzy topic trending with IT teams for a few years.

These days it's business leaders who are buzzing about it, as they see how composable commerce gives their brands the agility to pivot and/or fine-tune their digital sales strategies and reach customers wherever, whenever and however they want to buy.



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