



Newsletter Vol. 39 - Introduction

Softengine News is dedicated to keeping you up to date with the latest information regarding SAP Business One systems, Softengine solutions and Best Business Practices.

What's New?

Spotlight on Return on Investment (ROI) – Enhancing Revenue via Integrated eCommerce

Return on Investment (ROI)

We all know that we need to be motivated to make a purchase. Many times seeing the numbers helps us to understand the profitable value of the solution.

Return on Investment (ROI) is used by companies to understand the business value of investments and today it is one of the main drivers behind spending money on technology. ROI is a family of financial measurements known as Net Present Value (NPV), Internal Rate of Return (IRR) and Payback and are all as important as each other. NPV, IRR and Payback are the primary measures that define the business value of any investment and therefore are key within the financial decision-making process.

The ROI family represents Value (NPV), Rate (IRR) and Time (Payback). Value; how much money one will make on the investment. Rate; the yearly percentage returned on the funds used on the investment. Time; when one will get their initial investment back.

Joint agreement is necessary between the supplier and customer on the costs and benefits in order to provide a trusted ROI. ROI is about quantifying and substantiating ongoing costs and benefits from a project.

A down-turn in economy spurred a renewed interest in value -- and as the strategic mission of IT shifted from saving money on back-office functions to **enhancing revenue** -- "return on investment" has taken on new meanings and importance.

ROI was about the bottom-line impact of projects and now we have moved to a phase called 'value creation' ROI. "Operational" projects -- such as upgrading a network, replacing PCs or even moving to the cloud -- are usually all about cost savings and are subject to fairly straightforward, tried-and-true evaluation metrics. While operational IT projects aim to save money, strategic ones like integrating eCommerce, try to make money.

Even as companies cut back on expenses there remains the imperative need to increase sales and marketing. Electronic commerce has afforded many benefits to both companies and their customers. This ability to buy and sell products and services over the internet has broadened the options of conducting business. Providing information to customers and

handling transactions swiftly has made this form of internet business compelling for both the company marketing their products as well as for their clients.

If you've already implemented an eCommerce solution, you already know many of the following **benefits** that your WebStore offers:

- Your business is open 24x7, 365 days a year. Customers can log on to your site anytime, anywhere, to get more information on a particular product or service, and then place an order, quickly and securely.
- The costs of doing business over the Internet is markedly lower than those for traditional paper-based and telephone transactions.
- Online ordering virtually eliminates processing errors, and offers a much more convenient customer shopping experience.
- Online business creates a competitive advantage.

Is Your eCommerce Site "Integrated"?

If you have already invested in an eCommerce site, you've taken a very important first step towards increasing your target audience and improving accuracy and efficiency in your order fulfillment. However, to fully maximize the potential of your WebStore, it is essential that it integrate with your ERP system in order to take advantage of two-way, real-time information flow between the two systems. Otherwise, you and your customers are likely facing the following disadvantages:

- Staff must re-enter orders from your Web store into your in-house accounting system.
- Staff wastes lots of time updating items, prices and on-hand quantities in your WebStore to match with your accounting system's inventory data.
- Customers can't track the shipping status of their order.
- Customers can't update their company information (billing and shipping address, phone, email, etc.) online.
- Customers can't see detail invoices and pay them online.

Make Sure It's Integrated

The right online ordering solution ensures two-way, real-time integration with your back-end ERP system so that you maintain full control over your order fulfillment and inventory management. In addition, this system should make the customer shopping experience as convenient and enjoyable as possible, with instant e-mail confirmation, timely shipping notification and access to their account information, when needed.

Armed with the right eCommerce system, your business will grow, as will your customers' satisfaction level and loyalty. Softengine eCommerce Magento Solution lets companies increase their sales and market reach on the Internet while being connected to their SAP Business One.

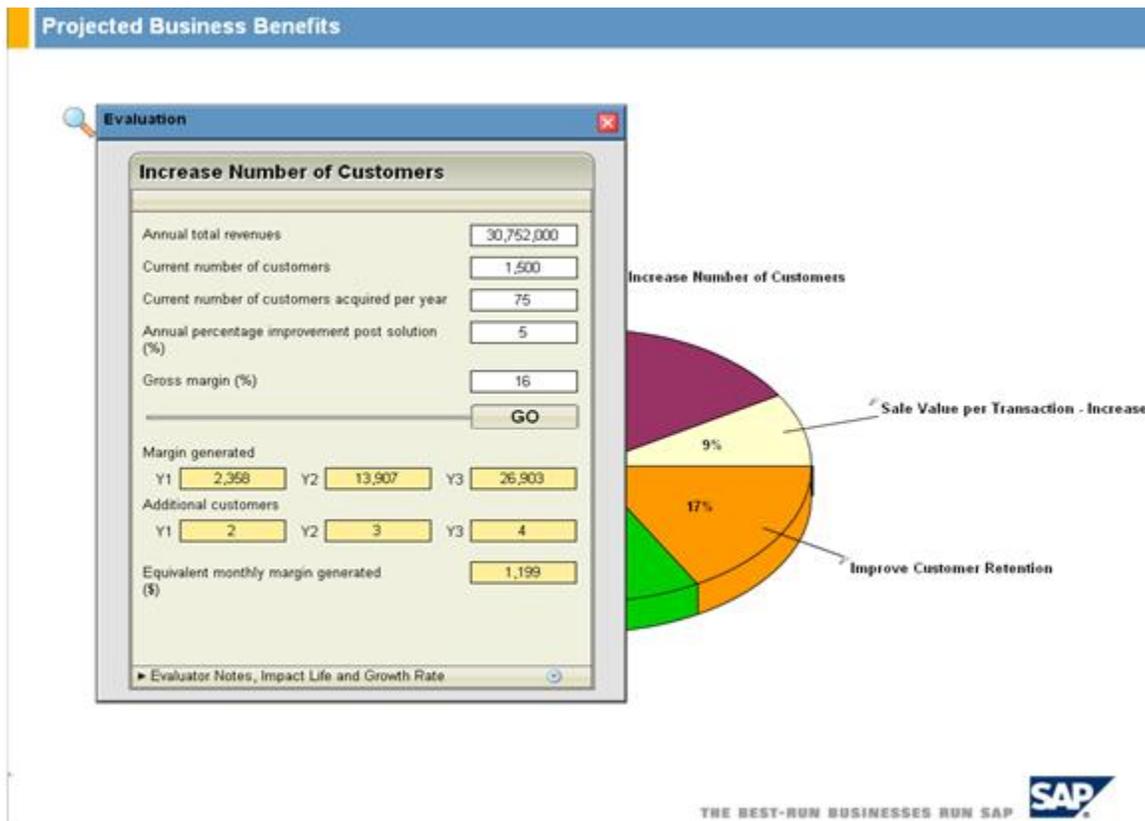
The Magento eCommerce software combines the flexibility of open-source technology with industry-leading features to provide merchants unprecedented control over store operations. Softengine delivers superior ERP business management system, SAP Business One, combined with a professional WebStore that is search engine optimized for a greater retail presence on the Internet.

- Versatility and Freedom - Control every facet of your store, from merchandising to promotions and more. There are no limits to creativity with Magento.
- Attract + Convert = Growth - Magento's SEO features and user experience will attract and convert more qualified customers, leading to business growth.
- Integration with SAP Business One – no need to re-enter customer, inventory, sales order, payment, current pricing and even shipment tracking information; our integration software will access it in real-time.

- B2B Functionality – Enhance your company efficiency by providing Internet-based, eCommerce ordering functions. Sales order transactions placed by “wholesale” customers over the Internet are entered securely in real-time into SAP Business One System using predefined pricing rules and current terms of payment. In addition, the eCommerce system offers the flexibility to your sales people and outside reps to place sales orders for their own customers directly into SAP Business One and check the status on their transactions.
- Customer Satisfaction via Self-Service - Your customers can check order status, and view up-to-the-minute account information such as outstanding invoices. The integrated eCommerce into your SAP Business One system will help you deliver superior customer service and significantly reduce your administrative and sales support expenses.

ROI Software – Are You A Best Run Business?

Integrated WebStore lends itself perfectly to show how a customer-centric portal produces monthly margins and savings. Some well-known points such as opening one’s business 24/7 without additional order desk and customer service staff are obvious and the numbers prove it. But there are some that need an ROI tool to attach meaningful numbers to: “customer satisfaction”, customer retention, customer self-service, reduction of errors, increase in sale value per transaction, etc. The ROI software tool provides an indisputable value that changes your perception from a cost to an investment that it is positive to the bottom line! The software identifies economic benefits, automates the calculation of three key return on investment measures and produces a concise report for presentation and budget approval.



Get a ROI analysis in just a few minutes and learn how to make your company benefit from an integrated eCommerce solution! For more information about the **FREE ROI Analysis** tailored to your specific benefits, please contact Barry Lederman: 818.704.7000, blederman@softengineusa.com.

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