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ePages and the Importance of Developing an Ecosystem in the Cloud

Over the past year, IDC has been working closely with Sage to understand the implications and opportunities that cloud presents for its business partners. We've conducted a global survey of 500 software channels and held in-depth discussions with some of Sage's leading cloud business partners to learn how they are building successful and profitable cloud businesses.

One of those business partners is ePages, which was identified by Sage as a cloud native partner that has partnered with the company to incorporate its cloud products into its cloud ecosystem. Sage invited Margaret Adam, program director for IDC's European Channels and Alliances Practice, to interview ePages to get their perspectives on this topic.

ePages' core offering is an ecommerce platform that allows small and medium-sized businesses (SMBs) to intuitively build their own online stores. ePages primarily operates in B2B, partnering with webhosters in a white-label model, to enable SMBs to add ecommerce to their website while they're building it through its cloud-based online shop solution. ePages is headquartered in Hamburg with offices in Jena (Germany), London, Barcelona, and Brooklyn (New York).

Margaret had the opportunity to interview Luke Tobin, who heads up ePages' business development in EMEA, to discuss the relationship between ePages and Sage and what lessons the company learnt as a cloud-native provider in the SMB sector.

Q: Before we begin, could you provide a bit of background to your business?

ePages is the largest independent provider of online shop software in Europe based on license revenue. With over 20 years of experience, we enable 140,000 companies in 75 countries to run professional online shops in the cloud. Our proposition is to make selling online easy and affordable, with all the elements for successful omnichannel ecommerce included. We aim to be seamlessly connected with other ebusiness services, so contributing ecommerce capabilities to a wider toolset for "cloud-enabled business."

Q: So, it seems you started from day one in the cloud, you could be considered an early adopter in European terms. How has that impacted your business model?

ePages has always been software-as-a-service — delivering real-world cloud benefits to SMBs is part of our DNA. The cloud model has always shaped how we create and deliver our work. We work with a variety of online platforms, tools, and services to deliver additional ecommerce functionality to users in a seamless,

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integrated manner. As many business applications need to be continually and reliably synchronized, it is technologically far easier to achieve this with APIs and the cloud vs. connecting on-premises installations on single machines. We have always been champions of the SaaS model. In addition to the stability of recurring revenues, our ecommerce customers offer high ARPU and low churn.

Q: That ecosystem element is interesting. Could you elaborate on your strategy here?

Being part of a cloud ecosystem is integral to our strategy. We partner with other innovation leaders, such as Sage, which enable processes that are vital to any ebusiness. It is via access to this suite of compatible cloud services that SMBs can best succeed and grow, and so require more ecommerce solutions in their upwards lifecycle.

When a customer benefits from an ecosystem of relevant cloud services, this enriches their experience of ePages. The services are synchronized and always connected through APIs. ePages and Sage are a great example of how automation between cloud services can make an SMB more efficient.

In developing our award-winning software, we collaborate with more than 80 technology partners such as online marketplaces, comparison shopping websites, payment providers and trust seal vendors — meaning that our SMB clients are always apace of ecommerce demands and always secure, compliant, competitive, and future-proof. Our sales partners are leading hosting providers as well as ERP, logistics, telecommunications, and online listings companies.

Q. Many business partners we've spoken to have said that many of their SMB clients are not comfortable in the cloud. What has your experience been here?

There is now mass participation in online retailing globally, with a surging market for lower revenue, low-cost solutions. ePages' cloud-based software makes ecommerce viable for the many, with quick setup and the lowest possible investment costs, typically around only £20 per month. The broad features, power and compatibility of the ePages platform means that retailers can scale and grow their business on ePages' software.

The degree of complexity and pace of ecommerce as a sector can be a challenge for SMBs to face alone — there is the need for constant updates, and new integrations for logistics, payments, currencies, marketing apps, etc. ePages is a perfect example of why cloud can be valuable to SMBs. Our own USPs [Unique Selling Propositions] have always been the same cloud characteristics that are demanded today. Our SaaS approach has always meant that management and cost is greatly reduced for the user vs. on-premises installations.

Many SMBs still plan to begin retailing, and we are supporting our ecosystem partners to win more of this ecommerce revenue. A cloud approach means that providers can proportion ecommerce solutions totally in line with their customer needs and budgets. Cloud scalability allows ePages to deliver the right solution for a business in every stage of their development.

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Q. Do you offer any enablement or other support to your partners to help them sell in the cloud world?

We offer our partners marketing support, training, implementation consulting, application management, as well as white-label technical support and design services for their end customers. Optionally, we can also provide the hosting of the ecommerce platform on our servers. For merchants, we are renowned for our support materials and activities such as our merchant education materials and live ePages academy events.

Q: Any views you'd like to share with us on how Sage has partnered with you on your cloud journey? Any feedback you'd like to share with us?

ePages and Sage working together is a great exemplum for how cloud technology can empower SMBs. We've enjoyed a long-standing technology partnership with Sage, having supported their ERP offerings with Sage Shop powered by ePages, as well as integrating SagePay into our shop platform. Rolling out a fully synchronized ePages and Sage One software was a logical progression. SMBs can now synchronize their online orders with their Sage One account via a connector, activated and managed from within the "Accounting" section of their shop administration area. Every order from an ePages online shop is updated in Sage One, and made available in the accounts within Sage One.

Our partnership with Sage has meant that we have the privilege of sharing in the further online growth and success of Sage customers. It makes complete sense for us to be part of a suite of strategically valuable tools for an SMB. As a merchant grows in scale, both Sage and ePages have the technology options available to support them.

Q: Any last words of advice?

To secure valuable ecosystem partners, it is necessary to commit resources to this area. ePages has dedicated partner managers working within product management who identify and recruit potential new ecosystem partners. As an organization, it is important to research and remain up to speed with the changing trajectory and focus of other cloud services.

ePages' use of agile development enables us to better integrate or synchronize with the most modern cloud services like Sage One. In a fast-moving sector like ecommerce, the speed of co-development can be instrumental for partners and end users.

Of course, building a successful cloud ecosystem involves more than successful technical launches — it is also vital to promote the business case to SMBs, and support and educate users. For example, ePages works with Sage to continually reach out to customers we feel could benefit, and we both champion testimonial users to help achieve this.

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Learn More:

Sage has recognized that transitioning to a SaaS model is challenging for many of its partners and has made significant investments in research to understand the challenges and opportunities that cloud and broader digital transformation presents for its partners. Sage, together with IDC, have created a series of reports and tools to help partners navigate the transition.

These include:

1. Partner Connections: IDC has held in-depth discussions with partners, like ePages, that have successfully incorporated SaaS into their business. Highlights from these interviews have been captured in reports such as this one, as well as in videos which will be available to all Sage partners on <https://www.sage.com/company/partners/the-future-is-in-the-cloud>
2. A Partner of the Future Infobrief: which is a short, succinct report highlighting the importance of incorporating cloud into your portfolio, how to make money from, it and the implications it has for partners in terms of what you do, how you do it, and who you do it with.
3. An interactive online assessment tool to help you benchmark your cloud business against your peers and competitors in the industry across multiple dimensions including: cloud strategy and vision, cloud processes and skill-sets, marketing for cloud, cloud sales, and your business mix
4. A Partner Profitability Executive Brief: This report provides business partner owners and executives with insights and guidance as to the profitability implications of incorporating SaaS into your business, including key business performance metrics for a profitable SaaS business, and best practices identified through deep analysis of research focused specifically on business partner profitability in cloud.
5. Partner Success Guides: These are short, content-rich reports, which go a little deeper into some of these elements, essentially acting as a "how to guide" across three critical areas of building a cloud business: optimizing process and skill sets for cloud, re-thinking sales and re-thinking marketing.

For more information on these tools and reports, please contact Rachel Preston rachel.preston@sage.com.

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