

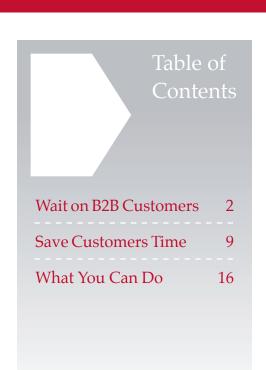


NATIONAL ASSOCIATION OF ELECTRICAL DISTRIBUTORS

Executive Guide

***4**

"Checklist for an Effective E-Commerce Website"



Key Questions for Effective E-Commerce Capability

Every day more and more customers are creating purchasing process efficiencies by using the internet as a primary source of information. Customers also are placing an increasing number of orders online. Even though customer expectations may still be evolving, electrical distributors must have an effective online presence <u>and</u> offer e-commerce capability---enabling customers to conduct business over the internet.

Since the supply chain is only as strong as its weakest link, NAED's Strategic Technology Task Force created the <u>Executive's Guide #3 to Strategically Managing Your Company's E-Commerce Capability</u> to assist distributor executives in understanding the key, strategic questions to ask in order to create an effective e-commerce website that reinforces their companies' strategic priorities as well as increases sales, improves efficiencies, and cuts operations costs. This companion document, <u>Executive's Guide #4: Checklist for an Effective E-Commerce Website</u>, examines many of the details required for an effective e-commerce website and builds upon <u>Executive's Guide #2: Checklist for an Effective Online Presence</u>.

E-Commerce: Business transacted over the Internet.

While not an all-inclusive listing, this executive guide was designed to help distributor executives understand many basic e-commerce concepts and stimulate conversations with information technology (IT) personnel. This checklist is not meant to supersede the knowledge and expertise of an experienced information technology (IT) professional. Each company's strategy should be based on the overall strategic objectives of the organization.

Allowing customers to make purchases and access account information 24/7/365 is a tool to save customers time and help your company better serve customers. NAED's Strategic Technology Task Force recommends distributor executives review this checklist with their information technology (IT) professionals, analyze how their company's e-commerce website "measures up" against these 122 criteria, and then use the information to develop a road map to a world-class e-commerce website.

E-commerce helps customers create efficiencies throughout the purchasing process.

Waiting on B2B Customers

Key ways to help customers transact business online include:

- Safeguarding Cyber Security
- Offering an Online Product Catalog
- Searching the Online Product Catalog
- Linking Website and Business System
- Requesting Quotes Online
- Enabling Online Ordering
- Online Payment Methods
- Tracking Orders Online

<pre>feguarding Cyber Security TE: Portions of the information below also appear in the Executive Guide #2: Checklist fo</pre>	r an Effective Online Presence.	No
Our web servers are housed at a data center that is PCI Compliant (If your answer to question 1 is "Yes," skip questions 2-14)	and SAS 70 certified.	
Our web servers are housed in an area with restricted access.		
Our web servers are under real-time camera surveillance.		
Our web servers reside in double-keyed cabinets.		
Our web servers have access to several network providers.		
Our web servers are protected by a dry-pipe fire suppression syste	m.	
Our web servers are located in a building rated Zone 4 for seismic	activity.	
Our web servers are <u>not</u> located in a flood zone.		
Our web servers are cooled by redundant HVAC systems.		
Our web servers are attached to uninterruptable power supplies.		
Our web servers are attached to back-up generators.		
Our web servers have multiple levels of electronic security 24/7		
Our webservers are PCI Compliant (PCI Compliance is adherence to set security standards developed to protect credit card information security standards protect credit card information during and after a financial transaction. The is to ensure merchants provide the maximum security when processing custo customer data. PCI Compliance applies to ALL organizations or merchants—number of transactions—that accept, transmit, or store any cardholder data.	dards developed to goal of PCI Compliance omer payments or handlingregardless of size or	
Our webservers are SAS 70 certified. (Statement on Auditing Standard ally recognized auditing standard used to report on the processing of transa an authoritative guidance enabling service organizations to disclose control to auditors and customers in a uniform format. When a service auditor issu prepared in accordance with SAS70, this signifies a service organization has and control objectives examined by an independent accounting and auditing	actions, that provides activities and processes es a report that has been s had its control activities	
ring: Assign 25 points for a "Yes" answer to question 1. Assign 1 point for every "Yes" answer to questions 2-12. Assign 7 points for every "Yes" answer to questions 13-14.	Maximum Possible Our Score =	e Points

Cyber Security: Protection of digital business information against theft and misuse.

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ONLINE CATALOG > **ONLINE CATALOG**

	ering an Online Catalog E: Portions of the information below also appear in the Executive Guide #2: Checklist for an Effective Online Properties.	esence. Yes	No
15	Our online catalog has quality, product-specific images for stock products.		
	Our online catalog contains information for stock products that allows customers to select the correct product for their application, i.e., voltage, wattage, trade size, color, length, NEMA rating, etc.		
	Our online catalog shows standard package quantities for stock products.		
	Our online catalog shows standard pricing and units of measures for stock products.		
	Our online catalog contains the weight of stock products.		
	Our online catalog has up-to-the-minute availability of stock products and is linked to our business system, i.e., ERP.	0	
	The online catalog suggests accessories for products (Also known as "go with's").		
	Our online catalog suggests items others have ordered with this product.		
	Our online catalog suggests promotional products.		
	Our online catalog provides quoted customer pricing if the customer is "logged in."		
Sco	ring: Assign 2 points for every "Yes" answer to questions 15-20.	Maximum Possib	le Points = 27

Assign 3 points for every "Yes" answer to questions 21-25.

Maximum	Possible	Points =	27
Our Score	_		



rching the Online Catalog Portions of the information below also appear in the Executive Guide #2: Checklist for an Effective Online Presence.	Yes	No
Users can search our online catalog by product category (breaker, panel board, wire, etc.).		
Users can search our online catalog by keyword. (keyword search is a word or string of words you type in a search engine).		
Users can search our online catalog by brand name or manufacturer.		
Users can search our online catalog by manufacturers' full or partial part numbers (part number begins with, ends with, contains, etc.)		
Users can search our online catalog for stock and non-stock products.		
Users can sort their search results in different ways.		
Our online catalog allows users to search by customers' full or partial custom part numbers if the customer is "logged in".		
Our online catalog allows users to search for stock products using product selection information, such as voltage, wattage, trade size, color, length, NEMA rating, etc.		
Our online catalog returns the most relevant items first, i.e., Smart Search. (<i>Smart Search displays the most relevant items first</i>).		
Our online catalog provides "find as you type" (FAYT) capability. ("find as you type" refines the search as you type in more characters).		
Our online catalog provides full Boolean Search capability. (<i>A Boolean Search uses the operators AND, OR, and NOT in the description</i>).		
Our online catalog includes cross references to similar products from other manufacturers.		
Our online catalog allows users to compare up to 5 selected items at a time		

Scoring: Assign 1 point for a "Yes" answer to question 26. Assign 2 points for every "Yes" answer to questions 27-31. Assign 3 points for every "Yes" answer to questions 32-38.

Maximum Possible Points = 32

Our Score = _____

Lin	king Website and Business System	Yes	No
39	Our website is linked to our "back-end" ERP system.		
	Information in our online catalog, including availability and prices, are updated no more often than hourly.		
	Our online catalog, including availability and prices, are updated via batching at least every 60 seconds.		
Sco	Assign 3 point for a "Yes" answer to questions 41.	ximum Possibl · Score =	e Points = 7
	E-Commerce websites MUST be integrated with busin	ness syster	ms.
Re	questing Quotes Online	Yes	No
ne	questing Quotes Online	Yes	No
	Our website allows users to request quotes online.		
	Our website allows users to view quotes online.		
	Our website allows users to request a quote for special pricing online.		

Assign 1 point for every "Yes" answer to questions 42-43. Assign 2 points for a "Yes" answer to question 44. Assign 3 points for every "Yes" answer to questions 45-46. Our Score = _ Customers want to find businesses online, request quotes online, view quotes online, request special pricing online, upload bills of materials for

quotes online, and modify quotes into orders.

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Scoring:

Our website allows users to upload a bill of materials online.

Our website allows users to modify a quote into an order online.

CHECKLIST FOR AN EFFECTIVE E-COMMERCE WEBSITE

Maximum Possible Points = 10

En	abling Online Ordering	Yes	No
47 48	Our website offers online ordering or electronic shopping cart capability. (<i>An electronic shopping cart is a user-interface for customers to shop at online stores. It allows users to place items in a "shopping cart" and the cart remembers the items for a predetermined length of time.</i>)		
	Our shopping cart includes a clickable image of the product(s) being purchased.		
	Our shopping cart retains the customer's previously entered information (except credit card information) even if they click the browser's "Back" button.		
	Our shopping cart allows customers to save their selection for purchase later.		
	Our website allows "Guest Checkout."		
	Our website provides estimates of sales tax.		
	Our website provides an Edit/Change Quantity/Update button.		
	Our website provides estimated ship dates at the time or order.		
	Our website offers a choice of various methods of shipment. (Will call, UPS, FedEx, common carrier, distributor truck, etc.)		
	Our website provides a total purchase cost before requiring payment information.		
	Our website provides a complete summary of the order before requiring customers to "submit" the order.		
	Our website allows customers to "print" an order summary via a "printer friendly" option		
	Our company contact information is prominently displayed on every web page so customers needing assistance with their purchase can call us.		
	Our website provides an order Confirmation/Thank You page after an order is placed.		
	Our confirmation page provides a timeline of when the customer's order will ship.		
	Our website offers a place for customers to include special shipping instructions.		
	Our website provides a step/progress indicator to show progress throughout the entire checkout process.		
Sco	Assign 3 points for every "Yes" answer to questions 62-63.	imum Possibl	e Points = 41

Online ordering will continue to grow in popularity as customers insist on online ordering capabilities.

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CHECKLIST FOR AN EFFECTIVE E-COMMERCE WEBSITE

Online Payment Methods		Yes	No
65	The SSL Certificate for our website only has domain validation. (SSL Certificates verify secure communications between a website, host, or server, and end users connecting to the server. Domain Validation is achieved when the authority issuing the SSL Certificate verifies control of a domain name by emailing and e-mail address related to the domain name).		
	Our website provides various methods of PCI Compliant online payments. (PCI Compliance is adherence to a set of specific information security standards developed to protect credit card information during and after a financial transaction. The goal of PCI Complaiance is to ensure merchants provide the maximum security when processing customer payments or handling customer data. PCI Complaiance applies to ALL organizations or merchantsregardless of size or mumber of transactionsthat accept, transmit, or store any cardholder data).		
	Our website provides the ability to use debit and credit cards.		
	Our website provides the ability to use coupons, credits, promo codes, etc.		
	The SSL certificate for our website only has organization validation. (organization validation is achieved when the authority issuing the SSL certificate verifies the organization owning the domain through an independent search of databases).		
	The SSL certificate for our website has extended validation. (extended validation is achieved when the authority issuing the SSL certificate verifies the organization owning the domain with an additional specific set of identity verification criteria. Websites with Extended Validation prominently display a green address bar and a security status bar with the name of the verified organization that owns the website).		
	Our website accepts from a variety of sources, such as PayPal, Authorize.Net, Google Checkout, Square, etc.		
	Our website procides the ability for purchases to be paid for via secure ACH bank transfers for electronic funds transfer. (<i>Automated Clearing House, or ACH, is a secure payment transfer system that connects all U.S. financial institutions and is the central clearing facility for all Electronic Funds Transfer (EFT) transactions in the U.S.</i>).		
	Our website provides an online credit application.		
	Our website provides the ability for customers to charge to their account.		
Sco	Assign 2 points for every "Yes" answer to questions 66-69.	imum Possibl Score =	e Points = 26

ALL businesses accepting payment with credit or debit cards---whether online or offline---MUST adhere to Payment Card Industry data security standards.



Tra	cking Orders Online	Yes	No
75	Our website allows customers to track orders online.		
	Our website automatically provides acknowledgements of orders.		
	Our website provides access to information about the status of an order.		
	Our website furnishes access to packing slips.		
	Our website allows access to invoices.		
	Our website provides access to proof of delivery (POD) information.		
	Our website furnishes proof of delivery (POD) information with signature capture.		
	Our website proactively sends e-mails and/or text messages with updates on the status of an o	rder.	
	We actively monitor key milestones in the fulfillment process and proactively send alerts about potential delivery problems before they become service failures.		
Sco	Assign 3 points for every "Yes" answer to questions 81-82.	Maximum Possiblo	e Points = 23

Online order tracking minimizes calls asking, "Where is my order?" allowing inside and outside sales personnel to spend more time selling.

Save Customers Time

Key ways to help customers allay customer fears include:

- Providing customers log-in capability
- Facilitating access to customer account data
- Furnishing transaction history online
- Offering online account management
- Analyzing e-commerce metrics

Providing Customer Log-in Capability

	decision to allow customers to create their own online accounts or for the ributor to set-up online accounts for customers is a strategic business decision.	Yes	No
84	Our website offers log-in capability.		
	Our website allows multiple log-in ID's to be linked to one customer account.		
	Our website permits customers to add, change and delete users from their "master" account.		
	Our online catalog offers a customer-specific reorder pad (if "logged-in").		
	Our website automatically provides email marketing, customer appreciation, special sales, etc. to repeat purchasers.		
	Our website allows users to customize their default search resluts (if "logged-in").		
	Our website permits individual user access to the "master" account to be customized and limited to specific functions.		
	Our website allows individual user access to be customized and limited to specific products.		
	Our website offers personal product lists (if "logged-in").		

Scoring: Assign 2 points for every "Yes" answer to questions 84-88. Assign 3 points for every "Yes" answer to questions 89-92.

Maximum F	Possible	Points	=22
Our Score =	<u> </u>		





Facilitating Access to Customer Account Data

Careful consideration should be given to the decision to allow downloading of information from distributors website directly into a customer's estimating and/or accounting software to make sure that no viruses or electronic incursions are introduced during the transfer of data.

Yes

No

93 Our website provides the ability to export customer account data (including price files).

94 Our website offers the ability to print customer account data in HTML format.

95 Our website allows the ability to print customer account data in Adobe Acrobat® .pdf format.

96 Our website provides the ability to email links to customer account data.

97 Our website offers the ability to export account data in Microsoft Excel.®

98 Our website allows the export of customer account data in XML.

99 Our website is linked directly with our customer's business system(s) so they do not have to enter information multiple times.

Scoring: Assign 2 points for every "Yes" answer to questions 93-97. Assign 3 points for a "Yes" answer to question 98. Assign 10 points for a "Yes" answer to question 99.

Maximum Po	ssible Points = 23
Our Score =	

Online access to account data saves customers time.



	ows individual users to view their transaction history for orders placed online.	
Our website al		
Our website pour bill to/ship to	ovides individual users the ability to sort their online transaction history by address.	
Our website fu	rnishes individual users the ability to sort their online transaction history by naterial.	
Our website of company's par	fers individual users the ability to sort their online transaction history by their t number.	
	lows individual users to view and sort their transaction history for orders and through a branch too.	
Our website p	ovides "master" account online transaction history by user log-in.	
Our website fu bill to/ship to	rnishes the "master" account the ability to sort online transaction history by address.	
Our website of project of bill of	fers the "master" account the ability to sort online transaction history by f material.	
Our website al company's par	lows the "master" account the ability to sort online transaction history by their t number.	
	ables the "master" account to view and sort transaction history for orders and through a branch, too.	

Online transaction history saves customers time too.

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Scoring: Assign 2 points for every "Yes" answer to questions 100-104. Assign 3 points for every "Yes" answer to questions 105-108. Assign 5 points for a "Yes" answer to question 109.

CHECKLIST FOR AN EFFECTIVE E-COMMERCE WEBSITE

Maximum Possible Points = 28

Our Score = ____



Offering Online Account Management	Yes	No
Our website provides access to "master" account payment history.		
Our website offers access to outstanding invoices for the "master" account.		
Our website furnishes access to paid invoices for the "master" account.		
Our website provides access to statements for the "master" account.		
Our website allows online invoice management for the "master" account.		

Scoring: Assign 3 points for every "Yes" answer to questions 110-114.

Maximum Po	ossibie	Points =	: 13
Our Score =			

Online account management makes it easy to do business together <u>and</u> hard to leave

Analyzing E-Commerce Metrics		Yes	No
115	We track customer log-ins on our website.		
	We monitor the amount of sales we receive through our website.		
	We analyze web sales as a percent of total company sales.		
	We monitor the number of line items on web orders.		
	We analyze line item web sales as a percent of total company line items sold.		
	We have a goal for the percent of total company sales for online orders.		
	We have server speed benchmarked the page load time for our website's home page. (Load Time is the time required to load all the elements on a web page. It depends on a many factors: the number of words on the web page; the amount of video, audio, graphic, and animation on the web page; server architecture; network traffic, etc.)		
	The Server Speed Benchmark page load time for our website home page is less than 2 seconds.		
_			

Scoring: Assign 2 points for every "Yes" answer to questions 115-119. Assign 3 points for every "Yes" answer to questions 120-121. Assign 5 points for a "Yes" answer to question 122.

Maximum Possible Points = 21
Our Score =

What is the definition of success for your E-Commerce website?





Tal	ly Your Score	Maximum Score	Your Score
	Wait on Customers		
Page 2	Safeguarding Cyber Security	25	
	Offering an Online Catalog	27	
	Searching the Online Catalog	32	
	Linking Website and Business System	7	
	Requesting Quotes Online	10	
	Enabling Online Ordering	41	
	Online Payment Methods	26	
	Tracking Orders Online	23	
	"Wait on Customers"	191	
	Save Customers Time		
Page 9	Providing Customer Log-in Capability	22	
	Facilitating Access to Customer Account Data	23	
	Furnishing Transaction History Online	28	
	Offering Online Account Management	15	
	Analyzing E-Commerce Metrics	21	
	"Save Customers Time"	109	
	Total E-Commerce Effectiveness Score	300	



Scoring

255-300 Points: World Class E-Commerce Website

Congratulations, your e-commerce website ranks with the best in the world! Continue to invest in your e-commerce website by hiring the right people, staying abreast of the latest internet technological innovations, and listening to customer feedback.

254-210 Points: Competitive E-Commerce Website

Your company has an effective e-commerce website, but there still is room for improvement. Continue to maintain visibility into your company's Internet capabilities. Use this checklist as a guide in developing a strategic technology road map to take your e-commerce website to the next level, so your company can be more productive, generate more cash, and grow sales.

Below 210 Points

Focus more attention on your e-commerce website. Think about the internet in terms of how it can help your company be more productive, generate more cash, and grow sales. Devote sufficient resources to developing your e-commerce website. If you don't have the skills to accomplish this task in-house, consider hiring a technology coach to develop a strategic technology roadmap for your company.

Keep up-to-date on the latest technology trends by subscribing to technology websites such as *cio.com*, *wired.com*, and *websitemagazine.com*



What You Can Do

Don't be left behind! E-Commerce is shifting the way business is done. Besides fulfilling customer needs for purchasing process efficiencies, e-commerce websites can help electrical distributors increase sales, improve efficiencies, and cut operations costs.

Electrical distributors must use Internet technology as a competitive weapon to cement the viability of the channel into the future. Think about e-commerce in terms of how it can help your company generate more cash and grow sales. Maintain visibility into your company's e-commerce capabilities. Use the answers to the questions in this white paper to better understand your company's e-commerce challenges and opportunities. Then, add e-commerce to your information technology (IT) strategic plan or technology roadmap.

Please help us leverage the collective knowledge of the industry by giving us your feedback! Share your insight and input with the task force by calling NAED's Member Services at toll free at 1.888.791.2512 or emailing *memberservices@naed.org*.

To view other tools NAED's Strategic Technology Task has created for distributor executives, visit www.naed.org/strategictechnology