



REFLECTIONS ON IRCE 2019

SYNOPSIS:

Reflect on experiences from attendees to IRCE 2019. This year IRCE took place alongside GlobalShop and RFID Journal Live! under the RetailX banner at Chicago's McCormick Place South. With all of them happening at the same place and time, there was pretty much always something to look at, listen to and learn about.

Tony Thrasher and Matt Brolsma from SPS Commerce share their unique perspectives on the major themes and takeaways of IRCE 2019.

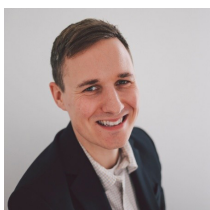
ON THIS EPISODE:



Host: Sam Olson, Account Executive, SPS Commerce

An alumni from Luther College in Iowa, Sam helps customers work better and grow together with their trading partners. He specializes in working with suppliers in Quebec after more than 15 years studying French and seven years in international business and sales.

Guest: Matthew Brolsma, Sales Operations Manager, SPS Commerce



Matt is a Sales Operations Manager for SPS Commerce, with nearly a decade of experience in Sales, Sales Development, Customer Success, Sales Operations and Sales Training. A strategic developer of people, processes and organizations, Matthew always puts the customer first and creatively solve problems in the face of adversity.

Guest: Tony Thrasher, Group Product Manager, SPS Commerce



As an expert in retail fulfillment, Tony offers a unique viewpoint on using the latest retail technologies, including the SPS Commerce Retail Network, RFID and more to drive innovation and growth. At SPS, he is responsible for using graph-based architecture to drive meaningful insights and expand the value of the SPS Commerce Platform to customers and partners.



Sam Olson (SO): Welcome to the Mastering the Retail Game podcast from SPS Commerce, where we explore the new rules of retail and provide real-world advice on how to win by learning from your peers and industry experts.

I'm your host, Sam Olson, and in this episode we'll be reflecting on experiences from our time spent at IRCE 2019. Though the event has been around for more than a decade, this year IRCE took place alongside GlobalShop and RFID Journal Live! under the RetailX banner at Chicago's McCormick Place South.

These three retail-focused events until last year had been hosted in different cities and on different dates. With all of them happening at the same place and time, there was pretty much always something to look at, listen to and learn about.

Today we'll be speaking about the experience with Tony Thrasher and Matt Broisma from SPS Commerce. They were both on site for the event and have their own unique perspectives on the major themes and takeaways from IRCE 2019. Welcome to the program, Matt and Tony.

Matthew Broisma (MB): Good to be here, Sam.

Tony Thrasher (TT): Thanks Sam.

SO: So what did you know about IRCE before attending? What were some of your expectations of the event and were they met?

MB: Thanks Sam. This is Matt. I work in sales here at SPS, so I was really excited to attend IRCE for a second year in a row. And obviously being e-commerce focused, I guess my expectations were there being a lot of really good conversations with customers, prospects around the topic of e-commerce. And what was really great this year I felt over last year was that the traffic, and there was a lot more energy, higher traffic and it had probably something to do with the fact that this year they brought Global Shop in with IRCE, so there's a lot more stronger conversations across the board, whether it's e-commerce or actually bricks, brick and mortar as well.

TT: Yeah, this is Tony. You know, I agree with you. I agree with you there, Matt. Like I knew going into it and this was the first time that I have ever attended IRCE, that there's going to be a lot of folks, so there's going to be a lot of partners. There are going to be a lot of exhibitors, et cetera, et cetera. Obviously, an e-commerce focus, so there's going to be a lot of attention to marketplace trends and how do I sell online, but also the retail wholesale aspect as well.

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TT: So, and then frankly I also knew of other folks such as yourself that went there and had good experiences. So for me it was all about going to a new show and having as many retail-based conversations with professionals and peers of mine for two days really. Because I hadn't experienced before, I thought the same thing, Matt, like the energy was great. There was a ton of people on the floor, especially on Thursday. Like it was like everyone was hitting the floor hard before they flew out. That was great. Conversations were flying all over the place. And then the session content kind of resonated with me too. So I went there and did attend quite a few of the sessions just to hear from folks that are doing this kind of in the, in the trenches every day.

SO: So, you know, going back and forth between some of those sessions, what were some of the common themes you noticed at IRCE and at RetailX? What were some of those e-commerce challenges that people were discussing? I know Matt definitely touched on it just a little bit, that e-commerce was absolutely a theme that was overarching throughout the entire conference. What was it that you saw?

TT: Yeah. I mean, there's a lot of conversations around what are your strategy across channels, whether it's your own e-commerce store, whether it's marketplace, selling into wholesale retailers, et cetera, et cetera. You know, you go into these and there's always that thread that's kind of notable technologies. So there was a lot of conversations, really cool conversations around blockchain, what's happening around blockchain that affects retail and ways that you can barely even imagine. And then artificial intelligence, machine learning, like all these buzzy wordy type of technology phrases. Obviously that had a presence there.

You know, Amazon as usual and it was, you know, it was interesting to hear different perspectives. I remember the session, I can't remember the speaker's exact name and company they worked for, but his perspective was "I have to meet my customer wherever my customer wants to be met." So, like in his case, he thought of Amazon as a friend, where other people were directly thinking of Amazon as a foe in terms of the competitive landscape. So other folks are like, Amazon doesn't compete because I have such a niche. So just to hear different people's evolution versus I feel like few years ago it was, "Nobody talk about Amazon, unless you're going to talk poorly of them" type of a consideration.

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SO: Sure, sure. Well, and that's tends to be how it goes with some of those big buzzword topics as well. You know, they're big things in the overall landscape and you know, you can't really ignore them. So it's really interesting to go to conferences like these and hear the opinions of other people that are, you know, just kind of starting out in their journeys or who are starting to mature in their journeys and you know, learn exactly what it was that they're seeing and learning. And so I guess my next question for you would then be, you know, were either of you able to attend any of the sessions or pop-up talks and if so, what stood out among those talks?

TT: So Matt, I know you've spent a lot of time on the exhibit floor, but I was able to sneak off and go to several of the sessions. And the general theme, I would say, it was most of them were around how do I, myself, become a better merchant? So it was like how do I, what is my pricing strategy? So am I competitive across channels with pricing and dynamic pricing? Things like how do I negotiate rates with carriers, FedEx and UPS? Like that was a really refreshing. They actually had an individual that had previously worked at UPS that got up there and kind of knew the inner workings and then was explaining it to these merchants of like, "Hey, this is how you can go on the offense with someone like FedEx or UPS if they think they're kind of in control of your shipping rates to drive down your operational costs."

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SO: Interesting.

TT: And it was super refreshing, a lot of good questions and good content there. So that session really resonated with me. But really I would summarize it as like those, there was really great attendance in the sessions with engaged folks that were trying to learn how to become better merchants by having conversations and listening to their peers.

SO: Sure.

MB: And then outside of the actual sessions in the exhibit hall where I was, you know, I had a lot of pop-up conversations, right? Customers, prospects stopping by the SPS booth, just to kind of talk more about what our value proposition is, what we can do for them. And it was interesting. There's a lot of key trends that I kind of captured out of that. You know, one being like this topic of visibility, right? Especially from an e-commerce perspective where you have so many drop ship orders and you have the consumer driving all this demand for how they want to order and get their order right. Which a lot, you know, you think about the complexity there for receiving that order. All the different parties that need to be involved with fulfilling that, to do it correctly, just this again, that visibility piece, right? From order to cash, all the way through that, having a supplier be concerned about that.



MB: Then you've got this topic of what I kind of call effective business automation. Everyone is trying to reduce manual effort, right? They're trying to reduce the amount of touches so that that order can get out faster, that shipment can get out faster. And really what I kind of look at labeling this as effective, right? They're not just looking to do and automate that process. They're trying to do it correctly. They're trying to get it to the right place. So they're going to try to get into the right system, right?

So if they get that order on Shopify, they're trying to get it into their accounting system. They're trying to get it into their shipping like ship station, they're shipping software, so that it can be done as efficiently as possible. And so a lot of those questions are stemming from, "Hey, what's our value prop? How do we fit into the equation? How can we help them do that?" And so a lot of interesting conversations spun off of that.

SO: Well, and that's just it too. I mean, if it's, a lot of people would argue that if it ain't broke, don't fix it, but the reality is there are always places where you can improve efficiencies within your business. And really those can definitely start to scale and grow. And before you know it, now you're just kind of throwing money away. So I think these conferences can be a great way to, I guess, reshape the way that you look at your systems and hopefully try to find ways and learn from people that have been in the same spot.

MB: And absolutely. You know, I would even add to say that like there are so many options there, right? And there's so many cool, unique niche solutions that you can deploy and it's SaaS, so it's like deployable quickly, you know? And that was the other topic of like how many people are like still in some capacity running on legacy technology, old software, on-prem software. And it's like, how can we augment and use SaaS technology or cloud technology to try to make us more nimble to help us scale our operations? And the great news is for people who are listening now and maybe haven't attended IRCE, there are so many options out there. Then comes the problem of trying to isolate and figure out which actual solutions are the fit for your business, right?

SO: Right. I would only imagine like you walk into the conference, you see all these booths and there ... so many of them are SaaS and you think, "Oh well, which one do I go to? Every single one says e-commerce. Every single one says drop ship or where do I go? Where do I start?" Right?

MB: Right.

"Everyone is trying to reduce manual effort, right? They're trying to reduce the amount of touches so that that order can get out faster, that shipment can get out faster."



TT: That's actually an easy answer. You go to the one of the sweetest swag and then you just load up on stuff.

SO: Right, like the tee shirts and stress balls, that sort of thing?

TT: [crosstalk] That's my strategy.

MB: That's what ... yeah. That's what people missed out, right? Shopify had actually a like a mini golf course.

TT: Putting green.

MB: Yeah. So you go there, and do that. Yeah.

SO: That was pretty cool.

TT: I mean, in all seriousness, that's why you go to these shows is the energy and the optimism from the people that are attending. Like you're not going there and you're not going to run into people that aren't trying to get better and move forward in their business. Like they're engaged and they want to have the conversation.

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SO: They've got a dream, you know? So then and that just kinda brings me to my next point. So you know, you're walking amidst all of these booths and between sessions, between pop-up talks, you know, inevitably you're going to run into other people. Were there any conversations, you know, with some of these retail professionals that stuck out to you in particular? Is there a particular person or even just a vague point that, to this day still will kind of shape the way that you think about one of these topics?

TT: Yeah. I had a couple of that stood out to me, Sam. First, one of them was just having an impromptu conversation with a supplier-manufacturer that was simply asking the question, "We're already selling into wholesale retailer. I'm already doing this. I just want to also sell on retailers websites." So they're in turn basically saying in our terminology, "I want to be able to do drop ship" and didn't know exactly where to start. Simply said, "I just want a drop ship system." And then you could sit there and have the conversation both, "What can SPS do for you? What can partners, what can other people do?" But it's just like a, "Hey, I have a really simple problem in my mind" and he's just looking for help to arrive at a solution. So I mean, that's an awesome conversation. And then I spent some time chatting up some of the students of the Auburn RFID lab area.

So what they've done is they've basically gotten funding from various retailers and then other folks that want to contribute and they spin up the Auburn Labs and they have a specific lab around RFID. And this spin off of that lab was around RFID and blockchain. So they were looking at taking a fresh look at really what a lot of the business processes that SPS Commerce specializes in and how do we make it so that communication in the supply chain, in the retail supply chain, is as effective as possible. So they're just applying completely new technology to it. I mean, RFID isn't new, but pairing RFID with blockchain and the type of



TT (continued): visibility and benefits that can get. So I mean, it partially was beneficial because the idea was neat and they had an awesome demo, but also like – I’m talking to like a 19 year old kid that’s passionate about this. And I say kid, like I’m some really old man, but in podcast land I could be an old man. You don’t know. But like at the end of the day, these kids are super-

SO: [crosstalk] They might start talking about blockchain and you might get lost here real quick.

TT: I know! I know! I was just like, “Wow! I, when I was 19 I was not doing stuff like that.” So their energy kind of soaks through to these professionals that are just seeing the kid get excited about what we do for a living.

SO: They’re just trying to keep us hip and young, you know? So well and then, you know, kind of following up with that. So again, you’re walking throughout the exhibit floor. Did you see many SPS customers or partners?

MB: Yeah. You know, we actually had a couple, well partners, customers and prospects actually stopped by the booth here where I was and it was really interesting. You know, we’re at an e-commerce drop ship event, right, that centered on that, but the important part to remember in a lot of these is that’s just essentially a single channel. Like these companies are selling all over the place. In fact, I was one talking to a parts distributor. They manufacturer saunas and they sell sauna parts, right? And so they approached because, and they attended the event, because they’re launching their website. They’re launching like an online site for their customers order direct from them. But you know, once you’ve dug into their business a little bit more, you start to realize that they’re actually shipping whole saunas LTL, right? And they’re getting them from Norway.

And then on top of that, they have their own suppliers that they work with that they place orders with that are shipping in bulk to them that manufacture these parts. Then they have these dealers that they sell to, right? So the complexity is all over and you know actually what you see at a lot of the shows, all these solutions are e-commerce focus, but, you know, one of the great values of SPS is we bring it all together and look at the full supply chain to automate and provide, you know, the solutions to do that. So that was really interesting because it was, it just allows you to see how complex some of these businesses are. And some of the times of that first interaction is just, they’re just looking for, like you said, to that simple problem to solve. But then there’s actually a lot we can do to help them out. So that was pretty exciting for me to be able to walk through that with a couple of companies.

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SO: Sure. One, and here I thought that, you know, saunas, we're supposed to be relaxing. That's definitely a little bit complex and all.

MB: I know, right? So well, and then here's a good question for you. So I mean, personally, you know, I can go to these shows and you know, after a little while, maybe sometimes it starts to feel like they are, they're all a little bit the same to a point, but then usually I'll walk away from each and every one and they'll just be something that either really stood out or just honestly caught me off guard. What about IRCE at RetailX just surprised you?

TT: For me it was, and I had several conversations that kind of accumulated to this thought, but you know, these folks are there, you got internet retail conference focusing on e-commerce. Like they're doing a lot of things to make themselves a better merchant, right?

Like, what does my e-commerce website need to look like, what my marketplace strategy, et cetera, et cetera.

“...how do I collaborate and work in that business model? Whether they're drop shipping to a consumer on behalf of that retailer or selling it to the store.”

TT: And then it is still a very intimidating moment for these folks when they get that first wholesale retail relationship because they've spent their entire life optimizing how they are the merchant? And then when someone else is the merchant, how do I collaborate and work in that business model? Whether they're drop shipping to a consumer on behalf of that retailer or selling it to the store. So, and SPS Commerce, us kind of sitting in that collaboration between these brands and these wholesale retailers in the most traditional sense, that's really our wheelhouse. And sometimes we forget about the journey leading up to that. So just kind of reinforces that message to me.

SO: Well, it just sounds kind of exciting. You know, you think about it just even being in a room with so many people that have these drives and passions, how are you not going to be just a little bit more motivated yourself, you know, when you leave. So, and that brings me back to why are you excited to go back to IRCE next year?

MB: I mean, I'm excited just as a continuing touch point to get out in the marketplace and to talk with customers and prospects and you know, even competitors. And it is kind of just get the lay of the land of what's going on in the ecosystem, right? There's so much happening and it's super exciting and I think Tony and I kind of alluded to that, all of these different options out there. So it's a really good opportunity to do that. And in just get face time with SPS, right?



TT: I mean, you're really packing two to three months versus of market conversations and exposure and like two days. Like it's a crazy velocity of conversation and thought leadership. So that gets me excited to go to any of these events. And the IRCE definitely hit that for me this year.

SO: Well, I don't know about you, but I'm definitely excited to go. So looking forward to it. Well thanks. Thanks a lot for the information today guys. You know, it's definitely really, really helpful to, you know, not only for myself as your host, but also for everybody out there that either has been to the conference or is looking to go. Always great to get information like this and to really get it from experts like you two. So thank you so much. I appreciate it.

MB: Thanks, Sam.

TT: Yeah, thanks a lot.

SO: Thank you.

SO: Thanks for listening to this episode of Mastering the Retail Game. You can read transcripts of this podcast, review show notes and listen to other episodes by visiting spscommerce.com forward-slash podcast or by subscribing wherever podcasts can be found. Join us on the next episode of Mastering the Retail Game for more advice on what you need to know to win in today's consumer landscape.

Until then, this is Sam Olson signing off.

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