

CASE STUDY

OrderMotion Helps Goldspeed Streamline Business Ecosystem, Focus on Growth, and Triple its Revenues

Situation

Started by three family members in a basement in 1998, Goldspeed.com – the largest discount jeweler on the Internet – has been successful largely because of the superior attention to quality, detail, and service delivered by its Web site and customer service representatives. Named one of the top 50 “best of the Web” by Internet Retailer magazine in 2006, the company has grown to a 15-person operation that fills more than 50,000 orders a year, as profiled in The Wall Street Journal.

Challenge

In 2002, the company realized it was a victim of its own success. “As a growing company, we had very limited staffing. We were manually processing most of the steps involved in taking and fulfilling an order, and as the order volume increased, the amount of time to process orders also increased to 18 minutes per order,” explains Goldspeed.com CEO Neil Kugelman.

Adding additional staff to help process orders brought its own set of issues. With so many more employees, Kugelman found himself focusing on HR issues instead of on growing his business. “I spent my time managing people instead of on managing the business and moving merchandise,” says Kugelman.

Solution

According to Kugelman, “The only way to run a successful ecommerce company is through efficiency, and we started looking for a solution that would support scalable growth.” Once Kugelman saw the OrderMotion solution, he knew he had solved his issue. “I was blown away by the design and ease-of-use of the OrderMotion solution – the GUI is by far the best out there,” says Kugelman. That combined with all the back-end functionality and the fact that OrderMotion is as committed to customer service as Goldspeed told Kugelman that this was the answer to his urgent problem. “We didn’t have time to get up-to-speed on a complicated new solution and with OrderMotion, that wasn’t an issue. Even though the solution is very sophisticated, my customer support representatives and I could use it immediately,” continues Kugelman.

“If it weren’t for OrderMotion, I would still be stuck processing a limited number of orders per day. Now I’m processing orders at a rate I never thought possible and my growth potential is limitless.”

- Neil Kugelman, Goldspeed.com CEO

CASE STUDY (CONTINUED)

Results

OrderMotion streamlines Goldspeed's business ecosystem by connecting and automating everything from inventory management to payment processing and vendor integration. The OrderMotion system allows sales associates to cover online, phone, and catalog sales and customer service in real time, and automatically guides representatives in up-sell, cross-sell and add-on situations. It also enables Goldspeed.com to drop ship all orders and eliminate the need for a warehouse and fulfillment staff.

"Tying all our vendors into one system provides our customer service representatives with all the information they need to be incredibly efficient. They can instantly view item details and stock availability while on the phone with the customer," says Kugelman.

By helping Goldspeed screen credit cards for fraud, OrderMotion has allowed Goldspeed to cut its chargebacks to nearly nothing. According to Kugelman, "OrderMotion also helps us reduce backorders by 50 percent and cut the time to ship orders from 24 hours down to one or two hours. Since using OrderMotion, we've seen a 40 percent increase in the number of customers who now place another order within a year, which translates to higher wallet share for a larger number of loyal customers."

In fact, Goldspeed.com has tripled its revenues since implementing OrderMotion while reducing the cost to process orders by double-digit percentages. "As we're growing our business and processing more orders – to the tune of one every 3,5 minutes – we're actually saving in the high six figures annually by automating our order processing," says Kugelman.

"If it weren't for OrderMotion, I would still be processing a limited number of orders per day. Now I'm processing orders at a rate I never thought possible and my growth potential is limitless," concludes Kugelman.

SNAPSHOT CHALLENGE:

- By 2002, Goldspeed was struggling to keep up with an increase in orders placed on its Web site and through its call center
- CEO was focusing on managing people instead of moving merchandise

SOLUTION:

- OrderMotion streamlines Goldspeed.com's business ecosystem, from inventory management and payment processing to vendor integration

RESULTS:

- Tripled revenues
- Decreased order-processing costs by double-digit percentage
- Reduced average order processing time by 80%
- Increased repeat orders by 40 percent
- Cut chargebacks to almost nothing
- Reduced backorders by 50 percent
- Trimmed time to ship orders from 24 hours to 1 or 2 hours
- Allowed CEO to focus on company growth