



Houlihan Lokey

Composable Commerce and MACH Architecture

Industry Overview and Insights

Participating Companies



OVERDOSE.



Q1 2024

Introduction to Composable Commerce and MACH Architecture

Overview

To maintain or build a competitive advantage, digital commerce companies need flexible, customizable, and scalable digital commerce systems to deliver the experiences that customers demand. To execute on this plan, companies can adopt composable commerce to replace more rigid monolithic solutions.

Composable commerce is a modular development approach that allows companies to choose the components they need to build and run outstanding commerce experiences. This approach to optimizing a commerce ecosystem centers on using best-of-breed technology to deliver for a brand's specific use case.

One of the leading composable commerce orchestration platforms, Commercetools, calls out three core traits of composability: *cloud-native, component-based, and tech-agnostic*. A step further, the backbone of a composable framework is **MACH architecture**. MACH, an acronym, stands for microservices-based, API-first, cloud-native, and headless.

According to Gartner, by 2024, **70% of large and medium-sized enterprises will have composability as a key criteria for new application planning**. Adopting a composable approach can be complex. For brands to stay flexible and maximize their potential, they will need to partner with expert systems integrators (SIs) and digital consultants to guide them to a fully composable commerce solution that drives customer experience, loyalty, and growth while providing cost reduction and flexibility.

Why We Are Paying Attention

The independent systems integrators and service providers focused on composable commerce and MACH are growing faster than their counterparts in other ecosystems. In the current market, this seems like an outlier. **However, there has been limited consolidation to date, and buyers have yet to indicate that composable commerce is on their radar as an area of inorganic interest. As such, the HL Digital Transformation team has gathered the information herein as an initial market primer to help educate interested parties.**

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The Experts: Key Sources and Additional Reading

composable.com

 [commercetools](https://commercetools.com)

 MACH ALLIANCE

 Gartner

 FORRESTER®

Notable Growth

Average Private SIs

~25%+
2023E Revenue
Growth

 commercetools

\$100M+ | 80%+
ARR | YoY Growth
(2022)

 BICOMMERCE

\$330M+ | 9%+
ARR | YoY Growth
(2023)

In the Weeds: What Does It Mean to Be Composable?

Monolithic Platforms

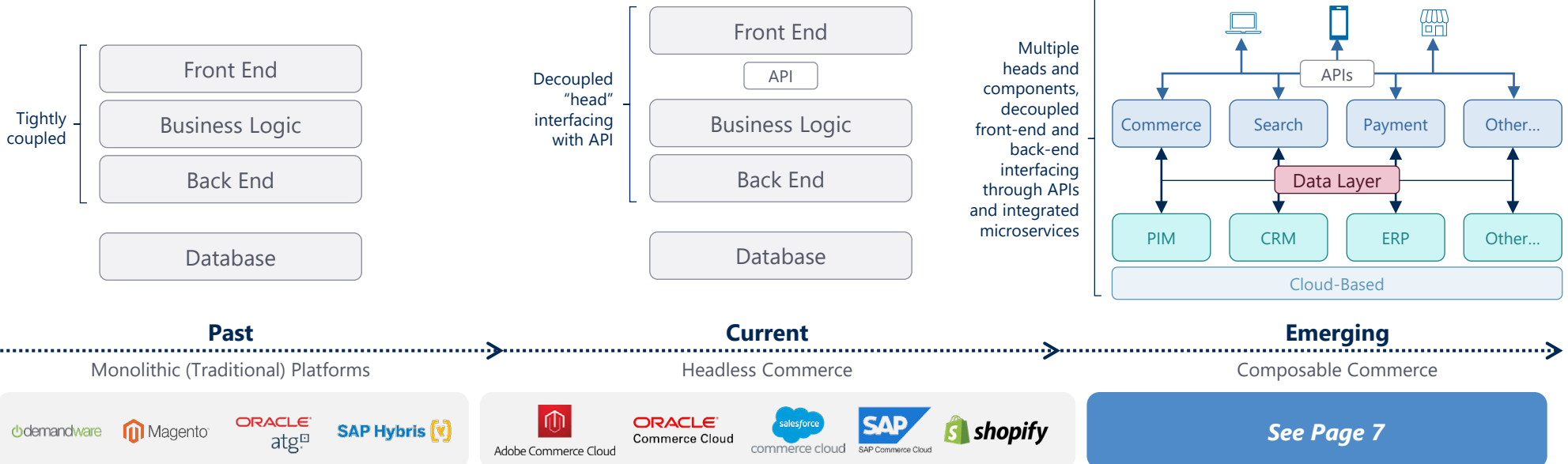
- Monolithic platforms are integrated but standardized systems with tightly coupled components, offering a pre-packaged software stack.
- Because all functionalities are tied together with a single codebase, changes or customizations are difficult. As a result, companies accumulate technical debt rapidly, and innovation suffers.

Headless Platform

- A headless platform separates the application into two major components: the front end or head, which serves up the user interface ("presentation layer") that a customer interacts with, and a (now *headless*) back end that encapsulates and executes all the business logic to make something happen.
- By operating independently, the front ends and back ends can be changed, updated, and customized.

Composable Commerce

- Composable assembles best-of-breed services or components, each providing a distinct and specialized area of functionality rather than relying on a single solution that tries to do everything.
- These services can be integrated with one another to offer an agile, scalable, and efficient commerce solution that allows businesses to easily adjust to changing market needs and create new customer experiences without maintaining large or complex systems.



Key Benefits of Composable Commerce



Ability to engage on **multiple touchpoints (front ends) without restrictions**



The use of best-of-breed components and vendors allows for **maximum customization and performance**



Flexibility to quickly change and adapt to customer demands and market changes



Vendor neutrality and the ability to “plug and play” and swap out different independent software vendors leads to greater efficiency and **cost savings**



Scalability to use as few or as many variables as needed



Ability to configure multiple channels and multiple brands, and **deliver a true omnichannel experience**

Introduction to MACH Architecture: The Backbone of Composable

MACH architecture is a set of principles that describes modern technology that is focused on using best-of-breed platforms and components. MACH is the backbone that supports composable commerce, where every component is interchangeable, customizable, and replaceable to maximize efficiency and performance. A MACH-based commerce platform can be continually customized and improved to meet constantly changing customer and business demands.

MACH stands for Microservices-Based, API-First, Cloud Native, and Headless.

Microservices-Based

Microservices-Based: Microservices-based architecture splits any application into individual components that are independently developed, deployed, and managed. Each of the loosely coupled components performs a specific and granular process without depending on the others. This enables a business to select the best possible service for each function.

API-First

API-First: The API-first approach ensures that each component is exposed through an API, making it possible for the services to communicate with one another, even if they are built by different vendors. This provides a business with flexibility to add or replace components as needed, instead of paying for a full suite of software that is never completely utilized. It also enables multiple teams to operate on different components of a system simultaneously.

Cloud-Native

Cloud-Native: A MACH-based commerce solution is deployed entirely on a cloud-based platform, which provides greater scalability, security, and reliability. A cloud platform provides the essential infrastructure and tools needed to connect these services, allowing them to work together seamlessly. It allows businesses to reduce the cost of maintaining in-house servers, to adapt quickly to fluctuating demands, and to provide fast response times to customers.

Headless

Headless: The front-end user experience is completely decoupled from the back-end logic, allowing complete freedom to design the user interface for multiple digital touchpoints. This provides considerable agility and allows businesses to experiment, innovate, and test for new features without risking back-end stability. It frees up the business to respond rapidly to changing market conditions without the distraction of back-end architectures.

What Does This Mean for Digital Consultancies and Service Partners?

Composable and MACH Adoption Is Poised to Accelerate

Customer Experience Is Paramount

Improving CX is the largest driver in urging IT leaders to further explore MACH; **63% of respondents said customer experience is the main driver of their transition to a modern MACH infrastructure.**⁽¹⁾

Composable Architecture Hits the Bottom Line

“The executive suite has clearly seen how a composable architecture can deliver real bottom-line impact, especially at a time when quickly adapting to evolving customer needs is so crucial. The study reveals that many tech leaders have continued to progress towards MACH architectures over the past year—with a 19% increase in companies that have moved away from monolithic to best-of-breed, composable solutions. **According to the study, these same tech leaders see MACH as the ‘future of architecture,’ with 79% planning to increase their investments over the next year and beyond.**” ⁽¹⁾

Adoption Is Poised to Accelerate

According to Gartner, **by 2024, 70% of large and medium-sized enterprises will have composability as a key criteria for new application planning.**

Expert Service Partners Will Be in High Demand

Why Will Enterprise Commerce Companies Need an Expert?

Composable Is a “Block-by-Block” Transition

The transition to composable commerce is a block-by-block approach that takes time. Companies need to change one part of their commerce stack at a time, and even the most tech-forward IT departments need an expert who has been through it before to help them navigate the process.

Speed Is Key

Accelerators are critical to faster and easier adoption. Leading SIs are already bringing to the table pre-built IP that can serve a range of functions—from streamlining conversion from legacy commerce platforms to advancing the starting point on top of composable products, including some based on the user industry vertical.

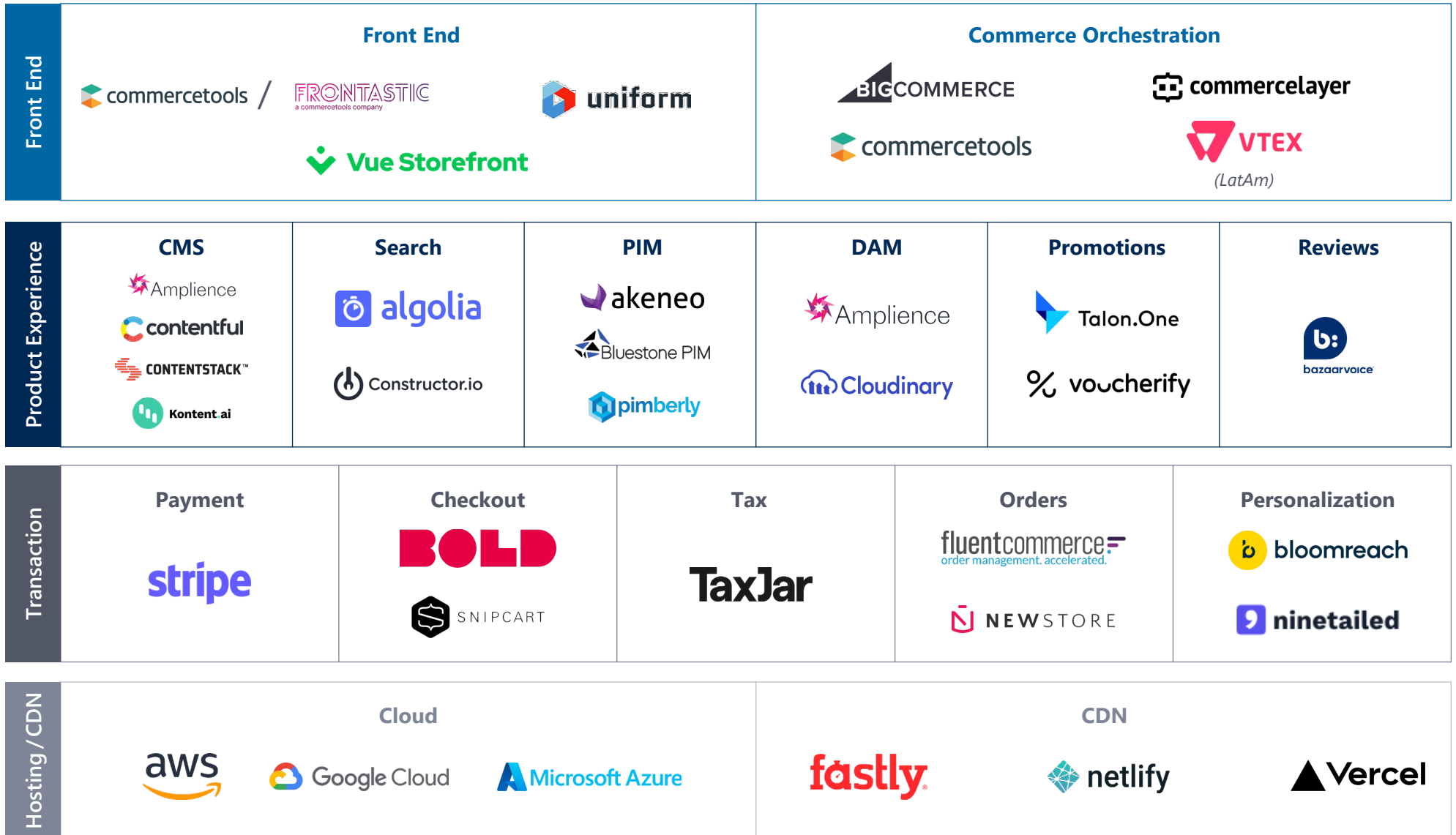
Answering the Tough Questions

Partners are able to answer the tough questions throughout the process—which component should be changed first? What components should “own” each other? Where does data live? Which connections are most critical?

















Illustrative Examples of Independent Market Leaders



Illustrative Example of a Composable Commerce Stack

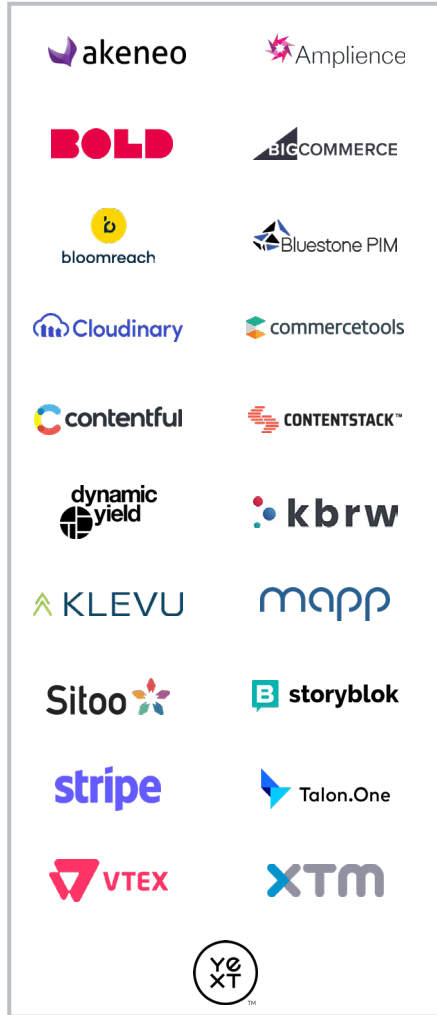


Composable and Other Relevant M&A Activity

Target	Acquirer	Date	Commentary
 Formidable	 NearForm	10/10/2023	<ul style="list-style-type: none"> Formidable is a global digital design and engineering consultancy focused on building mission-critical digital and software products at speed and scale. Formidable's digital engineering expertise and top-tier client base will seamlessly integrate with NearForm, allowing it to elevate its technical skills and build upon shared design talent.
Mudbath.	 endava	5/10/2023	<ul style="list-style-type: none"> Mudbath is an Australian IT consultancy that helps businesses build new digital solutions and products, enhance user experience, and accelerate their digital transformation. Endava's acquisition of Mudbath enhances its depth in Australia while complementing Endava's expanding nearshore capability in Malaysia and Vietnam to continue to deliver innovative and high-quality digital solutions.
C O R R A	 publicis sapient	5/6/2023	<ul style="list-style-type: none"> Corra is an independent digital transformation partner focused on commerce consulting, with an emphasis in headless and composable commerce. Corra's addition to Publicis Sapient will further augment its existing expertise in commerce solutions and will bring dedicated resources that span many of Publicis Sapient's SPEED (Strategy, Product, Experience, Engineering, and Data & AI) capabilities.
 ZAE LAB	superstep capital	3/28/2023	<ul style="list-style-type: none"> Zaelab provides B2B digital commerce advisory and consulting services, including digital experience, systems integration, digital transformation, composable migration, and configuration, for businesses globally. The strategic investment from Superstep Capital will support the business through organic growth and acquisition, while further investing in its composable commerce capabilities and intellectual property.
EWAVE	Globant 	11/17/2022	<ul style="list-style-type: none"> eWave is an innovative digital transformation consultancy that specializes in headless commerce platforms. The acquisition of eWave will scale Globant's end-to-end digital commerce transformations, including CX design, platform engineering, content optimization, customer and market research, content management, and much more across a breadth of industries.
E2X	 APPLY DIGITAL	10/31/2022	<ul style="list-style-type: none"> E2X is a London-based commerce strategy and development agency with an emphasis on MACH-focused digital solutions with notable partnerships with and recognition from Commercetools and BigCommerce. Apply Digital acquired E2X to grow digital solutions and composable commerce services for modern companies. The strategic partnership will form one of the largest MACH-focused digital solutions companies across the areas of commerce and digital experiences.
 orium	T E R C E R A	10/22/2022	<ul style="list-style-type: none"> Orium, f.k.a. Myplanet, a leading composable commerce specialist, received a minority investment from Tercera, a growth-focused investment firm specializing in cloud professional services. With this investment, Orium will extend its position in this rapidly growing space by deepening its MACH Alliance partnerships, delivering new innovative pre-packaged accelerators that democratize access to composable commerce, and doubling the size of its global talent base.
 reign	 APPLY DIGITAL	7/13/2022	<ul style="list-style-type: none"> Reign is a Chilean digital services company specializing in digital transformation through ideation, design, and development of web and mobile applications. Reign's MACH engineering capabilities will deepen the current capacity and expertise of Apply and provide a global delivery model to better service its clients' digital needs with key nearshore resources.
TA DIGITAL	OmnicomGroup	3/3/2022	<ul style="list-style-type: none"> TA Digital is a global digital experience consultancy that develops and delivers strategy, customer experience, marketing, and cloud solutions to transform businesses. The integration will support Omnicom Group in strengthening their digital transformation capabilities to service global brands by expanding more dynamic customer experience offerings.
 APPLY DIGITAL	 INTERLOCK EQUITY	1/12/2022	<ul style="list-style-type: none"> Apply Digital is a leading digital consultancy focused on building products, platforms, and commerce solutions. Apply is at the forefront of MACH and composable tailwinds. Interlock Equity, a Los Angeles-based private equity firm, acquired Apply Digital in January 2022.
 raw engineering	 CONTENTSTACK	10/19/2021	<ul style="list-style-type: none"> The CMS division of Raw Engineering provides CM Strategy and implementation services, such as content modeling, CMS setup and implementation, CMS design and templates, and microservices integration. The group of CMS and integration experts will join Contentstack to create a new offering of rapid enablement services to customers and partners, which will scale Contentstack's partner success, customer success, and ecosystem operations.
 openmind	accenture 	8/26/2021	<ul style="list-style-type: none"> Openmind is a boutique commerce agency in Italy that provides businesses with e-commerce-focused consulting and integration services, such as strategy, experience design, and technology selection. The acquisition of Openmind will scale Accenture Interactive's commerce capabilities in the region, offering clients implementation of seamless commerce experiences on platforms including Adobe, Salesforce, and SAP, along with helping to meet clients' ambitions for international expansion through Accenture's global delivery network.

MACH and Composable Experts and Enablers

Independent Software Vendors (ISVs)*



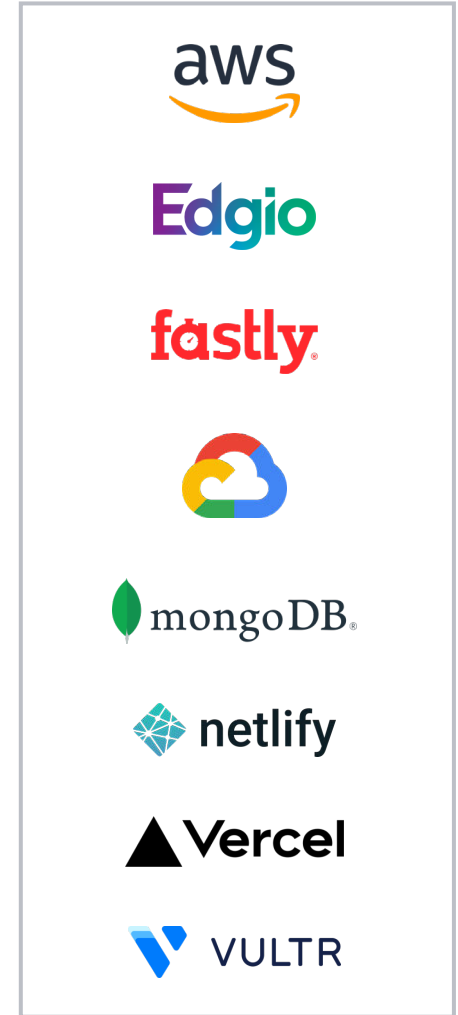
Startup ISVs



System Integrators



Enablers



The above represents both credited members of the MACH Alliance and additional composable-thinking companies that may not be specific MACH Alliance members.

Sources: MACH Alliance, company websites, and HL research.

*Not all members of the ISV category have been mentioned here.

COMPANY SPOTLIGHT

Company Spotlight: Apply Digital



Business Description

Global provider of end-to-end digital solutions that solve complex business problems for diverse client types. Powered by composable commerce platforms, the company specializes in digital ecosystem strategy, technology planning, app development, website design, e-commerce systems, digital experience platforms, and more.

Relevant Information

Headquarters: Vancouver, BC
Employee Base: 600+
PE Investment: January 2022

Industries: Healthcare, Retail, B2B Manufacturing, D2C Brands
Other Locations: Toronto, London, NY, LA, Mexico City, Santiago

Notable Clients



Key Partnerships

commercetools
Premier Partner
 2021/2022 Services Partner of the Year

Talon.One
Solution Partner
 2023 Breakthrough Partner of the Year

contentful
Gold Partner
 2023 North American Partner of the Year

MACH ALLIANCE
 Member

Specialties

Business Strategy	Experience Design	Tech Advisory and Engineering	Commerce	Data Intelligence	Emerging Tech and Innovation
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Recent Acquisitions

E2X
 EMEA delivery of MACH-focused digital transformation services
 October 2022

reign
 LatAm nearshore model with MACH engineering capabilities
 July 2022

CEO Q&A: Apply Digital



Gautam Lohia

Education: University of British Columbia, B.S. and MBA

Experience: 25+ Years in Digital Technology

Relevant Experience: Blast Radius, Belgacom, and various startups

Q: Tell us about Apply Digital and what sets your consultancy apart from competitors in the digital experience and commerce universe? What is your unique value proposition?

A: We are a global digital transformation partner helping change agents modernize their organizations. We offer clients a comprehensive set of services that span strategy, product, design, engineering, data, commerce, innovation, and beyond, all of which are critically important for successful digital transformations. What's distinctive about Apply Digital is how we think about the relationship between these services—they must work together to drive business impact, where every strategy is actionable through to execution, in the context of the organization's broader ecosystem. It's our focus on modern technology solutions to future-proof our clients' businesses. It's also how we work, both as cross-disciplinary pods, and as extensions of client teams—ensuring the right perspectives contribute to the creation of connected, value-generating outcomes.

Q: What does composable mean to you, and how do you introduce that to your clients?

A: Composable technology refers to flexible, modular technologies that represent the highest current standards of functionality, interoperability, and data security. A stack built with composable tech is designed to deliver the best digital experience for users, while providing for simplicity and ease of use on the back end. We tell our clients that, by using composable tech, they position themselves for success in the near term while laying the foundation for long-term success at scale. Composable tech makes it relatively easy to maintain over time and take advantage of new technology by plugging it into the stack.

Q: How do you measure the success of your consultancy, both in terms of client outcomes and the growth of your own business?

A: Apply Digital's focus has always been to help clients achieve their business objectives. By being a strategic partner, executing well, and using data to drive decisions, we have helped change agents succeed. This has allowed us to retain our existing clients and attract new ones through referrals.

Q: What emerging technologies or trends in digital experience and commerce do you see as particularly promising or impactful in the near future?

A: With the recent rapid advancements in AI, we are already seeing significant impact to digital experiences and commerce for our clients. As an example, for years we have had rules-based personalization and targeting. But having customer segmentation created by AI, coupled instantly with personalization to those (real-time) audiences has produced astonishing results in conversion and end-user engagement. We expect the blistering pace of AI's advancement to be the most impactful for the next two years.

Q: What are the greatest threats to composability and an implementation expert such as Apply Digital?

A: The greatest threats we see to composability usually center around digital change, with challenges around getting buy-in across the organization and evolving internal processes. Add on budget constraints, complex implementations, and the growing number of composable tools, and many businesses find themselves overwhelmed with decisions, and struggle to change. Digital consultancies like us—who specialize in complex composable commerce and content implementations for enterprise clients—help mitigate these risks by partnering closely with clients and vendors, defining the roadmap, supporting tech integrations, and evolving processes.

Q: How do you ensure your solutions are scalable and adaptable in the ever-changing digital landscape?

A: By design, composable technology is flexible in nature and allows for us to modify our solutions, adapt to changing landscapes, and quickly scale what works. But to ensure we offer successful, scalable, and adaptable solutions, we also help our clients build a strong operational backbone. Building resilience in the workforce involves continuous training, duplication of talent on projects to cater for the unexpected, fostering a culture of adaptability, and offering layered support mechanisms through composable technology and people operations.

Q: What is your vision for the future of your consultancy and its role in the evolving digital landscape?

A: We have grown rapidly over the past seven years and established ourselves as a strategic partner for clients that want to digitally transform themselves and compete better. We have helped many companies modernize through composable and headless solutions. We will continue to focus on being a leader for modern solutions and grow in North America, Europe, and, soon, in Asia.

Company Spotlight: Orium



T E R C E R A

Business Description

Orium is North America's leading systems integrator/consultancy for custom digital programs. Leveraging its tech partnerships and composable commerce knowledge, the company builds marketing/product experience software to deliver modern e-commerce platforms for clients across the world.

Relevant Information

Headquarters: Toronto, ON

Employee Base: 300+

PE Investment: August 2022

Industries: B2B/D2C Brands, Retail

Other Locations: Boston, Mexico City, Remote

Formerly Known As: Myplanet Digital

Notable Clients



HARRY ROSEN



IP and Accelerators



Easily scales custom retail operations with high speed and agility



Facilitates scaling new experiences, business models, and launches into new channels



Helps users create flexible, customizable, and higher-converting checkout experiences



Streamlines delivery of scalable mobile commerce platforms to drive engagement

Key Partnerships



Premier Partner

2022 Enterprise Partner of the Year



Gold Partner



Premier Partner



Fluent OMS – Top Tier



Solution Partner

Partner of the Year

Specialties



Customer Data



Order Management



E-Commerce



Platform Overhaul



Loyalty Program



Product Strategy

Recent Awards



System Integrator of the Year (2023)



Best Retail Project (2022)

CEO Q&A: Orium



Jason Cottrell

Education: Western University

Experience: 14+ Years in Digital Experience

Relevant Experience: MACH Alliance
Advisory Board, Member of Forbes Tech
Council

Q: Tell us about Orium and what sets your consultancy apart from competitors in the digital experience and commerce universe? What is your unique value proposition?

A: Specialty and intellectual property. We are fortunate to specialize solely in composable commerce, with one of the largest talent pools of our type. This allows us to guide clients with a confidence our competitors cannot match. Code accelerators/starters are a particular advantage in this category, and ours is one of the best on the market. Our editorial team also maintains [Composable.com](https://www.composable.com), one of the definitive industry information resources as brands research the space.

Q: What does composable mean to you, and how do you introduce that to your clients?

A: Composability is a shift to commerce microservices (more akin to PaaS than SaaS). As with most paradigm shifts, the delivery model and ecosystem partners shift as well. The ISVs we work with are like Lego building blocks. Each is the absolute best at what they do in the commerce ecosystem, they are meant to work together in harmony, and they can be assembled to meet many use cases. What this unlocks as an SI is the ability to shift a conversation from build vs. buy to build AND buy. It's a great place to be as a digital agency or systems integrator. Customers can buy the microservices that are best for them (e.g., search, PIM, checkout), and only build a small portion from scratch. In some cases, a complete replatform may be needed. Whether a customer wants a large-scale transformation or a phased upgrade of their system, composable commerce can help the business move faster while managing complexity and TCO. Our customers instantiate these core services once and then can deploy them for multiple use cases. For enterprises grappling with complexity, they can now operate multiple brands, geographies, commercial models, etc., all from one set of core systems.

Q: What are the greatest threats to composability and an implementation expert such as Orium?

A: The ISVs we work with offer solutions that are exceptionally performant and scalable. The break points become legacy systems, how the whole solution is integrated together, and the time it takes to reach value for the client. The investment in our accelerator has allowed us to codify best practices to ensure scalability, adaptability, and time-to-value in a way that individual project teams struggled to accomplish.

Q: How do you ensure your solutions are scalable and adaptable in the ever-changing digital landscape?

A: This category is evolving quickly as it increasingly appeals to mainstream buyers. The standardization around our accelerator allows us to introduce new patterns as supported features, increasing adaptability and reducing the risk of change. This includes leading-edge work to apply generative AI in our delivery workflows in a way that is both margin- and outcome-accrue. The accelerator was deliberately architected to be fastest with existing ISV partners (hours to days), yet flexible to support new partner- or client-specific vendors as needed.

Q: How do you measure the success of your consultancy, both in terms of client outcomes and the growth of your own business?

A: Customers and partners continue to favor specialization. We remain focused on retaining our position as the go-to expert in this category. This expertise aligns with an unmatched ability to a) launch successfully and b) achieve the end transformation objectives of our clients. Client success and the possession of a skill set that is in demand of course translates to good business fundamentals. We continue to see clients engaging us into long-term transformation, limited pressure on bill rates, and a strong growth and margin profile.

Q: What is your vision for the future of your consultancy and its role in the evolving digital landscape?

A: The trend to composability is not staying within the bounds of commerce. Our ISV partners have already aligned themselves with the major IaaS cloud providers because of the revenue pull-through they provide. We are seeing this trend move into adjacencies of customer data, POS, OMS, DXP, and ERP. Composability is seeing demand both within B2C and B2B use cases (as firms work to digitize their operations), and even expanding into new verticalized solutions such as health care and financial services. This dramatically expands the addressable market.

Company Spotlight: Overdose

OVERDOSE.

Business Description

Overdose is a global, full-suite digital commerce consultancy with accelerating multi-year revenue growth and strong customer retention. Its unique model combines strategy, experience, technology, marketing, search, and data to drive its merchants' online success.

Overdose brings digital transformation to fruition for global merchants on today's leading platforms and the latest technology trends in digital commerce. Overdose is a Gold Solutions Partner with Adobe and top-tier partners with Shopify Plus, BigCommerce, Commercetools, Marketplacer, Google, Meta, and more.

Relevant Information

Headquarters: Auckland, New Zealand

Other Locations: Sydney, Melbourne, Brisbane, Singapore, Vietnam, USA, Ukraine

Employee Base: 330+

Industries: B2B/B2C Brands, Retail

Notable Clients



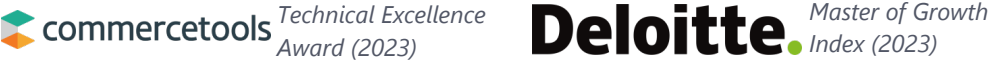
Key Partnerships



Specialties



Recent Awards



CEO Q&A: Overdose



Paul Pritchard, CEO

Education: University of Auckland

Experience: 20+ Years in Digital Experience

Relevant Experience: Chief Digital Officer of Ogilvy & Mather, CEO of APDgroup.com, Digital Business Director of DDB New Zealand



Todd Welling, Founder and Chief Strategy Officer

Education: Brunel University London

Experience: 20+ Years in Digital Experience

Relevant Experience: IT Manager at Morgan Stanley, Head of IT Services APAC at UBS, Founder and Digital Director of eCommistry

Q: Tell us about Overdose and what sets your consultancy apart from competitors in the digital experience and commerce universe. What is your unique value proposition?

A: Overdose is a Complete Commerce Consultancy led and owned by the founders, having grown organically to a global team of more than 300 in the seven years since incorporation. This independence, coupled with our agnostic approach, has allowed us to navigate the constant changes in the digital landscape and remain at the forefront of the industry. At the heart of Overdose is a resolute empathy towards the business outcomes of our merchants and a focus on deep partnerships with relationship longevity. By appreciating all aspects of digital commerce, through consumer acquisition, conversion, and retention, we build holistic strategies for our merchants. By positioning the merchant's success at the core of our ethos, rather than being beholden to specific technologies or platforms, we have built trust and reputation within the ecosystem of doing the right thing, every time.

Q: What does composable mean to you, and how do you introduce that to your clients?

A: Composable is often interpreted as a technical methodology, but our thinking bridges this into business functions. We often see merchants at scale having their ambitions restrained by an overly structured monolithic platform that does not allow independent business functions the agility to scale at their speed. From a technical perspective, the typical approach is to adopt a Strangler Pattern: incrementally breaking apart key functions into siloed microservices and slowly replacing the incumbent solutions. This allows merchants to adopt a low-risk approach, understand MACH principles, and adopt an agile methodology into their overarching product management strategy.

Q: What is your vision for the future of your consultancy and its role in the evolving digital landscape?

A: Our internal goal is unchanged: being the world's most recognized and respected Complete Commerce Consultancy. Change is constant, and our ability to remain at the forefront of the industry will be dependent on our continued curiosity, courage to take risks, innovation, and retention of the people who make us who we are, and the merchants who entrust our opinions to inflect change in their business.

Q: How do you stay up to date with the latest trends and technologies, and how do you incorporate them into your client solutions?

A: Curiosity is the key. We never sit still. We look, listen, learn, try, fail, adjust, and repeat. When examining the wider market, we often see large global agencies being slow to react to market dynamics, and we are hyper-aware that our inquisitive nature and appetite for innovation are some of our most valuable and unique assets.

Q: How has composable evolved in the APAC region? Why do merchants elect to go composable versus using monolithic platforms?

A: Composable has been "bubbling" within large corporates for many years but was historically inaccessible due to the cost and complexity associated with it. In 2021, we witnessed the doors opening as productized solutions became available, and 2023 was the most dramatic growth witnessed. As a perfect union occurred in the market to complement the MACH product growth, we also witnessed many enterprise merchants recording over 20% of revenues being attributed to online, and industry insights suggest up to 80% of physical transactions are influenced through online engagement. No longer are merchants wanting to completely outsource these solutions, nor have their ambitions been constricted by a singular solution. Speed and agility are the new weapons of choice in commerce and the insourcing of this intelligence through building hybrid teams.

Q: What emerging technologies or trends in digital experience and commerce do you see as particularly promising or impactful in the near future?

A: The MACH Alliance will continue to expand, and notably you will see the adoption of enterprise AI into these solutions. Closer to home, and more accessible for merchants today, will be the advent of digital tech into physical retail. We are not going to see everyone launching Amazon Go stores, but we will witness a greater adoption of point of sale (POS), kiosks, self-service, and assisted digital selling through integrated services. POS solutions are typically still legacy solutions centered around transactions and payments that hang off a merchant's core ERP system. They are traditionally painful to change, as they are so heavily reliant on physical hardware, EFTPOS machines, printers, and cash drawers.

A laser-like focus on customer service will be necessary to stand out for both prospective and loyal customers. Offering points, rewards, cash back, etc., through standard loyalty programs will not be enough to differentiate your brand from your competitors. Paying attention to each point in the buying journey and ensuring a deep understanding of customer intent and desire will be essential to designing the right experience and utilizing new advances in AI to create personalized opportunities for connection.

Company Spotlight: Zaelab



Business Description

Zaelab is a market-leading e-commerce consultancy that helps B2B and D2C businesses accelerate e-commerce innovation, adopt modern cloud platforms, and implement adaptable procedures. Zaelab utilizes its partnerships with several leading cloud and digital solutions platforms to transform its clients' e-commerce models.

Relevant Information

Headquarters: Westport, CT
Employee Base: ~150
PE Investment: March 2023

Industries: Manufacturing, Life Sciences, Consumer Products

Notable Clients



Key Partnerships

B2B Commerce Platform 	B2B Composable Commerce
B2B Immersive Commerce 	B2B Commerce Orchestration

Specialties

Composable Partners	Composable Migration	3D Experiences (AR/VR)	CPQ (Configure, Price, Quote)	Product Configuration	Salesforce Commerce Cloud	SAP Commerce Cloud

IP and Accelerators

 E-commerce platform custom-tailored for life sciences and medical device industries	 Distinctive platform that merges Salesforce Commerce and Experience with Pimly, Logik.io, and Threekit	 A decade of e-commerce best practices in a single product; increases speed to market and reduces complexity and risk
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CEO Q&A: Zaelab



Evan Klein

Education: Quinnipiac University

Experience: 15+ Years in E-Commerce

Relevant Experience: EPAM

Q: Tell us about Zaelab and what sets your consultancy apart from competitors in the digital experience and B2B commerce universe? What is your unique value proposition?

A: Zaelab has decided to focus intently on B2B commerce, as the needs of B2B organizations relative to B2C are distinctly unique and require a nuanced approach. Within that, Zaelab has adopted a vertical GTM strategy. This industry focus enables us to build depth within specific sectors and solve our clients' problems in ways other providers cannot. Our focus on composable commerce enables us to take modern and best-of-breed solutions and weave them together to solve our clients' most pressing business challenges. Having done this for several years, we have effectively created IP, including our Portul.io accelerator that combines best practices from a decade of experience, enabling our clients to get to market faster and more cost-effectively, and focus their time and energy on innovating instead of building commodity capabilities we've already built.

Q: What does composable mean to you, and how do you introduce that to your clients?

A: We focus and introduce our clients to composable in a way that they understand—from a business perspective. While there is a lot of technological chatter about composable, we focus on the business outcomes that composable brings. This is often done by sharing tangible business results and cases. We discuss how to move the needle on the KPIs that matter, including revenue growth, cost savings of digitization, decreasing touches required on orders, and digital channel shift.

Q: How do you assist clients in managing and optimizing their digital experience and commerce platforms post-implementation? What ongoing support and maintenance services do you offer?

A: Zaelab provides comprehensive assistance to our clients in managing and optimizing their digital experience and commerce platforms post-implementation. Our commitment extends beyond the initial setup, and we offer ongoing support and maintenance services to ensure sustained success.

Q: What is your approach to building and maintaining long-term client relationships, and how do you ensure client satisfaction?

A: With an average client tenure of over five years, Zaelab prides itself on becoming a true extension of our clients' teams. We take a meticulous approach to understanding their challenges, defining benchmarks, and crafting solutions that will enable them for long-term success. As one of our company's core values, we value transparency and candor to ensure all parties involved are well informed and aware of the engagement status, which contributes to the overall integrity and success of the partnership. It doesn't end there. Through proactive problem-solving and delivering exceptional experiences, Zaelab has been able to prove why we're the right long-term partner for our clients.

Q: How do you measure the success of your consultancy, both in terms of client outcomes and the growth of your own business?

A: Client satisfaction and retention rate, time-to-value, and project success metrics inclusive of ROI are key in understanding the success of client outcomes. From a business growth perspective, we measure the success by revenue growth, client acquisition rate, employee satisfaction and retention, market share, and strengthened partnerships.

Q: What is your vision for the future of your consultancy and its role in the evolving digital landscape?

A: We aim to continue being at the forefront of technology innovation, consistently pushing boundaries and building creative solutions to deliver unparalleled value to our clients and help them move their business forward. We envision fostering a culture of continuous learning, where our teams are not just adapting to emerging technologies but leading the way. By strategically aligning our expertise and partnerships with the evolving needs of businesses, we strive to have Zaelab be the go-to partner for those B2B brands seeking to thrive and push the envelope in this digital era. Our commitment to excellence, client-centricity, employee satisfaction, and staying ahead of the technological curve will be the driving force propelling Zaelab into a future where innovation knows no bounds.

Q: How do you stay up-to-date with the latest trends and technologies, and how do you incorporate them into your client solutions?

A: Collaboration and continuous learning are key to staying up-to-date in an ever-changing industry, including membership within the MACH Alliance. By collaborating with peers, clients, and partners, we're able to keep a pulse on how the trends, both micro and macro, are impacting business needs and the solutions required to solve them. We are learners and entrepreneurial at heart. It's vital to dedicate time to staying informed, researching the market, and educating the team on what we're uncovering.

Houlihan Lokey's Digital Transformation Team

Houlihan Lokey's Digital Transformation team comprises bankers within the firm's Marketing Services and IT Services practices, mirroring how marketing and technology have converged to deliver digital experience and commerce solutions.

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HL's Leading M&A Platform

2023 M&A Advisory Rankings
All Global Business Services Transactions

	Advisor	Deals
1	Houlihan Lokey	63
2	Rothschild & Co	46
3	Lincoln International	32
4	Clearwater International	31
5	Goldman Sachs & Co	27

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	Houlihan Lokey	352
2	Rothschild & Co	349
3	Goldman Sachs & Co	300
3	JP Morgan	300
5	Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

HL's Global Footprint



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