Case Study

Nordic Naturals Captures Chinese Consumer Business Through a Custom E-commerce Website Developed by Cloud Brigade

www.nordicnaturals.com

Summary

Customer Since 2016

Global, HQ in Watsonville, CA, USA

Healthcare, Midsize Enterprise

Joar Opheim, Founder and CEO

Founded in 1995, Privately Held

Challenge

Need to expand and create a full e-commerce website and develop all the necessary processes and logistical infrastructure to accept customer orders and Chinese payments and to deliver product to consumers in-country.

Benefits

- Enabled business expansion to China

- Reduced shipping expenses and simplified e-commerce workflow platforms

- Solved restrictions related to digital payments acceptance, product taxation and purchase limits

- Integrated and automated data systems and processes

- Enabled long-term security contingency plans

- Implemented replicable global technology solution and e-commerce strategy

About Nordic Naturals, Inc.

Since its founding in 1995, Nordic Naturals has been setting standards for omega-3 excellence. It is the #1 Fish Oil brand in the U.S. in the natural products sector. More than 25 years later, Nordic Naturals offers 200+ products for customers around the world. With products for the whole family, the company delivers the supplemental nutrients essential for healthy living.

Nordic Naturals is headquartered in Watsonville, CA, United States, with manufacturing facilities in Arctic Norway.

Background

Nordic Naturals wanted to expand consumer product sales into mainland China. The company had a Chinese-language marketing website to display its offerings, but it wasn't set up to allow e-commerce. The company's internal web development team lacked sufficient staff to handle the development needs, which included complex integrations with their e-commerce platform and their enterprise resource planning (ERP) system. Nothing about this project would be "cookie cutter" simple.

The Challenges

- **Irresolvable Complexity** – Convoluted Chinese regulations required development of unique processes.
- **Inefficient Systems and Processes** – Employees were manually entering customer orders from emails into the ERP system.
- **Skills and Staffing Gaps** – They had not yet built out their internal development team, prompting Cloud Brigade to fill the gap.
- **Antiquated Technology** – The original e-commerce website was 20 years old and dying under its own weight

The Solution

Cloud Brigade had already engaged on a prior assignment with Nordic Naturals as a trusted advisor to consult on the overhaul of the company's main website. Cloud Brigade had proven it could think outside the box on complex projects and brought its "A team" to lead the development and integration efforts to build the Chinese e-commerce site.

The Vast Chinese Consumer Market Awaits

Nordic Naturals felt the time was right to sell direct to consumers in mainland China. The company already had a static Chinese-language marketing website but it didn't support transactions of any sort. **The challenge was to create a full e-commerce website and develop all the necessary processes and logistical infrastructure to accept customer orders and Chinese payments and to deliver product to consumers in-country.** The complexity of this challenge can't be overstated; outside the box thinking was as critical as the technical knowledge and skills to tackle the project.

Cloud Brigade had previously done some website consulting for Nordic Naturals. IT Director Mark Timares felt Chris Miller and his team at Cloud Brigade were the right people for the Chinese website project. "We knew we could count on the responsiveness, reliability, and technical prowess of the Cloud Brigade team," says Timares. "They are very good at sifting through technical issues and explaining and then solving them."

> *"A project like this can get very complicated and we needed expert help. Chris has always been able to get to the core issues with a consultative advocacy perspective that is very helpful."*
> *– Mark Timares, IT Director*

This Was No Ordinary Project

Chris Miller, CEO, Cloud Brigade, outlines the long list of challenges the team had to overcome to make not just the e-commerce website, but the entire end-to-end commerce process, workable for Chinese consumers. "Doing business in China is nothing like selling to consumers in the EU or the United States," says Miller. "There are so many business as well as technical issues that have to be worked out. For example, how to ship products to China, and how to accept digital payments from customers ordering their fish oil and vitamins. It's well known that China puts a lot of restrictions on its citizens, and every restriction is an obstacle we had to work through."

Nordic Naturals was already using an e-commerce platform called Magento. The original marketing website was on an old version of Magento. The Cloud Brigade team was tasked with developing the new e-commerce website on an updated version of Magento. "Business requirements dictated that we work with third party vendors on a lot of logistical issues. Unfortunately, there were no off-the-shelf integrations with Magento, so we had to develop them ourselves," says Miller. He cites a non-standard method of product taxation in China, and limits on how much a person could purchase in a particular order. They also had to work with shipping companies that need to collect a government-issued ID from each consumer and incorporate that shipping process into the e-commerce workflow. Cloud Brigade had to create integrations for Magento that managed the complex purchase processes.

Another step was to integrate with Nordic Naturals' ERP system, xTuple, which controls the production process. The old process involved people manually entering Chinese orders into xTuple that had come in through email. Not only was this totally inefficient but it was also a potential source of human error. Cloud Brigade would need to create an integration between Magento and xTuple for automated data interchange. The ERP vendor provided an API for custom integrations, but it was fairly new and sparsely documented at the time. Cloud Brigade worked with xTuple directly to build out and test this custom integration to ensure it works well.

The integration with xTuple handles fulfillment, and it also facilitates the shipping process to send product to China. Because shipping to China is expensive, the orders need to be accumulated and shipped in batches. Further complicating this process is the need to ship some orders to Hong Kong and hold them for later delivery to China if the government-issued ID information is missing from the original order. All of these kinds of considerations had to be programmed into the applications built by Cloud Brigade.

Technical Hurdles to Overcome

Cloud Brigade faced a fair number of technical hurdles with this project. One is dubbed The Great Firewall of China. At any given time, the Chinese government can block communications going into or coming out of the country. Cloud Brigade had to take this into consideration because one of the servers used to support Nordic Naturals' website is located behind this firewall. Miller acknowledged that this important resource could be unavailable from time to time. "It got me thinking about always having a contingency plan and making the assumption that there are things outside of our control that can be broken at any time," says Miller. "I remind our technicians to think about this whenever they're doing any kind of system engineering."

The xTuple integration was quite a technical challenge as well. Miller says they worked with xTuple's technical team to deal with some nuances of the API in order to align with the ERP processes. Cloud Brigade also had to patch some Google contributed code to get around other implementation issues with the API. In addition, the xTuple system is an on-premise system, meaning it operates behind a firewall in the Watsonville facility. "We had to do some special coding to get around the fact that the xTuple application was not designed to be run behind the firewall that way," says Miller. But he adds that these are the kinds of challenges that make the work fun. "Our team loves to take a technical roadblock and turn it into a nice smooth highway."

"All of Cloud Brigade's projects for Nordic Naturals have been very successful. The technology works, it was delivered on time and on budget, and the responsiveness from their team was excellent. We got what we asked for and there is a reliability that we can count on from Cloud Brigade which is the most important thing in a relationship." – Mark Timares, IT Director

A Successful Launch and a Technology Handoff

"We were able to get their system launched and Nordic Naturals was able to start doing commerce inside mainland China," says Miller. "Afterward, they hired a large company to do a complete multi-country Magneto site, and we worked with that vendor to do a technology handoff so they could benefit from all of Cloud Brigade's work. They were able to take all our code and port it over to the new implementation, so everything was reusable."

"Chris and the team at Cloud Brigade helped us build our business in China and then provided advisory services to us as we charted a plan technically to move forward more broadly with our e-commerce strategy," says Timares. "His team was very professional and responsive and their ability to jump on an issue and get it resolved was paramount to our success."

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