

# J PHILIP GROUP

## TRUECOMMERCE NEXTERNAL E-COMMERCE PLATFORM

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– Philip Leichter,  
Owner and CEO, J Philip Group



### OBJECTIVE

- Replace an expensive and underperforming eCommerce system with a more flexible solution that offered key features and greater hands-on control

### SOLUTION

- Implement the TrueCommerce Nexternal eCommerce Platform to reduce costs and allow for in-house updates and maintenance to extensive online catalogs

### BENEFITS

- Reduced monthly eCommerce costs
- Ability to assign multiple prices to the same SKU, to easily offer products to different types of clients at different price points
- Scalability to cost-effectively support massive and sustained sales growth

### BACKGROUND

**Thanks to rapid and sustained success, J Philip Group quickly outgrew its original eCommerce system.**

Leveraging its business consulting services and related expertise, J Philip Group manages two highly successful web storefronts that provide janitorial and other supplies and equipment to small businesses, institutions, contractors and private individuals. "I'm a drop-shipper," says Philip Leichter, Owner and CEO. "I have thousands of items in my online catalogs, which are housed around the US in multiple warehouses. When a customer places an order, they pay for it and then I have it drop-shipped and pay for it later."

As its online business has rapidly increased, J Philip Group needed a way to organically expand and manage its online catalogs with in-house resources, and to scale order volume while keeping monthly eCommerce-related costs in check. Its original eCommerce solution didn't measure up, so this nimble supplier quickly discovered an alternative.

### MORE CAPABILITIES AT A LOWER COST

**The Nexternal eCommerce platform offered key capabilities that competitors couldn't match.**

J Philip Group's initial eCommerce solution was hands-off: the service provider performed all updates and maintenance to the catalogs, and charged accordingly.

"When we looked at the monthly eCommerce charges in relation to our increasing business volume, we figured that we could have everything we currently had—and even more—for a lot less monthly expenditure," observes Mr. Leichter. "We have in-house site maintenance down to a routine so it's pretty painless, and our two differently branded storefronts are powered by the same order management system, which is a giant timesaver over having to use separate databases for the separate brands."

Another major driver for seeking a new eCommerce solution was a need to offer the same item online at a wide range of different price points. "For example, say you have a case of floor finish that you could sell to the general public for \$65," Mr. Leichter explains. "But if you expect to do business with large contractors, you need to offer that same product to them at \$45."

Nexternal was the only eCommerce offering J Philip Group found that supported not just a few price ranges, but many. "There were others that could support up to four or five different prices for the same item," notes Mr. Leichter. "With Nexternal, the number of prices you can associate with a SKU isn't unlimited, but it's such a large number that it feels that way."

The ability to power two different, separately branded stores with a single Nexternal account was also key. Having the orders from both sites land in the same database makes processing and reporting simple. The supplier moved its online storefronts to the Nexternal platform in 2015.

## HELPING TO DRIVE EXCEPTIONAL SALES GROWTH

**"Flexibility and control" of the eCommerce storefront is critical to this supplier's success.**

According to Mr. Leichter, J Philip Group's online storefronts grossed \$460,000 in their first year of operation in 2014. In 2015, with the help of Nexternal that amount nearly doubled to \$861,000. In 2016, the supplier's gross revenue rose to \$1.2 million, and sales are up 36% over that pace for the first two months of 2017.

"Nexternal has contributed tremendously to our growth," Mr. Leichter asserts. "A big reason is the awesome flexibility and control that it offers."

The solution's flexibility proved to be a formidable competitive edge.

"For example, the ability to add large numbers of new SKUs with no upper limit is huge," states Mr. Leichter. "A small guy like me cannot compete with Amazon unless I can offer a wide assortment of items and

easily add something or take something out and just keep going."

"With Nexternal, I can load new content and manipulate the data myself and make things look just the way I want them—instead of somebody else having to do it and me having to manage that. The amount of control that I personally have over my webstore is probably the thing I like best about Nexternal," emphasizes Mr. Leichter.

## OUTSTANDING REPORTING CAPABILITY

**Nexternal lets J Philip Group "dazzle" customers with sales intelligence.**

Another Nexternal strength that is highly valuable to J Philip Group is its powerful reporting capability, which not only helps manage the company but also improves service to its customers.

"A customer can ask me for a report showing, for example, what they bought from me in the past year by SKU, and I can give them that in minutes," Mr. Leichter offers. "They're dazzled that a small company like mine can provide them with as much or more intelligence as suppliers five times our size—that's a real plus."

Likewise, Nexternal can easily report on key financial details in real-time, like costs and retail sales data used to derive income, gross margin and profit for any time period.

## FUTURE PLANS

**J Philip Group plans to expand its use of Nexternal's capabilities.**

"I recognize that I'm still only using a small fraction of the Nexternal platform's capabilities," Mr. Leichter relates. "Our Nexternal Account Manager has been terrific at helping me to be successful with new

product capabilities, especially promotional activities like the use of coupons."

The company is planning to use Nexternal to go after other promising verticals.

"Right now we have two different stores based on essentially the same catalog system, but targeting different customers," says Mr. Leichter. "I anticipate that within the next 36 months I will launch another website with yet a third design, based on that same catalog but targeting, for example, healthcare providers, and it will also feed into my single database."

With Nexternal, branding wouldn't be an issue.

"All I have to do is give Nexternal the design for a new 'skin' and Boom!—suddenly I have another webstore without adding any new products," conveys Mr. Leichter. "I also anticipate that I will soon start using some of the social networking capabilities in Nexternal, which currently I'm doing another way."

"I love Nexternal and recommend it to everyone," Mr. Leichter concludes.

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– **Philip Leichter**  
Owner and CEO,  
J Philip Group

## ABOUT TRUECOMMERCE

TrueCommerce gives your business a competitive edge with simple, adaptable and cost-effective solutions that harness the power of our trading partner community. From the factory to the warehouse, from distributor to retail storefront, achieve new levels of business connectivity and performance from the world's most complete network.

**Connect. Integrate. Accelerate.**

## THE TRUECOMMERCE TEAM IS HERE TO HELP!

If you have any questions regarding TrueCommerce, or how it applies to your business, our passionate, EDI focused team is here for you.

**Call us today at 888.430.4489**

[www.truecommerce.com](http://www.truecommerce.com)



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