ShipBob

INDUSTRY • E-comm, 3PL

FUNDING • $330.5m

USE CASE • Building an In-App Marketplace

THE CHALLENGE

ShipBob faced challenges due to their rapid growth. They were using 80 percent of their integration engineers' time for maintenance and customer support, resulting in a lengthy three-month timeline to launch a new integration. Additionally, the absence of an Integration Marketplace made it challenging for customers to find, install, and utilize all the available integrations.

To improve their return on investment (ROI), ShipBob recognized the need to accelerate time-to-market, cut engineering expenses, and enhance the overall customer and partner experience.

THE RESULTS

70% REDUCTION
Eliminated 70 percent engineering time while improving partner and customer UX.

6X FASTER
Shortened time to market for 1 new integration from 3 months to 2 weeks.

4.5X MORE PARTNERS
Partners incentivized by new marketplace and streamlined process.

AVOIDED 200K
Building even an MVP in-house would have cost a minimum of 200k in infra building.

THE SOLUTION

By leveraging Pandium, ShipBob efficiently standardized their infrastructure and introduced a white-labeled Integration Marketplace within their application.

Pandium took charge of tasks such as authentication, hosting, and integration management infrastructure. This strategic move enabled ShipBob to significantly slash their engineering and overhead expenses. Simultaneously, it led to the development of a user experience (UX) that resonated positively with both their customers and partners.

Explosive Growth

ShipBob offers e-commerce merchants a comprehensive fulfillment solution, streamlining operations to provide customers with swift deliveries and top-notch service.

As a result of ShipBob's explosive growth over four years, their product integrations were built in an ad hoc manner and had disparate architectures.

Furthermore, ShipBob's widespread popularity led numerous third-party software companies to create integrations with ShipBob. Unfortunately, without an in-app marketplace, ShipBob lacked awareness of these integrations and had no visibility into their user experience (UX).

Engineering Challenges

ShipBob faced challenges with their integrations due to the lack of centralization and the differing architectures among them. This led to their integration engineers dedicating 80 percent of their time to maintenance and customer support.

The process of introducing a new integration required a team of senior engineers 3-4 months to complete, which was a source of dissatisfaction among the engineering team, as they preferred to focus on more innovative tasks.

Business Challenges

With so much engineering time spent on maintenance, ShipBob's marketing and sales teams were frustrated that they were not getting the new integrations they needed.

It was also difficult for ShipBob's product team to give marketing and sales teams concrete timelines for new integrations, or to set expectations with partners.

And even integrations that were built were not delivering their full business value. Customers often had a difficult time discovering, installing, and using integrations.

"Our UX was clunky because we were not able to explain to merchants what they needed to do and why in the app. The merchants did not understand what the different integration options even meant," explained Manisha Taparia, Senior Product Manager, Integration Strategy.

And without a marketplace and standardized tech, partners had reduced incentive to build into ShipBob.

Turning to integrations for growth

ShipBob recognized a substantial revenue-generating opportunity they had been missing. They saw the potential of a robust in-app marketplace to generate new leads, enhance customer satisfaction, and facilitate new business deals.

ShipBob acknowledged that they were allocating a substantial portion of their engineering resources to develop, sustain, and assist integrations, but they were not fully realizing the value of this investment.

ShipBob conducted a study and found that customers who integrated with more than two systems exhibited lower churn rates, increased satisfaction, and generated higher revenue.

"Our lack of connectivity was a revenue blocker," Director of Product Management Kevin Marvinac said.

"We needed to find a way to decrease the burden on our customers and the obstacles to them experiencing connectivity.

"We wanted them to be able to seamlessly connect their current systems, and explore new tools they might be able to use."

Choosing Pandium

Kevin explored various avenues to implement their integration strategy and conducted a comprehensive cost-benefit analysis for each option.

He projected that sticking with their existing setup and hiring more engineers for additional integrations would incur a cost of $600k.

Additionally, he estimated that developing a basic version of what Pandium offered, with fewer features, would require at least $200k.

After evaluating another iPaaS and estimating the ROI on each of their options, ShipBob decided Pandium was the best choice for driving their integration strategy forward.

The Results

With Pandium, ShipBob was able to transform their integration infrastructure, eliminate overhead, and launch a white labeled in-app marketplace with an improved customer and partner UX.

Reduced engineering costs, happier engineers

By implementing a standardized infrastructure alongside a management dashboard, ShipBob achieved a remarkable 70 percent reduction in engineering costs.

Contrasting with the previous scenario where senior engineering teams required 3 months to launch a new integration, Pandium streamlined the process to a mere 2 weeks, achievable by a junior engineer.

ShipBob appreciates Pandium's unique feature, distinguishing it from traditional iPaaS tools. Pandium allows ShipBob engineers to configure integrations using their preferred programming language while seamlessly handling the authentication process.

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> Kevin Marvinac, Director of Product Management

This setup grants ShipBob control and flexibility in configuring their integrations, eliminating the burden of authentication.

Engineers can conveniently push configurations to their repository, enabling them to work within their familiar environment without the need to master a specialized system.

Furthermore, Pandium's hosting capabilities, coupled with its Admin Dashboard offering logging and error insights, afforded ShipBob greater visibility into potential issues. This enhanced visibility not only reduced customer support demands but also eliminated operational overhead.

Improved Customer UX

With their new in-app marketplace, ShipBob's merchants could discover and explore new integrations but also conveniently locate the systems they already had in place.

Empowered by Pandium's versatile marketplace, ShipBob could showcase a wide array of integrations, whether they operated on Pandium or other platforms. This inclusivity allowed ShipBob to spotlight both their legacy integrations and those developed by partners. The white-labeled user interface further simplified the installation and operation of these integrations for customers.

Manisha, ShipBob's Senior PM for Integration Strategy, shared, "We surveyed some of our customers and every single person said it was a vast improvement over the prior experience, and rated it a 4 or 5 out of 5."

Pandium as a partner

Due to integrations and infrastructure's pivotal role in ShipBob's growth and business strategy, they consider Pandium more than just a platform – it's a strategic partnership.

Kevin emphasized, "Pandium is a fantastic partner for us. We have weekly calls, an exceptional account manager, and frequent interactions with the tech team. It's an invaluable relationship."

ShipBob highly values Pandium's openness to developing new product features. Kevin added, "When something benefits us and other customers, Pandium is willing to build it. I've seen our feature requests come to life, and I'm genuinely impressed. They've been instrumental in achieving our goals, with exceptional responsiveness."

Manisha noted, "I appreciate how quickly challenges are addressed. Pandium is truly invested in our success."

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> PANDIUM HAS COMPLETELY CHANGED HOW WE APPROACH OUR PARTNER-DRIVEN AND INTEGRATION-DRIVEN GO-TO-MARKET STRATEGIES. PLUS, OUR EXISTING CUSTOMER BASE BENEFITS FROM BOTH UTILIZING OUR LATEST INTEGRATIONS AND FINDING THE BEST-IN-CLASS SOLUTIONS FOR THEIR EVER EVOLVING NEEDS.
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> Casey Armstrong, CMO