Consumer products leader Aterian transforms their order operations with Pipe17

Company replaces internally developed solution with Pipe17, reducing annual operational costs by nearly \$250,000.

"Order fulfillment is flowing smoothly! It was impressive how quickly Pipe17 integrated all of our ecommerce channels, including Shopify, TikTok, Amazon, Walmart, with our multiple 3PLs."

Kevin Nohl | SVP Global Supply Chain | Aterian

Background

Aterian, Inc. (Nasdaq: ATER) is a is a technology-enabled consumer products company that builds and acquires leading ecommerce brands with top selling consumer products, in multiple categories, including home and kitchen appliances, health and wellness and air quality devices. The Company sells across the world's largest online marketplaces with a focus on Amazon and Walmart in the U.S. and on its own direct to consumer websites.

In 2023, Aterian realized it needed to become more efficient as a business. Increasing agility was now a priority, so they could more quickly adapt to the needs of the business and launch in new marketplaces and with new inventory partners.

Due to other changes in the third party ecommerce infrastructure, Aterian realized a way to become more efficient was to move away from its internally developed order operations platform, which had supported the business from the beginning.

Challenge

Aterian's order operations are complex, with orders originating from more than 40 selling points that span marketplaces (including Amazon, Walmart and eBay) and direct-to-consumer (DTC) webstores and being fulfilled by a delivery network that includes four third-party logistics (3PL) providers. In addition, Aterian was looking to add TikTok Shop as a new selling channel and to add it to their order operation with minimal disruption.

They needed an order operations solution that could:

- 1. Seamlessly <u>integrate</u> all their selling channels and fulfillment providers with their existing back-office ERP system (Acumatica)
- 2. Support <u>order routing</u>, both today and in the future as business goals evolve and their channel matrix changes, to minimize fulfillment costs
- 3. Ensure <u>compliance</u> with stringent privacy regulations and audits, given their status as a major Amazon seller and a publicly traded company

Solution

After evaluating several options—including traditional order management systems and iPaaS tools—Aterian chose Pipe17's Omnichannel Order Hub.

Pipe17's ability to integrate Shopify, Amazon, eBay, Walmart Marketplace, and TikTok Shop with Aterian's multiple 3PL providers and ERP system, strong Acumatica support, robust order processing capabilities, and innovative approach to order operations made it the ideal order operations solution.

"We looked at a number of solution options but made the decision to go with Pipe17 based on their strong capabilities as well as the team and their unique vision for order operations. I especially like how Pipe17 is able to support our business users but still give me the ability to quickly fine tune our configuration."

Roi Zahut CTO. Aterian

One critical consideration for Aterian was consumer privacy. As both a major Amazon seller and a publicly traded company, Aterian adheres to strict policies to protect consumers' personally identifiable information (PII).

Implementation

Aterian opted for a phased implementation approach, starting with one of the company's best known and most successful brands, Squatty Potty. Pipe17 completed this pilot project in less than 30 days, demonstrating its ability to efficiently manage and route omnichannel orders from Shopify Plus and TikTok Shop to multiple 3PL providers, reconcile inventory in Acumatica, and ensure compliance with privacy regulations.

The pilot project was deemed a success and Aterian swiftly expanded the implementation to encompass their entire omnichannel order operations. Over the next 60 days, Aterian moved the rest of their order operation onto Pipe17 encompassing various selling channels—including Amazon Seller Fulfilled Prime, Walmart Marketplace, Mirakl, eBay, Shopify Plus, as well as Aterian's UK and EU stores—as well as their multiple 3PL partners and Acumatica ERP.

"The project has gone very smoothly and much faster than we thought possible. The team has been great to work with. Prior to meeting their team, I would have expected a project of this size to have taken a year to get live but we were up and running in less than 90 days."

Roi Zahut CTO, Aterian

To stay on top of order flow and status, Aterian is using Pipe17's LiveOps Dashboard. The dashboard provides a "live traffic" view of their orders and inventory with the ability to drill down to specific items for review. They also

receive real time notifications for any errors and exceptions that may occur during an orders lifecycle.

All their order operations data is streamed into Databricks for analytics via Pipe17's Amazon S3 connector, and personally identifiable information (PII) is able to be automatically redacted before it enters the companies ERP and data warehouse thanks to Pipe17's global PII enforcement capabilities.

Today using Pipe17, Aterian processes thousands of orders a day across 40 distinct selling points across their marketplaces and DTC web stores.

Omnichannel orders are routed to different fulfillment centers depending on customer location, reconciled at every step of the lifecycle with Acumatica, and logged into Databricks.

Results

The adoption of Pipe17's <u>Order Hub</u> yielded significant benefits for Aterian including:

- 1. Cost Savings. By transitioning to Pipe17, Aterian immediately reduced operational costs by nearly \$250K annually. This cost-saving allowed the company to reallocate resources to other strategic initiatives.
- 2. Efficiency and Agility. Pipe17's streamlined order operations and real-time visibility enabled Aterian to enhance its agility and respond rapidly to changing market dynamics. The automated processes and live monitoring provided by Pipe17's LiveOps Dashboard empowered Aterian to stay ahead of order flow and address any issues promptly.

- 3. Compliance and Security. Pipe17's robust privacy enforcement capabilities ensured compliance with consumer privacy regulations, safeguarding personally identifiable information (PII) and maintaining Aterian's reputation as a trusted retailer.
- 4. Strategic Advantage. With a more efficient and agile order operations infrastructure in place, Aterian is well-positioned to execute its omnichannel strategy, explore new market opportunities, and drive continued growth and profitability.

"Going live with Pipe17 allowed us to reduce operational expenses by nearly \$250K on an annualized basis from our operation and technology platform while providing us speed and flexibility as we scale our business. As we continue with Pipe17, we believe we will see further positive impacts both operationally and financially."

Arturo Rodriguez Co-CEO, Aterian

Aterian's partnership with Pipe17 has not only optimized their order operations but has also positioned them for future success in an increasingly competitive e-commerce landscape. By leveraging Pipe17's innovative solution, Aterian has unlocked cost savings, operational efficiency, and strategic agility, enabling them to focus on creating new products, expanding into new markets, and delivering exceptional customer experiences across all channels.

"Our shift to Pipe17, is not only expected to lead to cost-savings but is also expected to increase our speed and agility to support our push to an omnichannel strategy and address our continually changing marketplace environment."

Arturo Rodriguez
Co-CEO and CFO, Aterian

Through collaboration and innovation, Pipe17's Order Operations solution has not only removed nearly \$250K a year of cost from Aterian's business, but it's given them the ability to better focus on growing their business and further increase their operating margins.