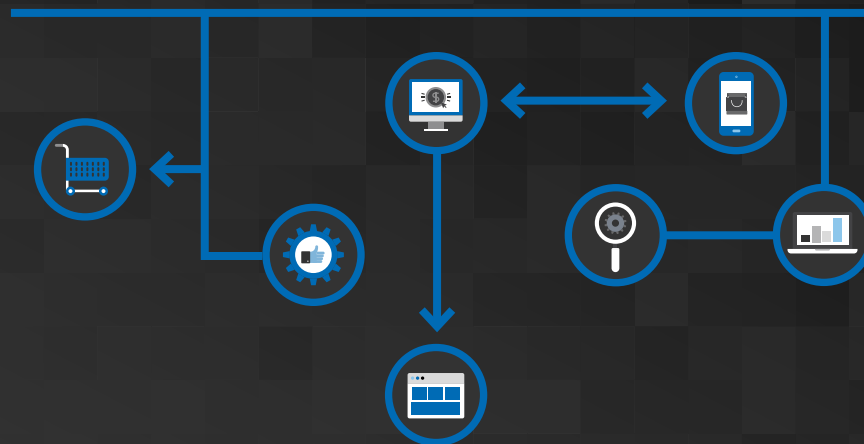


# A B2B ECOMMERCE PLAYBOOK



Many B2B companies pride themselves on building personal relationships with their customers. But as one global leader in specialized environmental services has discovered, relationship building in the B2B space is shifting rapidly.

For decades, this company's salespeople fanned out each day to visit customers and ask them what they needed. And for just as long, their brand of exceptional customer service kept the orders flowing. But a few years ago, things began to change. As the people making buying decisions got younger, their appetite for personal visits declined. Conditioned by Amazon and the B2C revolution, they'd increasingly grown used to the ease of doing business online. The customer relationship was no less crucial, but the kind of relationship the customer wanted was evolving. The company quickly realized that if it wanted to retain its leadership position, it would have to evolve, too.

This sort of "ah-ha" moment is becoming increasingly common across the B2B landscape. At \$1 trillion, the global B2B market is four times the size of the B2C market overall. Yet in its Wave™ B2B Commerce Suites Q2 2015, Forrester reports that most B2B companies lag their B2C counterparts in terms of digital maturity and quality of customer experience.<sup>1</sup> For every company advancing down the digital learning curve there are many more still taking orders by fax or struggling with an outmoded version 1.0 eCommerce platform. B2B eCommerce represents less than 10 percent of total B2B spending, which is not surprising given that B2B companies accounted for only 20% of the total spend on eCommerce technology as recently as 2013.

But B2B companies are rapidly getting on board. Forrester projects that over the next five years B2B eCommerce in the US alone will grow 7.7 percent annually and is on pace to reach \$1.13 trillion by the year 2020. Almost 60 percent of all purchases will be made online, versus just one-third today<sup>3</sup>. One reason for the growth is that cloud-based SaaS solutions like CloudCraze make it much easier and more affordable to get an eCommerce system up and running in months, not years. There's also a network effect: The more customers that do business on their desktops, smart phones and tablets, the more valuable those channels become.

Most leadership teams recognize the opportunity to boost sales and cement customer relationships by building better online and mobile experiences. But when faced with a variety of options and a growing sense of urgency, just getting started can be a challenge. An important first step is to recognize that developing the right eCommerce platform is no different than building any other key capability. More than anything, it requires a strategic foundation and strong execution. Whether starting from scratch or replacing an aging legacy platform, we find the most effective implementations follow six key principles:

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# 1

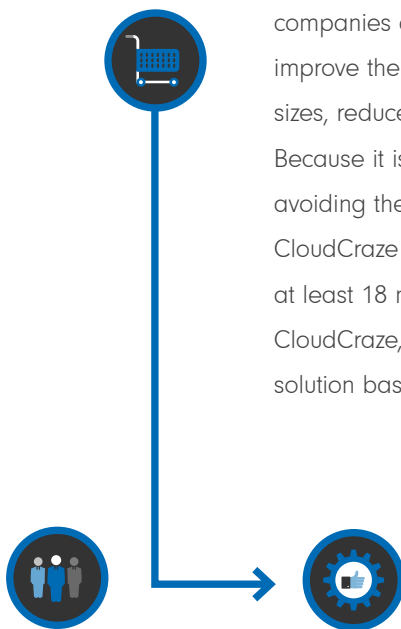
## DON'T BOIL THE OCEAN

Every software implementation begins with a clear ambition for how it can enhance the company's strategy. But companies are too often tempted to include every feature imaginable, which creates interminable delays, massive budgets and inevitably causes the effort to collapse under its own weight. An effective eCommerce implementation centers on a candid assessment of how the system can improve or extend a company's core business. It should support your ability to deliver on that mission, not distract from it.

The best way to stay on plan is to focus on three critical priorities:

- What do our customers really want and how can we improve their experience?
- How can we deliver with a phased, "aim, fire, aim" approach that allows us to guide and adjust the implementation based on real-time market information?
- How can we demonstrate early wins and start the ROI payback period as quickly as possible?

As a SaaS eCommerce solution built on Salesforce, CloudCraze is designed to help companies answer those questions. It provides a full suite of tools to manage and improve the customer experience at every touch point, which results in larger order sizes, reduced order costs and dramatically higher order compliance and accuracy. Because it is a true cloud solution, companies can easily implement it in phases, avoiding the heavy up-front cost of an on-premise solution. Most critically, a typical CloudCraze implementation begins to generate orders within six to 12 weeks, versus at least 18 months for an ERP-based on-premise system like SAP hybris or Oracle. CloudCraze, in other words, begins paying for itself even as you hone and optimize your solution based on real customer data and analysis.



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## MAKE A LONG-TERM PLAN WITH CLEAR, SHORT-TERM OBJECTIVES

A long-term plan is an essential part of developing the right eCommerce solution. But so is flexibility. Waiting two years for an on-premise eCommerce solution to go live is not only massively expensive, but risks significant yield loss. By the time you start selling, the market may have changed and many of the features included in the original plan may be out of date. Defining short-term objectives that are both affordable and manageable allows the company to go live, demonstrate success and start the payback period early, which helps fund the next round of development.

Consider the environmental company discussed earlier. Its first attempt at eCommerce was an IBM WebSphere implementation that did not meet the company's business model, was out of date, and presented infrastructure complications the company wasn't staffed for. After becoming a Salesforce customer, the company switched to CloudCraze and laid out a four-phase, long-term plan that included all the functionality it wanted. Its implementation strategy, however, was to start small, putting just one division's products online and building a simple storefront to take new orders. Two weeks in, the launch was going so well that other divisions started asking to be included.

It didn't take long for the flexibility to pay dividends. The company knew from the beginning that it wanted to add e-procurement, or punch-out functionality, which enables online customers to transfer their carts and orders into their own ERP-based procurement system. But it had intentionally pushed that feature into a later phase so as not to distract from building more essential functionality early on. When a large customer asked for e-procurement, however, the company shifted gears to deliver it sooner. "B2B eBusiness professionals must move quickly to catch up to their B2C counterparts that set the high bar for the eCommerce experience<sup>2</sup>," wrote Forrester principal analyst Andy Hoar.

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## TALK WITH CUSTOMERS

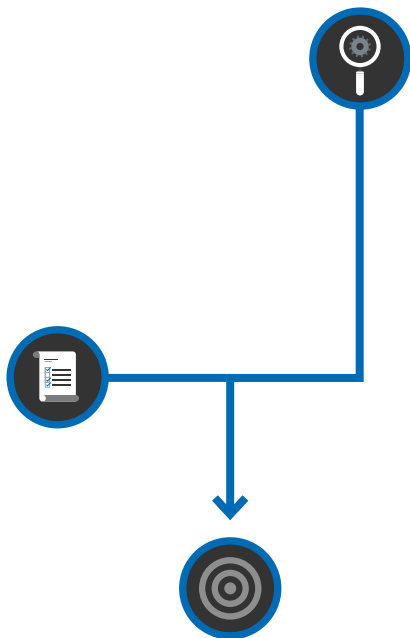
B2C companies take it for granted that asking customers what they really want from an eCommerce system is critical to creating a winning customer experience. B2B companies? Not so much. Because so many aging on-premise systems evolve out of a company's back-office ERP system, B2B transactions tend to be dominated by process, which makes the online experience a bit like a visit to the Post Office. Too often, B2B companies also pile on the features they think customers want with no real data to back up those assumptions.

The only way to make good decisions on behalf of your customers is to put yourself in their shoes. If you are updating an old system, analyze user data and survey customers to find out what they like and don't like. If you are building from scratch, show your key customers your blueprint and sample wireframes. The insights gained not only improve functionality but also speed up implementation. Understanding what matters most to customers helps companies identify and focus on the right priorities.

Coca-Cola Enterprises (CCE) in the Netherlands is a good example. The first thing the bottler did after deciding to

*Coca-Cola Enterprises, Inc.*

launch a state-of-the-art eCommerce system was to survey a number of small retailers who had been faxing and calling in orders for years. The Coke officials showed them plans for the new storefront and told them they wanted to better understand how they might use it. What they learned is that customers placed their orders at certain times based on previous order information and other key data. CloudCraze worked with CCE to build a user interface that linked historical order information and business rules to templates that allowed customers to order in the way that made the most sense to them. The company also built a mobile experience that lets customers walk their stock rooms, set up orders and complete the transaction either on a mobile device or desktop.



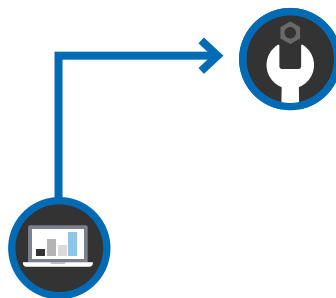
“Understanding what matters most to customers helps companies identify and focus on the right priorities.”

One of the key benefits of implementing an eCommerce platform in manageable stages is that it allows the company to gather insights on the fly and use them to make better decisions. If asking customers what they want helps plan for a better experience, creating tight feedback loops to gather and analyze sales data helps companies understand what's working or not, so features can be tweaked, built up – or abandoned.

That was the experience of another large consumer products company based in the US. For years, this company had run a fully staffed call center to take orders from small retail accounts. The leadership team knew that adding a new eCommerce system would automate part of the process and cut costs, making the small-account sales operation more profitable. But as company leaders analyzed sales using CloudCraze and Salesforce, they also began to see that revenue per customer was increasing steadily. It turned out that customers liked being able to order what they wanted without talking to anybody live and they responded more readily to automated cross-selling messaging than they did to the call-center reps. That feedback gave the company confidence to invest in enhancements to its landing page and build more sophisticated cross-sell and up-sell capability.

## ALLOW FOR ITERATION BASED ON A FEEDBACK LOOP

“If asking customers what they want helps plan for a better experience, creating tight feedback loops to gather and analyze sales data helps companies understand what's working or not, so features can be tweaked, built up – or abandoned.”



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## ALIGN YOUR TEAM, DEPLOY FAST AND MEASURE ROI

As we've noted, rapid deployment means an early start of the payback period, which is often a critical element of the business case for developing a new eCommerce system. The faster you begin selling, the sooner the system starts paying for itself. But if the full organization isn't aligned around the business case or strategy, the project can stall in midstream. A smooth implementation requires determining who has decision rights – IT, marketing, finance, etc. – and including them from the very beginning of the project. Trade-offs between features, cost and speed inevitably crop up in the planning process. It is critical that everyone contributes to these decisions, so a consensus emerges around the overall rationale for the project. Anything less than full alignment is a threat to success.

This can be a particular problem when replacing an old legacy implementation. Very often those systems have every feature under the sun – which is why they take two years to deploy and have such a high cost structure. The advantage of a cloud-based system is that it allows you to deploy a set of the most essential features now and add more as quickly as warranted. A SaaS implementation also eliminates the need to build “a software-company-within-a company” to manage on-premise servers and software. The economics are compelling – deploy storefronts quickly, generate revenue in weeks, scale easily for growth. But if IT has bought into a vision for a more streamlined approach while marketing clamors for a pixel-by-pixel replacement of the old system, the project will break down. Early alignment is the best way to avoid the kind of internal disputes that can quickly erode a project's business case.



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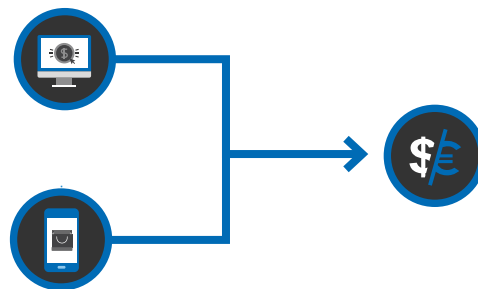
## DEVELOP A CULTURE OF COMMERCE

One reason B2C companies are so far ahead when it comes to building a winning customer experience is that retail is part of their DNA. There's no doubt that translating those skills and capabilities for a digital world has been a challenge. But they also had a head start. They know how to merchandise their products. They were weaned on cross selling. Their culture is steeped in making individual transactions as smooth and frictionless as possible.

The sales culture for a typical B2B company has historically focused on making calls and filling quotas – not devising easier ways for customers to interact with the company's brand. As more and more B2B buyers gravitate toward online and mobile solutions, the winning vendors will be those who can best meet customers on their own terms. In a developing country, where most small business owners tap the Internet via smart phone, that may mean focusing primarily on mobile solutions. In other markets, a broader mix of functionality may take precedence. What's critical is getting an easy-to-implement, easy-to-adopt tool into the hands of customers quickly so they can begin using it. That allows you to study their behavior, scale what works and continue to adjust as necessary.

Often the hardest part of deploying technology is simply getting over the hype. What's critical is to recognize that the only solutions worth investing in are those that enhance your ability to serve your core customer. Increasingly, that means speed to market, manageable costs, superior flexibility and the ability to scale. The one certainty is that your market and customers will evolve. Your eCommerce system should allow you to evolve along with them.

“As more and more B2B buyers gravitate toward online and mobile solutions, the winning vendors will be those who can best meet customers on their own terms.”



<sup>1, 2, 3</sup> “The Forrester Wave™: B2B Commerce Suites, Q2 2015”, Forrester Research, Inc.