



DEVELOPING A B2B ECOMMERCE STRATEGY

A PLAYBOOK FOR B2B WHOLESALE DISTRIBUTORS AND MANUFACTURERS

WRITTEN BY: GIL MEIER, PRINCIPAL CONSULTANT

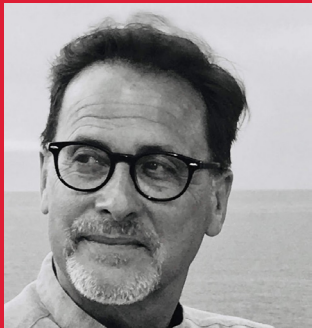
online
business systems

DEVELOPING AN ECOMMERCE STRATEGY

A PLAYBOOK FOR B2B WHOLESALERS, DISTRIBUTORS AND MANUFACTURERS

AUTHOR

GIL MEIER, *PRINCIPAL CONSULTANT*



With a technical background in professional services, sales, consulting, and project delivery, Gil Meier works with organizations to define a future state digital strategy that addresses value proposition, business model, enterprise architecture, IT infrastructure and more. Gil is adept at designing creative technical solutions, improving efficiency, compliance and product/services impacted by digital disruption.

ABOUT ONLINE BUSINESS SYSTEMS

Founded in 1986, Online Business Systems is a Digital Transformation and Cybersecurity consultancy. We help enterprise Clients by designing improved business processes enabled with secure information systems. Our unsurpassed delivery, our people, and the Online culture of loyalty, trust and commitment to mutual success set us apart.

online



1

OVERVIEW

eCommerce adoption in B2B is increasing. On average, the number of B2B companies using eCommerce has risen by 26% from 2019 to 2020. Also the percent of companies with eCommerce revenue >10% of total revenue increased by 8%.

What do we expect the top-end eCommerce revenue to be? That number is still unclear, but we are seeing a steady trend of revenue growth, and revenue attribution by companies leveraging eCommerce; Digital Commerce 360 recently reported that of the organizations they surveyed 50-60% of their overall revenue came from eCommerce and other digital tools.

While deploying an eCommerce site is a technical undertaking involving developers, system architects and security experts – ***it is much more than just a technical exercise.*** To ensure that the solution drives maximum value a number of related considerations must be addressed.

Perhaps even more importantly, its impact on staff, their roles, and the business processes they follow to complete their jobs must be adapted. Like any business change, success largely depends on having a well-defined strategy and an executable roadmap to make sure integrating an eCommerce solution addresses what is most essential to your business.

This article will discuss key components of an eCommerce Strategy for manufacturers and wholesale distributors and will specifically explore 4 key considerations: market forces, vision for growth, customer value and the relevant market.

2

MARKET FORCES IMPACT ON STRATEGY

The best eCommerce strategies start with a firm grasp of the present, both internally and externally. For a thorough assessment, ask yourself how you currently go to market and what environmental forces are acting upon your business. This understanding will help determine the scale and scope of your strategy.

Understanding the threats facing your company and the opportunities available in the market to exploit will allow you to decide what direction you wish to take the strategy. Without this understanding, you can be blindsided by threats and your strategy will not reach its goals or deliver the key results.

For example:

- Are the customer's profiles and buying preferences changing?
- What are competitors doing, are insurgents disrupting the market, and are your suppliers selling direct?
- What are the latest digital technologies on the horizon, do they provide you value, and if so, where are you on the adoption curve?

The diagram below lists a number of common forces we often consider as we assess the market conditions for B2B organizations. While not an exhaustive list, these can be considered as a starting point.



ONLINE COMMERCE

B2B Customers have been moving online to do business. While this is not new news, the extent to which they are moving online to do which aspects of the research, purchase and support journey is still being determined.

B2B companies are also selling directly to end consumers, resulting in the need for their eCommerce solution to include both B2B and B2C (i.e., B2X) capabilities.

Online commerce has become imperative.

CUSTOMER EXPERIENCE

Buyers expect a great customer experience with your organization at all manual and digital touchpoints. They expect B2C capabilities on B2B eCommerce sites. Are customers willing to pay more for a better CX, or is it expected? It is no longer about loyalty but preventing them from doing business with other organizations. There is a lot of talk about CX being the most important force to address.

VALUE ADDED SERVICES

Findings from the [2000 NAW Research Report](#) on Value-Added Services state that, generally, wholesale distributors have no processes for developing new services, and no performance measurement capabilities for the services deployed.

While logistics and product expertise are table-stakes, distributors seek ways to maintain competitive advantages over industry disruptors. Therefore, they must look for opportunities to create solutions and optimize customer business processes around the use of their products, thereby providing a unique value proposition to the customer and making it challenging for competitors to copy them.

> [The global B2B eCommerce market is US\\$12.2 trillion in 2019 - 6 times B2C](#)

> *74% of B2B customers research ½ of their purchases online*

> *61% of customers research purchases on mobile*

> *91% of customers purchase online once they have decided*

PROCUREMENT

[75% of Chief Procurement Officers believe that procurement's role in delivering digital strategy will increase and that technology will impact all procurement processes.](#)

Today's customers are actively looking to increase sourcing flexibility by including multiple supplier digital networks. Amazon B2B is creating an eProcurement capability that directly integrates with these customers' systems. Procurement is the next greenfield for advanced automation due to AI and advanced analytics.

COMPETITORS & INSURGENTS

Platform business models have disrupted industries (taxi, hotel, music, retail, books), but the extent to which they are disrupted is still to be determined.

Also, industry-specific marketplaces are becoming prominent, for example, Office Depot & Alibaba for office supplies, Home Depot for construction and AB Bev for beverages.

While they should no longer be classified as insurgents as they are well established, the entire B2B supply chain is changing strategies in response to them.

Pure-play marketplace product companies like Mirakl are leaders, and eCommerce product vendors such as [Oro Inc.](#) are establishing marketplace capabilities to compliment their B2B and B2C (B2X) capabilities.

CHANNEL CONFUSION & COMPRESSION

WBR Insights and the B2B Online 2019 event series partnered with Mirakl and SAP to [survey 240 B2B executives and digital practitioners](#) about the market opportunity of B2B digital commerce. Among other good information, the survey reports that 75% said that failure to build direct customer relationships was the primary “pain point” in selling through channel partners. 40% planned to sell directly to end customers. Also, 89% of manufacturers predict buyers will make more than 60% of purchases directly within two years, bypassing distributors entirely:

- > Manufacturers are dissatisfied with the lack of distributors eCommerce.
- > Direct fulfillment allows the manufacturer to control messaging, product data, pricing, technical support, service levels and warranty management.
- > The manufacturer can capture more of the available gross margin.
- > Amazon Business provides manufacturer’s drop shipping or Amazon fulfillment.

ADVANCED ANALYTICS & ARTIFICIAL INTELLIGENCE (AI)

An explosion of data is available along the entire supply chain (APIs, IoT, Data Warehouse). With increased processing power to analyze large amounts of data, SaaS analytics tools combined with AI will assist with decision making, monitor performance, anticipate customer needs, and identify new business opportunities for all stakeholders.

AI Technology such as virtual assistants, intelligent product recommendations & personalization, image recognition, voice shopping, and augmented reality contribute to sales gains.

For example, retailers that have implemented personalization strategies see sales gains of 6-10%, a rate two to three times faster than other retailers, according to a report by [Boston Consulting Group \(BCG\)](#). It could also boost profitability rates 59% in the wholesale and retail industries by 2035, according to [Accenture](#).

ROBOTS & DRONES

Some fun facts about the application of drones and robots:

- > Amazon supposedly has 300,000+ robots working in its warehouses. Significant infrastructure changes are required to support autonomous vehicles.
- > Amazon wins FAA approval for Prime Air drone delivery fleet.
- > Elon Musk said in July 2020 that Tesla is close to the capability to navigate roads without any driver input.
- > Companies including Alphabet, Waymo and Uber are investing billions in the autonomous driving industry.

What will be the impact of other emerging digital technologies, which will fail and which will be adopted? For example, blockchain, bitcoin, 3D printing, 5G networks, virtual and augmented reality.

The macro-economic forces have had both positive and negative effects over the last couple of years. The pandemic, supply chain stress and geopolitical factors such as China and the war in Ukraine are causing new risks and pockets of pressure, including a potential recession.

ECOMMERCE STRATEGY DEFINED

Before we get started, let's establish some key terminology. Throughout this article I will be using the following definitions:

Strategy = Vision + Key Results + Initiatives

Vision: A vision is what the business intends to accomplish in the future.

Key results: Key results are the quantifiable milestones that you track toward achieving that vision

Initiatives: Project plan and cost that delivers the vision

Roadmap: To complement the strategy, a roadmap outlines and prioritizes the specific initiatives the business should execute to achieve its future vision and capture realized value

The article does not discuss a company's mission as it assumes a mission is at the senior corporate level and affects the entire organization. An eCommerce vision must align with the corporate mission.

VISION

Vision is what the business intends to achieve in the future. A vision statement should define the 'why,' the rallying cry that binds staff, gives momentum and offers direction. It is where you are trying to get to, and a broader or longer perspective than just end-of-year results.

Companies use their vision statement to drive key results and initiatives to achieve the future state. It means to be a singular statement that provides the organization with a north star. Leadership endorsing the idea and regularly sharing it is critical to having the company rally around it.

Examples of strong vision statements:

- > *"Our vision is that Alexa will be the world's most knowledgeable product expert."* - Amazon
 - > This vision is within arms reach for Amazon and solid guiding principle for the organization
- > *"A computer on every desk, and in every home."* - Bill Gates, Microsoft
 - > A strong vision that has been achieved

Examples of weak vision statements:

- > *"Maximize our customers' ability to get their work done"*
 - > This vision statement is quite broad and does not specify how the organization plans to help customers get their work done.
- > *"Develop, deploy, and manage a diverse set of scalable and strategic knowledge management tools to serve our customers, improving the possibility of overall satisfaction among our diverse customer profiles."*
 - > This statement uses complex language but does not convey any substantial or strong idea.

Lets go back to the relationship of the vision in your strategy (**strategy = vision + key results + initiatives**). Understanding from what context the strategy is being developed will determine how aspirational the vision statement is. For example, are you creating a corporate-wide strategy to redefine yourselves, or are we discussing how to get the most out of deploying a particular technology? So, before starting to develop your vision, consider these three questions as a guide:

- > How futuristic should this vision be?
- > How restrictive should it be?
- > Is this the right ambition level?

KEY RESULTS

Visibility into your progress towards achieving your strategy is crucial. Key results allow you to track progress and validate that the strategy and its associated vision has become a reality. Therefore, the associated key results should be quantitative, and your business must be able to measure them. Each strategy should include a set of measurable key results you expect to achieve once completed.

When identifying the key results, you must consider the buying journey and what specific elements will be targeted. It is crucial in determining which elements of the buying journey should be targeted. For example, a strategy built around internal efficiency will focus on aspects of the buying journey that are

costly but low-value-add to the customer. On the other hand, a strategy that focuses on creating a differentiated customer experience will target the elements with the most significant influence on the customer and customer attrition rates.

Growth-related strategies cultivate overall sales efforts, drive more customers online, and increase average order size. An online self-service B2B or combined B2B/B2C (B2X) sales platform, which showcases your product and value-added services to prospective customers and offers an efficient experience, will expand your customer reach. In these cases, your key results will be measured differently. Identifying them up front is an important step in the process.

INITIATIVES

The strategy you choose will help point you to the roles, processes and technology required to achieve your goals. Once you have your vision statement set, you need to complete a gap analysis between your current and envisioned future state to identify the necessary changes. From there projects are planned, and capital/operational expenditures are estimated and prioritized onto a roadmap that is tied back to address those changes.

Included in this article is a list of candidate initiatives in section 4 to drive organizational change for the associated vision. This is not an exhaustive list of examples, but a sample that can be used as a guide as you plan your own B2B eCommerce initiatives.

BUSINESS ARCHITECTURE

I'd be remiss if I didn't reiterate the importance of addressing the changes to your people's roles and the business processes they execute throughout this process. In addition to staff, you must also understand the impact of these changes on your customers. Business architecture and change

management activities must be built into relevant initiatives to ensure successful adoption and the desired ROI, including stakeholder, customer, and business impact assessment. Also, change plans and a readiness assessment.

I have included in the Appendix A diagram that represents a set of typical B2B company primary (value chain) and secondary (supporting) business capabilities. Of course, there will be differences between manufacturers and wholesale distributors, and some organizations may cluster the capabilities differently. Still, the purpose of the model is to help identify the parts of the organization and their people, process and technology affected by the initiatives. Therefore, the impacted capabilities are included in each initiative description.

ROADMAP

A best practice is to create a roadmap (Gantt chart) of phased releases that iteratively and progressively deliver customer, stakeholder, and business value. For example, an initiative may be split into multiple parts, starting with just enough features to be usable by early customers, who can then provide feedback for future product development. A focus on releasing this minimal viable product (MVP) means that developers provide the most value sooner and deliver it iteratively to minimize risk and wasted effort.

Also, to ensure adoption, minimize risk, and the utmost value, the projects should deliver changes through a horizontal slice of the enterprise architecture. The initiative definition and activities should start from the customer and understand the changes to the customer touchpoints, internal business processes, staff roles, eCommerce product design, and integration with the ecosystem of related applications. Change management activities should be built into each project, along with a definition of the initiative's key results, their measurable outcomes, and the development of reports demonstrating progress.

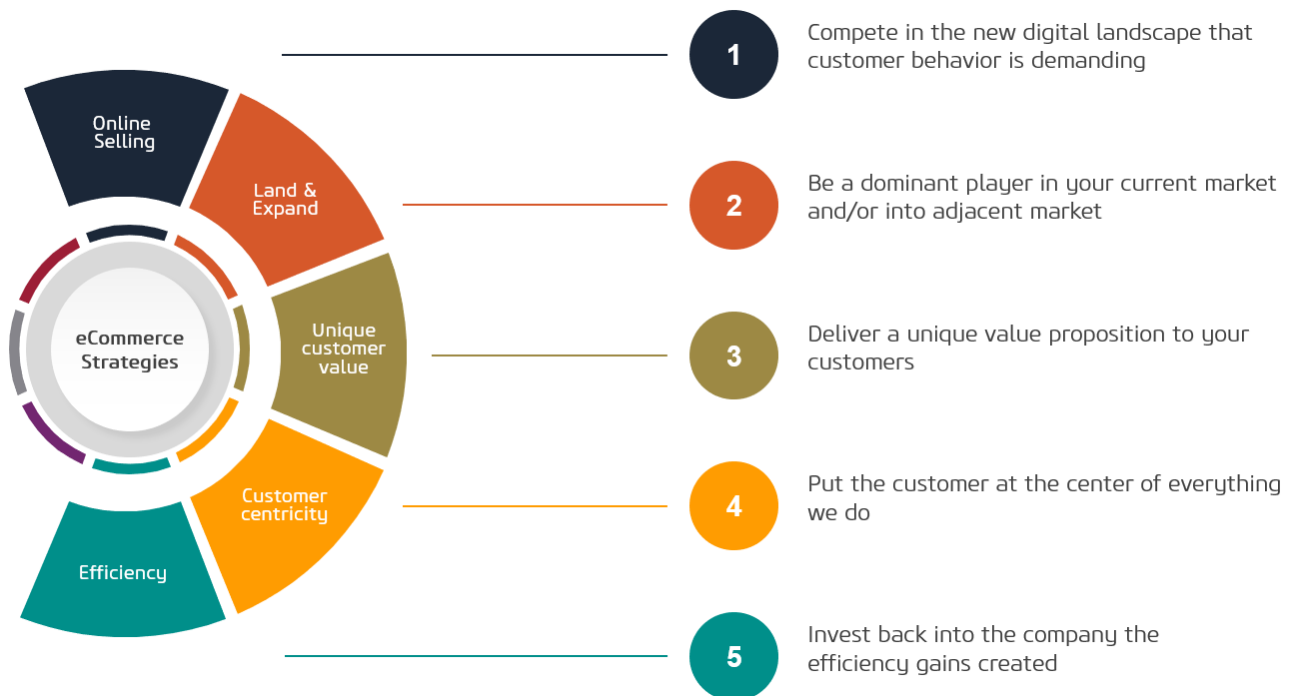
As you detail the roadmap, the projects scheduled sooner on the horizon are more precisely evaluated, including the initiative effort, duration, and cost. As you learn while executing the roadmap, the backlog of projects should be regularly groomed, including re-estimating and re-prioritizing. The answers to the following questions that were asked previously when the vision was being created will help define the level of detail captured, and how far out in time the roadmap should be planned for:

- > How futuristic should this vision be?
- > How restrictive should it be?
- > Is this the right ambition level?

The appropriate business cases are developed, sponsor review and executive approval are obtained, and the budget is allocated. Then, ready-set-go and good luck.

ECOMMERCE STRATEGIES

Now that we've looked at the major pieces of a strategy, "Strategy = Visions + Key Results + Initiatives," I want to pull the pieces together and share some examples of eCommerce strategies we see implemented. My goal is to give you a reference to apply within your organization. I've selected five common vision statements below and for each built out the Key Results and Initiative Descriptions.



ONLINE SELLING STRATEGY



1 Vision Statement

Compete in the new digital landscape that customer behavior is demanding

Key Results

- Achieve n% of sales through online channels
- Acquire n new customers
- Increase average order size by n%
- Increase the percent of Gross Merchandise Value digital business from n% to y%

Initiatives

1. Upgrade or replace your eCommerce site
2. Apply eCommerce design best practices
3. Outside sales alignment with selling online
4. Selling on marketplaces

Initiative 1: Upgrade or replace your current eCommerce site

Description: It can be challenging to be 100% sure it's the right time to migrate to a new B2X eCommerce system. Therefore, before most organizations consider replacing their eCommerce system, they look to optimize the tools, processes, and people they already have. This approach supports incremental improvements and allows them to defer the costs and time required to implement a whole new system.

The modern B2B market is in a state of flux or what you might even call disruption (i.e., wholesale distribution disintermediation). Change is inevitable, and the B2X eCommerce software that worked well for your online store a few years ago might not be the best choice today.

Following are eight challenges that are among the most common that we see with older eCommerce platforms:

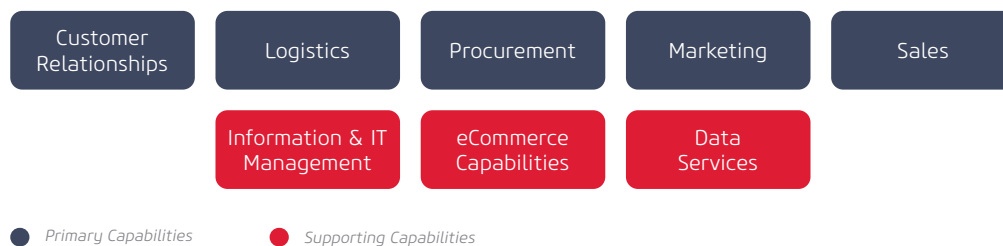
1. **Lack of Functionality:** Customer feedback ratings are poor. Your current system does not inherently have the features specific to a B2B business.
2. **Technical Constraints:** Your current system does not integrate into your ecosystem of supporting solutions. You can not keep up with 3rd party application upgrades without significant development.
3. **Performance:** Your eCommerce storefront performance is unacceptably slow.

4. **Too Much Maintenance:** You're spending too much time and money fixing bugs. It takes too long to develop new features on the current system, and the backlog of changes is becoming unmanageable.
5. **Business Goals are Not Achievable:** You are not meeting your gross merchandise volume (GMV) or customer retention goals. In addition, you are concerned that the system won't enable increased customer engagement as you expand your market.
6. **Manual Processes Take Too Much Time:** You rely on manual activities to complete many functions and update data; for example, Overall order processing is cumbersome.
7. **Security:** You do not have the proper controls or best practices to secure customer data.
8. **Advanced Analytics:** You do not clearly understand your customer's purchase behaviour and cannot anticipate what they may need in the future.
9. **Mobile-Friendly:** Your customers and sales force work in the field or are constantly on the move. Besides calling the office, customers do not have an easy way to purchase products.

A functioning eCommerce site is fundamental to achieving the GMV that would otherwise not be possible. At its core is providing modern storefront features, merchandising, a superior buyer experience, and introducing efficiencies into the entire ecosystem of related systems.

Business Capability Impact: Re-platforming comes with risks. It takes time, costs money, requires you to migrate your data, and may impact the staff. In addition, so much can seemly go wrong if not anticipated and addressed effectively. But on the other hand, the benefits can position your organization for success, allow you to leapfrog the competition, and offer your customers a superior and modern experience.

Whether an existing site is being re-revamped or adding a new site, the business capabilities should be analyzed to determine people role changes, business process changes and supporting/related technology changes. For example, this includes digital marketing, outside sales, customer service, channel management, and order management.



Initiative 2: eCommerce design best practices

Description: While having to re-platform your eCommerce site is a technology issue, no matter what eCommerce platform you use, designing best practice features and functions will help ensure you maximize the eCommerce site potential.

The following is a list of some eCommerce features that lead to increased adoption and purchases:

- > Ensure your website provides information and services suitable for the B2B market and the type of product assortments you carry
- > Improve the up-sell/cross-sell of other products and offer a continuous stream of promotions
- > If appropriate for your market, build a solid social media presence upon which to sell products/services
- > Product data must be accurate, complete, relevant, and consistent
- > Provide a storefront user experience that is positive, frictionless, and personalized
- > Ensure the eCommerce site fits into the overall channel strategy
- > Identify and address the changes in your roles and business processes, including delivering change management activities to ensure adoption.

Like re-platforming an outdated eCommerce platform, an eCommerce site providing the best features and user experience is fundamental to achieving your desired key results.

Business Capability Impact: As this initiative primarily focuses on the eCommerce site, the business capabilities impact for the bulk of the changes in this initiative is relatively minor. An exception may be if social selling is new and multiple channel support maturity is low.



Initiative 3: Outside sales alignment with selling online

Description: Maximizing the efficiency of offline sales activities in congruence with online poses a real challenge. For example, your outside sales team may see the implementation of an eCommerce product as a threat. Disruption to sales certainly does not need to be the case but re-aligning the sales team's method of working with customers is required.

Also, when speaking about eCommerce, you must understand the impact on the balance of the sales channels. According to McKinsey, the number of channels the B2B customers use during the decision journey has gone from 5 channels in 2016, 7.5 in 2019, and 10 in 2021, when remote sales engagement became more prominent. In addition, a McKinsey survey has found B2B buyers use a mix of 30% traditional, 30% remote human, and 30% digital self-serve sales channels. This hybrid selling has spawned the need for outside sales to be proficient at engaging customers using a mix of digital and traditional sales channels.

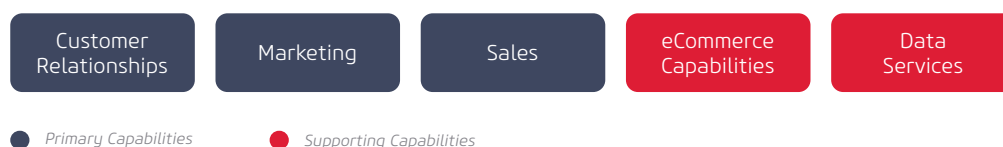
As of December 2021, approximately 70% of respondents believe the hybrid sales model is more effective than pre-pandemic models for existing customers and prospecting, driving 50% more revenue. Additionally, 71% of the buyers will spend more than \$50,000 USD in a single digital transaction, and 26% more than \$500,000 USD digitally.

But for the buyer journey to be compelling with hybrid selling, B2B companies must:

- > Find the most effective way/technology for outside sales to make remote interactions feel as intimate as in-person experiences
- > Provide digital demos that give buyers an equivalent level of insight to a physical walkthrough
- > Manage channel conflicts
- > Cultivate next-generation sales capabilities
- > Ensure your eCommerce platform supports outside sales engagement with their customers
- > Optimize technology and processes to provide a seamless buyer experience across all channels
- > Harness customer and seller insights end to end

Even though digital has become a driving force, the outside sales team remains critical in maintaining customer loyalty and generating new revenue.

Business Capability Impact: Not correctly managing the roll-out of eCommerce can have significant negative consequences on sales and therefore the company as a whole. Successfully delivering this initiative is primarily a people and process task. Change management activities, commission structure, and digital tools must complement their evolving role. Also, digital marketing and sales will work even more closely on targeting and lead generation.



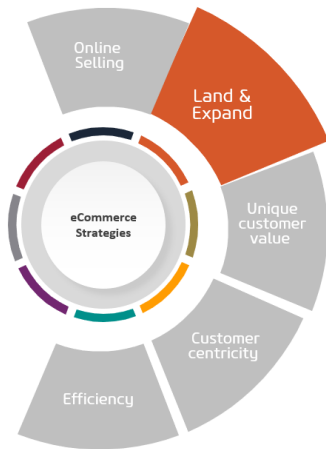
Initiative 4: Selling on Marketplaces

Description: As eCommerce in the B2B industry grows and specific verticals embrace the marketplace model, marketplaces will capture most of this new growth. As a result, B2B online sales via marketplaces are projected to increase at a 32% CAGR, with marketplaces accounting for 14% of total B2B eCommerce sales by 2025 – twice the current proportion and double the rate of traditional eCommerce.

Marketplaces such as Amazon B2B or other vertical B2B marketplaces can become a source of revenue but can also pose a significant threat.

Developing a marketplace strategy is a significant subject unto itself that is worth addressing in a future dedicated article: Should you sell on a marketplace or own one? What type of marketplace model? What control are you willing to give up? What is your assortment strategy? How does it impact your eCommerce site?

LAND & EXPAND STRATEGY



2 Vision Statement

Be a dominant player in your current market and/or into adjacent market

Key Results

- Increase the share of your customers' wallet from \$x to \$y
- Increase average order value from \$x to \$y
- Increase your customer base from x to y
- Increase the percent of Gross Merchandise Value digital business from n% to y%

Initiatives

1. New geography
2. Deeper product assortment
3. Move into an adjacent market

Initiative 1: New Geography

Description: This article's primary audience understands the business impact of expanding the company's sales territories. For example, creating a supply chain that ensures you can continue to support timely fulfillment for those new customers is a heavy lift.

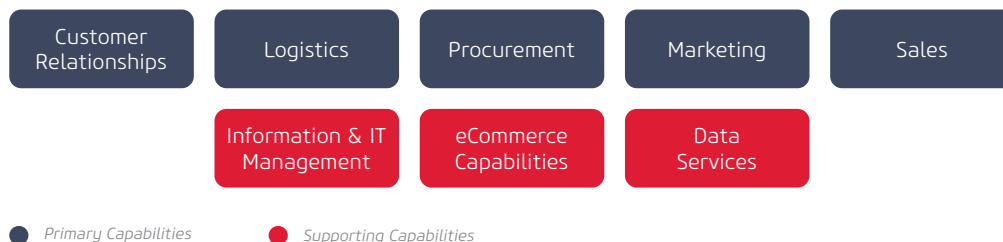
Comparatively, designing your eCommerce site to support new territories is an easier task. First, create the eCommerce site to support the target territory data formats (e.g., time, currency, date) and language. Also, consider the new territory's payment, warehousing, shipping, and tax implications.

No matter your strategy to grow, ensuring your digital marketing activities are robust is key. Begin planning how you will increase your company's brand awareness. The marketing strategy could include market-facing, go-to-market, and brand/position initiatives.

Business Capability Impact: Far-reaching operational changes are associated with each of these initiatives. Also, you must address disruption if you introduce a new channel and your channel partner's roles change.

Expanding geography has minimal eCommerce impact and a significant product data impact. However, moving into new markets profoundly affects people, processes, and overall business capabilities.

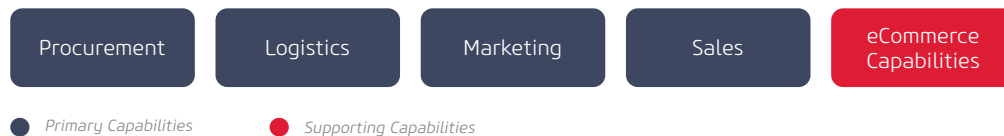
Marketing and sales must be aligned with this initiative(s) to succeed, including supporting brand recognition and lead generation.



Initiative 2: Increase assortment depth

Description: Increase assortment depth by becoming a specialist through a comprehensive product portfolio within your current industry. Develop deeper product and service offerings to grow, develop the customer base, and improve the hit ratio with customers.

Business Capability Impact: Increased assortment depth has minimal technology impact and a significant product data impact.



Initiative 3: Move into an adjacent market

Description: Expanding into a new market means growing your business by looking into related industries or niche product areas where you can succeed.

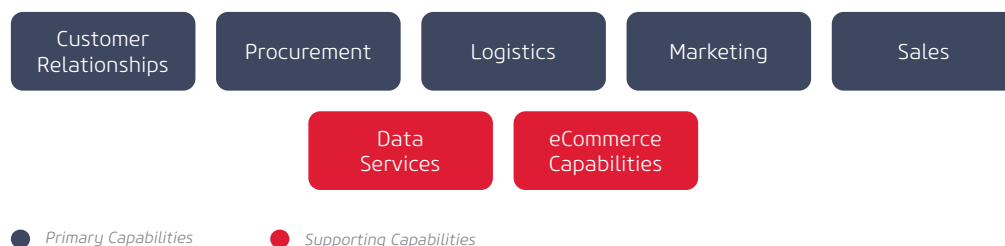
- > Identify new or existing underserved market segments and design an offering to serve their needs
- > Increase product width by including complementary products/services beyond your legacy offering
- > You might not usually deal with these products, but they increase the value to the customer of your one-stop-shop

For example, a beverage distributor who sells into convenience stores or mid-small size grocery retailers sells, in addition to their beverages, other products that the grocery retailer carries – such that you have become a one-stop-shop for the business to keep their shelves full

Again, no matter your strategy to grow, ensuring your digital marketing activities are robust is vital.

Business Capability Impact: Far-reaching operational changes are associated with this initiative. Also, you must address disruption if you introduce a new channel and your channel partner's roles change.

Marketing and sales must be aligned with this initiative(s) to succeed, including supporting brand recognition and lead generation.



UNIQUE CUSTOMER VALUE STRATEGY



3 Vision Statement

Deliver a unique value proposition to your customers

Key Results

- Increase the number of product/service categories customer revenue is generated from x to y
- Increase the share of your customers' wallet from \$x to \$y
- Increase eCommerce adoption rate from x to y

Initiatives

1. eCommerce website - a digital hub of multi-channel services
2. Value added services (VAS) - Innovate

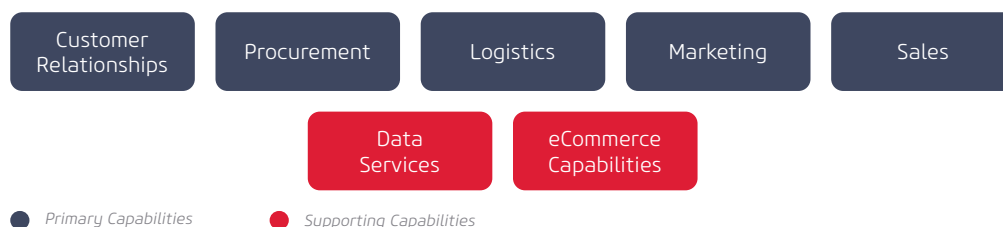
Initiatives 1 & 2: eCommerce website - a digital hub of multi-channel VAS

Description: The B2B customer journey crosses multiple channels from person to person, remote and digital. Each channel contributes to the final purchase's success. For example, the journey may start at the eCommerce website, but the final sale may occur via email, phone, branch, or procurement department/software.

There is an opportunity to leverage the eCommerce website by extending its capabilities to become a digital hub of information and services supporting each step in the journey. At each step of the customer journey, the website can be the go-to place to provide tools and knowledge to help complete that step, even though it may not be related directly to eCommerce.

Also, understand your customers' unmet needs related to their research, purchase, implementation, and support journey with your company and products. To accomplish this, define the jobs they are trying to achieve at each step, understand their experiences, desired outcomes, and where they are unsatisfied with the results. Then, look for opportunities to resolve the critical unmet needs with new features, products, information, or services your eCommerce site can host or not.

Business Capability Impact: There will be marginal people and process impact on purely digital value-added services. The value-added services associated with business services will require change management activities to ensure people are familiar with what and how the service is delivered to the customer, for example, services the customer can request such as financing, scheduling a service, or requesting training.



CUSTOMER CENTRICITY STRATEGY



4 Vision Statement

Put the customer at the center of everything we do

Key Results

- Improved customer satisfaction from x to y
- Lower customer attrition rates from x to y
- Increase customer lifetime value from \$x to \$y

Initiatives

1. Improve the customer's journey across all of their touchpoints and channels, both business processes and technology
2. Deliver a personalized and consistent experience across all channels
3. Develop a continuous learning and customer-centric culture to ensure this mindset remains within the organization

Initiative 1: Customer experience and loyalty

Description: With the advent of online purchasing and the ease of switching suppliers, customer loyalty is more difficult to hang onto. However, eCommerce platforms can significantly impact customer satisfaction, driving improved allegiance to your business. Real-time visibility into product inventories, pricing, and shipping status, faster order delivery, value-added services, fewer calls to customer service centers, and anytime-anywhere accessibility for self-service ordering will all lead to a better customer experience elevating your B2X online and offline sales

In addition, to foster long-term customer loyalty and to generate a competitive advantage, B2B companies must look at the overall customer engagement at every touchpoint the customers have. For example, 85% of buyers say that their experience with a company matters as much as its products or services. Companies must leverage technology and business process improvement to provide a seamless, efficient multi-channel experience. If your company sells through B2B and B2C channels, there may be different expectations about a good customer experience.

The following is a list of separate initiatives that should be addressed to create a customer-centric organization and deliver on the customer experience (CX) goals of transparency, personalization, consistency, and efficiency:

- > Improve the customer's journey across all of their touchpoints and channels, both business processes and technology
- > Deliver a personalized and consistent experience across all channels
- > Develop insights to inform CX status and trends, looking for new opportunities to improve
- > Develop a continuous learning and customer-centric culture to ensure this mindset remains within the organization

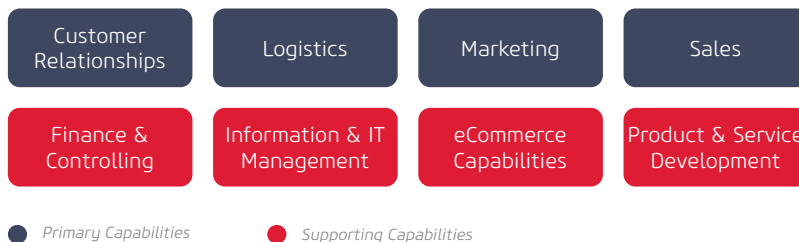
Achieving the key results will help realize the expected business, customer, and financial value associated with a CX program.

Reference our previous 2 part blog post below for a detailed description of candidate CX strategy and initiatives.

> [B2B CX Strategy - Vision and Goals](#)

> [B2B CX Strategy - Initiatives](#)

Business Capability Impact: Depending on your current CX maturity level, becoming a customer-centric organization may require considerable business capability adjustment. However, it must start with your leadership's endorsement and continuous communication, "The tone gets set at the top." In addition, this initiative requires aligning your business capabilities with the customers' desired outcomes, particularly ensuring your manual and digital user experience are designed from the customer's perspective (from the outside-in).



EFFICIENCY STRATEGY



5 Vision Statement

Create efficiency gains

Key Results

- Improved margins
- Lower cost of entering and servicing orders
- Improved employee retention
- Improved employee satisfaction

Initiatives

1. Introduce operational/process efficiencies

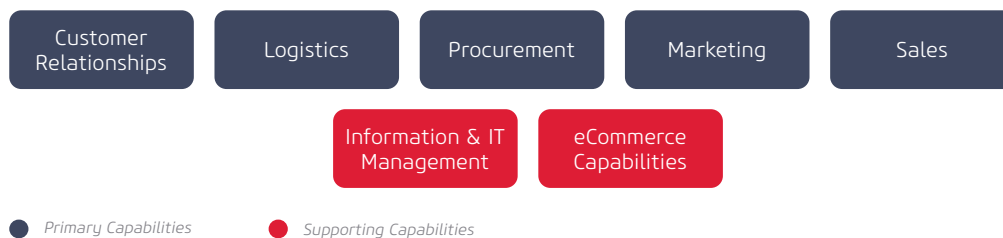
Initiative: Introduce operational/process efficiencies

Description: B2B companies can reduce costs associated with managing the ecosystem of eCommerce technology and business processes. There is an opportunity to identify and resolve the inefficiencies related to topics such as manual data entry, lack of automation, out-of-date enterprise software, and missing system-to-system integrations.

The inefficiencies can be addressed through business process re-design and automation, and cost savings can be obtained.

A typical eCommerce example is improving the handling of customers, orders, pricing, and inventory data through ERP, eCommerce, CRM, and warehouse systems automated data flow/integration.

Business Capability Impact: Introducing operational/process efficiencies may reduce manual work required by internal staff, allowing you to re-assign these people to new, perhaps upgraded roles.



COMMON STRATEGIES

Initiative: Gain greater insight into your market

Description: Analytics will provide valuable information to improve insight into your market and drive profitability and growth:

- > Identify high-potential geographic regions, customer segments, and product categories
- > Assess individual customer and prospect potential
- > Identify untapped potential in the market
- > Improve sales growth and profit
- > Identify opportunities to introduce operational efficiencies

The high-level steps involved in establishing data analytics capability include:

1. Define the high-level business problems analytics will address, set the vision and determine your goals
2. Select the on premise or SaaS data warehouse, analytics, BI vendor/product based on the technical and functional features you require
3. Establish the data analytics people, processes, and technology infrastructure
4. Create a prioritized backlog of analytics requirements/insights to gain
5. Iterate through the backlog:
 - > Identify the required data and its sources
 - > Extract from the source systems (e.g. ERP, eCommerce, CRM), clean and transform the data (format, quality, consistency)
 - > Create and deploy the dashboards, visualizations and reports
6. Ongoing interpretation of the results for opportunities and implement business changes accordingly

Business Capability Impact: Depending on the company's current IT capabilities and the analytics deployment model chosen (SaaS or on-premises), IT people and processes may be impacted significantly. Finally, end consumers of the information must be familiar with the visualizations and procedures established to assess opportunities and initiate change accordingly.

Information & IT
Management

eCommerce
Capabilities

Data
Services

● Primary Capabilities

● Supporting Capabilities

ECOMMERCE STRATEGY PLAN

The following diagram outlines the major steps involved in creating the eCommerce strategy, including implementation roadmap. Reference Appendix B for supporting document templates.

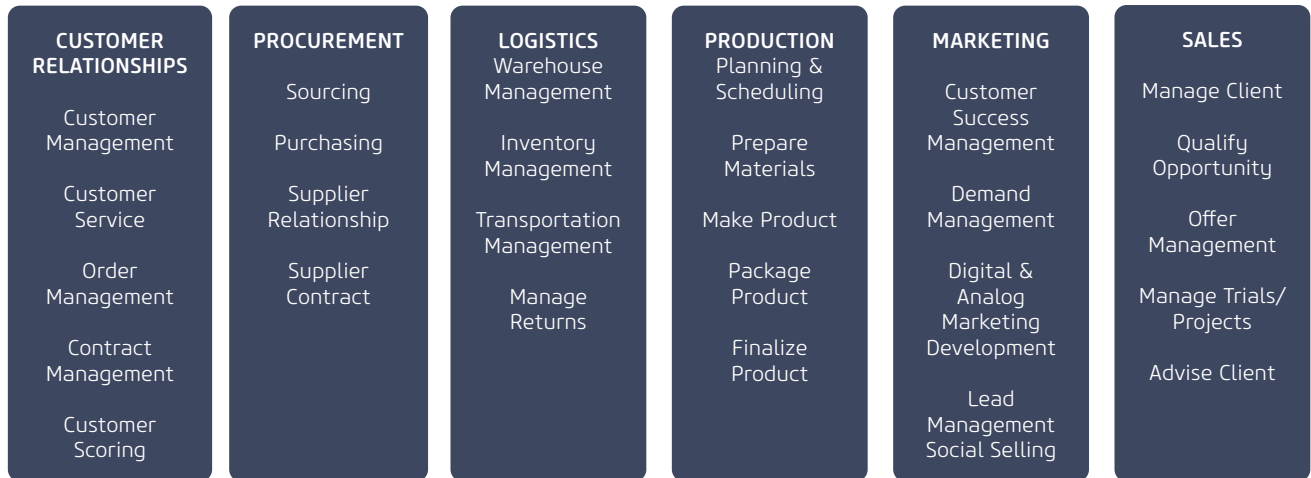


B2B BUSINESS CAPABILITY MODEL

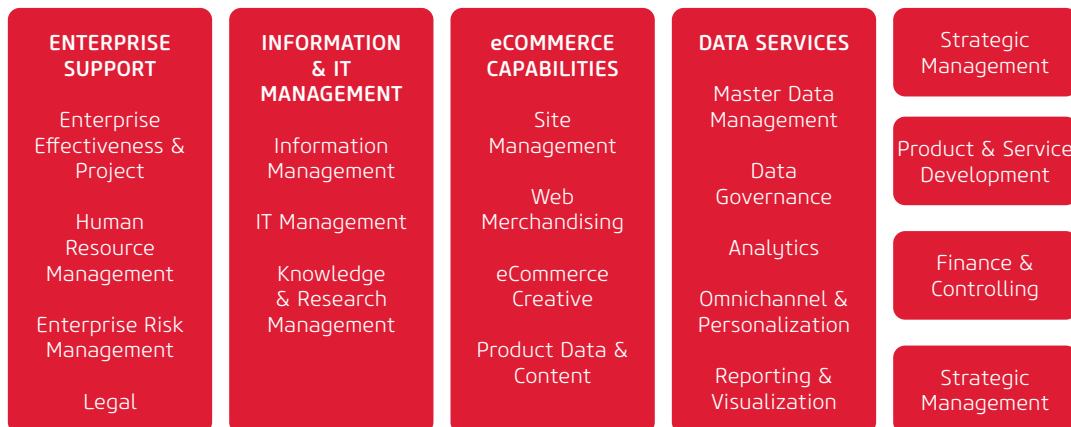
To ensure transformational success, in addition to technology changes, you must address the changes to your people’s roles and the business processes they execute. In addition to staff, you must also understand the impact of these changes on your customers. Therefore, business architecture and change management activities must be built into relevant initiatives to ensure successful adoption and the desired ROI, including stakeholder/business impact assessment, change plans, and a readiness assessment.

The following diagram represents a set of typical B2B company primary (value chain) and secondary (supporting) business capabilities. Of course, there will be some differences between manufacturing and wholesale distribution, and some organizations may cluster the capabilities differently. Still, the purpose of the model is to help identify the parts of the organization affected by the initiatives. Therefore, the impacted capabilities were included in each initiative description.

Primary Capabilities



Secondary Capabilities




ECOMMERCE STRATEGY DELIVERABLE TEMPLATE

Reference the following separately provided document as an example of a final strategy template to collect all of your findings, results and recommendations

Table of Contents

EXECUTIVE SUMMARY	1
1 INTRODUCTION & PROJECT	1
1.1 PURPOSE & OVERVIEW	1
1.2 CORPORATE MISSION AND STRATEGY ALIGNMENT	1
1.3 PROJECT APPROACH	1
1.4 PROJECT TEAM STRUCTURE	1
1.5 BOUNDARY CONDITIONS	1
2 VISION & KEY RESULTS	1
2.1 VISION STATEMENTS ALIGNED WITH KEY RESULTS	1
3 CURRENT STATE	1
3.1 ENVIRONMENTAL ASSESSMENT	1
3.2 CURRENT STATE CAPABILITY MODEL	1
3.3 CURRENT STATE SOFTWARE APPLICATION ARCHITECTURE	1
3.4 CURRENT STATE IT DEPLOYMENT APPLICATION ARCHITECTURE	1
3.5 IN-FLIGHT AND PLANNED INITIATIVES	1
4 STAKEHOLDER NEEDS ASSESSMENT	1
4.1 INTERNAL – EMPLOYEES, SHAREHOLDERS	1
4.2 EXTERNAL – CUSTOMERS, SUPPLIERS	1
5 FUTURE STATE	1
5.1 FUTURE STATE CAPABILITY MODEL	1
5.2 FUTURE STATE SOFTWARE APPLICATION ARCHITECTURE	1
5.3 FUTURE STATE IT DEPLOYMENT APPLICATION ARCHITECTURE	1
5.4 GAP ANALYSIS & CHANGES REQUIRED (SOLUTIONS)	1
6 ROADMAP	1
6.1 CONSTRAINTS AND ASSUMPTIONS	1
6.2 SOLUTIONS TRANSLATED TO INITIATIVES (PROJECTS)	1
6.3 RELEASE PLANNING & MILESTONE DEFINITION	1
6.4 ROADMAP	2
7 ORGANIZATION CHANGE MANAGEMENT PLANNING	2
7.1 RISK ASSESSMENT	2
7.2 STAKEHOLDER ASSESSMENT	2
7.3 BUSINESS IMPACT ASSESSMENT	2
7.4 CHANGE STRATEGY	2
APPENDIX A – INITIATIVE DETAILS	2
A1. OVERVIEW / FIELD DEFINITIONS	2
A2. INITIATIVES	2

DOWNLOAD TEMPLATE



The B2B market is in a high degree of flux, and your B2B strategy is likely to revolve around growing your market, staying relevant to your customers and digital transformation. But where do you start? We'll leverage your existing IT investments to build you a digital roadmap that gives you a market-leading customer experience.

Online offers strategic services to help you plan, prepare, manage, and execute transformative change. Our portfolio includes Business Transformation, Solution Selection & Implementation, Program & Project Management, Organizational Change Management, and Quality Assurance. As a Silver-tier solutions partner, Online is trusted to deliver OroCommerce's eCommerce and Marketplace solutions to their joint customers.

online