



HOW TO SUCCEED AT DIGITISING B2B SALES

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In many B2B companies, the go-to-market approach is too often a function of what has worked well in the past. But if you are doing things the same way you did them three years ago, you are almost certainly doing something wrong. Why do we say that? Well firstly, customers have changed. And secondly, technology has changed.

Did you know that ...?

- The average B2B buyer uses an average of **10 channels** to interact with suppliers during their decision journey. This has **doubled in the past five years**.
- The projected global B2B e-commerce market in 2026 is valued at **USD 18.9 trillion**. To put this into perspective: this is equivalent to **five times the size of the B2C e-commerce market**.
- Customers are more willing than ever to spend large amounts online, with the majority willing to **spend USD 50,000+ through digital self-service** and remote human interactions.
- **52%** of B2B buyers report that they are **frustrated with the buying journey**.
- **90%** of B2B buyers would **turn to a competitor** if a supplier's digital channel could not keep up with their needs.

Source: Global B2B Pulse, McKinsey & Co., February 2022; survey covered 3,500 B2B decision makers in 12 markets.

There is a growing need for B2B companies to reconsider their go-to-market approach to offer an online and omni customer experience. This has been a prerequisite in B2C for many years but is now becoming increasingly important for B2B players. However, the reality is that very few B2B players get it right. They tend to struggle with the implementation of these omnichannel interactions, as they treat channels as silos ("multichannel"), rather than as a set of interconnected tools a customer may want to use at

different stages of a decision journey ("omnichannel"). Additionally, because many B2B organisations rely on direct sales or channel partners for most of their revenue, they are concerned that selling via digital channels will cause channel conflicts, and this concern has stifled their digitising progress.

The good news is that there are very brave pioneers that are getting B2B digital commerce right, and there is a lot we can learn from them to replicate their success.

What if you could digitise B2B sales in a way that delivered a true omnichannel experience to customers without disengaging or negatively impacting current sales teams and/or channel partners?

Digital natives rewriting the rules

One of the reasons behind the growing need to offer an omni customer experience in B2B is the rise of digital natives.

Digital natives will soon dominate the market, and they have a generally higher adoption rate of new technologies and increasing digital savviness. They go to work with the expectations and experience from a B2C environment. They expect the same level of omnichannel service and flexibility as when they shop in their personal lives.

Digital natives want to be able to switch from channel to channel as they advance in their buying journey. They want to be able to do research on a supplier's website or a social media platform. As questions arise, they want to open a chat, call a sales representative, or receive a call back within a few hours. As they near their decision, they want a salesperson to meet them on site to select the perfect solution for their needs. And so on.



B2B suppliers cannot meet customer needs through one channel

Channel preferences shift depending on the stage or type of purchase; however, the “rule of thirds” is now the general standard. That means that B2B buyers use a mix of sales channels evenly divided between traditional, remote human interaction and digital self-service.

B2B suppliers cannot meet the needs of an entire segment of customers through one channel, nor can they ignore e-commerce as a channel. To equip customers to navigate the complex omnichannel ecosystem, sales professionals will increasingly need to become “journey orchestrators,” directing customers to different types of channels depending on the value and complexity of the purchase.

That doesn't mean that personal relationships and in-person meetings don't matter

Personal relationships matter, full stop. Salespeople are as relevant as ever, and suppliers should take care not to abandon face-to-face meetings.

The frequency with which customers want to meet with their suppliers increases with the depth of relationship and thereby the perceived value of the visit*:

- When a customer does not know a sales rep well, one in two would like to meet in person on a monthly basis.
- Where there is a deep existing relationship, three out of four buyers would like to meet in person on a monthly basis.

Digital natives are those born during or after the widespread adoption of digital technology. They therefore have a generally higher adoption rate of new technologies and increasing digital savviness.

Digital immigrants were born before the widespread adoption of digital technology.

Customers are getting fed up with current B2B digital buying experiences – and looking to switch

The reality today is that over half of B2B buyers report that they are frustrated with their buying journey. And nine out of ten B2B buyers would turn to a competitor if a supplier's digital channel could not keep up with their needs.

The good news about waning loyalty is that there has never been a better time to attract new customers. If you are committed to innovating at speed and investing to deliver a better omnichannel experience, you will likely appeal to customers who would otherwise go elsewhere.

THE QUESTION IS: AS EXPECTATIONS ARE RISING, HOW DO B2B BUSINESSES GET OMNICHANNEL SALES RIGHT?



*Source: Global B2B Pulse, McKinsey & Co., February 2022

**Best practice principles:
Winning at omnichannel sales
in B2B**

We have had the privilege of supporting several companies in exploring new opportunity spaces in digital business creation. Based on this experience, we have come up with a set of six best practice principles that we have observed winning companies using:

1. Put customers at the centre

Winning companies put customers and their needs at the centre of their omnichannel offering. They compile a comprehensive view of each customer and manage customer relationships across channels.

To enable seamless end-to-end omnichannel journeys, overperformers create a comprehensive view of each customer and deliver consistent messages across channels. Successful omnichannel sellers use CRM tools to create a seamless experience for customers, and they reward sales representatives regardless of where a customer makes the final purchase.

How can you get started?

- Capture and utilise customer data commercially (and operationally).
- Build rich customer segments and map the customer decision journey by segment.
- Include customers in the design process by prototyping elements of the omnichannel journey and testing them with customers.
- Model the economic impact of shifting from one channel to another (e.g., from distributors to direct sales, or from traditional sales to e-commerce).
- Recommend specific channels for different products and customer segments.

- Manage relationships across channels and reward sales regardless of where a customer makes the final purchase.

2. Manage channel conflict proactively

In all cases, digital commerce should complement rather than replace existing sales channels. Winning companies do not avoid conflict; rather, they address it proactively and design mechanisms to align sales and partners with digital commerce.

Because many B2B organisations rely on direct sales or channel partners for most of their revenue, launching digital commerce without considering the impacts on existing channels could have negative repercussions.

However, channel conflict can be managed proactively. Organisations can sell directly to customers using digital commerce without disengaging sales teams and partners through deliberate design of go-to-market approaches. Managing channel conflict proactively is very important, as sales teams are critical to drive B2B digital commerce adoption, because they can help increase customer awareness and willingness to use digital commerce.

How can you get started?

- Consider which of the four approaches to deliberately designing your go-to-market approach will best avoid channel conflicts for your organisation. For many organisations, the optimal approach may be a



combination of the four approaches, depending on customer segment, project type, etc.

- Work with sales leaders to develop a sales alignment strategy before launching digital commerce, not only to avoid channel conflicts, but also to allow sales teams to benefit from the ways in which digital commerce can improve their performance.

3. Create channel-specific value propositions

Engagement in new channels often requires a redesign of your value propositions to ensure you clearly communicate the value you create and how you differentiate yourself from competition in the specific channel.

It is critical that your target segments can firstly see the value of changing behaviour and choosing a new way of engaging, and secondly of choosing you as a partner compared to the relevant alternatives.

How can you get started?

- Map out your current value propositions as a foundation.
- Identify the potential financial value for your target segments in engaging with you digitally and make this specific for each segment and each channel.
- Identify how you differentiate yourself from the competition across and within each of your channels.

- Reformulate your value messages to ensure that you clearly articulate your value propositions across all critical touchpoints and ensure they are targeted at relevant segments and stakeholders.

4. Communicate the benefits early on

Senior executives and sales leaders should use all opportunities to communicate the importance of launching digital commerce to obtain organisational buy-in early on. Winning companies internally communicate the go-to-market (GTM) changes upfront and obtain sales buy-in early on.

They link digital commerce with organisational objectives such as digital business and transformation to help employees see the big picture. And they position digital commerce as a tool to increase sales productivity and effectiveness.

How can you get started?

- Communicate the benefits of the combined digital and seller approach, such as focusing on higher value-added tasks and shortened sales cycles. Leverage online forums, town halls and employee meetings to communicate.
- Organise sales training to demo the system and provide hands-on practice. Demonstrate how digital channels help salespeople improve productivity and effectiveness, e.g., digital channels can automate low-value and repetitive tasks so that sales can focus on higher value-added tasks.
- Work with stakeholders to provide sales enablement materials so that sales can understand the benefits themselves and communicate these to customers.

Four ways to align B2B digital commerce with sales and partners

- Option 1: Sell directly: Organisations sell directly to end customers without involving partners. Suitable when entering new markets or introducing new products that are not served by partners.
- Option 2: Engage partners: Organisations get orders directly from end customers through digital commerce channels and pass on orders to partners, who handle deal execution and customer relationship maintenance.
- Option 3: Enable partners: Organisations sell via B2B2C sites and/or via enterprise marketplaces. Partners are engaged in the entire customer journey from acquisition and order-taking to fulfilment, delivery and service. Partners are provided with digital commerce tools so that they can sell more effectively.
- Option 4: Sell to partners: Least likely to cause channel conflict, because many B2B organisations today only sell to partners and digital commerce is used in the same way.



5. Design compensation mechanisms

Sales teams should be incentivised to promote digital channels to end customers. Winning companies design ways of compensating that motivate sales and drive behavioural changes, encouraging sales teams to become ambassadors of digital channels.

It is important to design compensation in such a way that salespeople are willing to promote digital channels to end customers. Ensure there is a set of common goals to drive greater collaboration. Without such goals, different functions within an enterprise might work against one another.

How to get started:

- Reward activities that drive adoption and use, for example online registration of new customers, first order placed online, first repurchase/renewal made online, and so on.
- Incentivise based on territories rather than channels, as customer buying journeys often span multiple channels.
- Include profitability in sales KPIs, as digital channels can improve profitability with self-service orders, automated order processing and lower error rates. This will motivate sales teams to drive customers to channels with higher profitability, especially for repeat purchases.

6. Build a strong digital foundation

Winning companies have a strong digital foundation and higher quality, “cleaner” customer master data flowing seamlessly between systems. They centralise master data management responsibility with one enterprise-wide owner.

How to get started:

- Identify the data you need and where to find that information. The amount

of data is important too. Most companies are drowning in data. While big data is a popular concept, sometimes what is needed is a small amount of targeted data.

- Centralise master data management and establish a governance model with one set of rules.
- Invest in the right technology (hardware and software).
- Foster a strong connection between sales and IT to implement and improve advanced analytics and the latest sales tools.
- Implement marketing automation with digital analytics (e.g., for cross-/upselling and dynamic pricing) and apply digital marketing to drive personalisation at scale.

The best way to get started is to start now.

The message from our global B2B customers is resounding. To

secure customer loyalty—and drive growth—B2B companies must make omnichannel a cornerstone of their value proposition and sales model. Their profitable growth and competitiveness depend upon it.

“IF YOU ARE DOING THINGS THE SAME WAY YOU DID THEM THREE YEARS AGO, YOU ARE ALMOST CERTAINLY DOING SOMETHING WRONG”

While the task of launching B2B digital commerce may be daunting, B2B players who get it right are ahead of the game. They can not only attract new customers but retain existing ones, leading to higher revenues, lower cost to serve, improved customer satisfaction scores and reduced churn rates.

Sources

- Globe Newswire September 2022
- Global B2B Pulse, McKinsey & Co., February 2022; survey covered 3,500 B2B decision makers in 12 markets.
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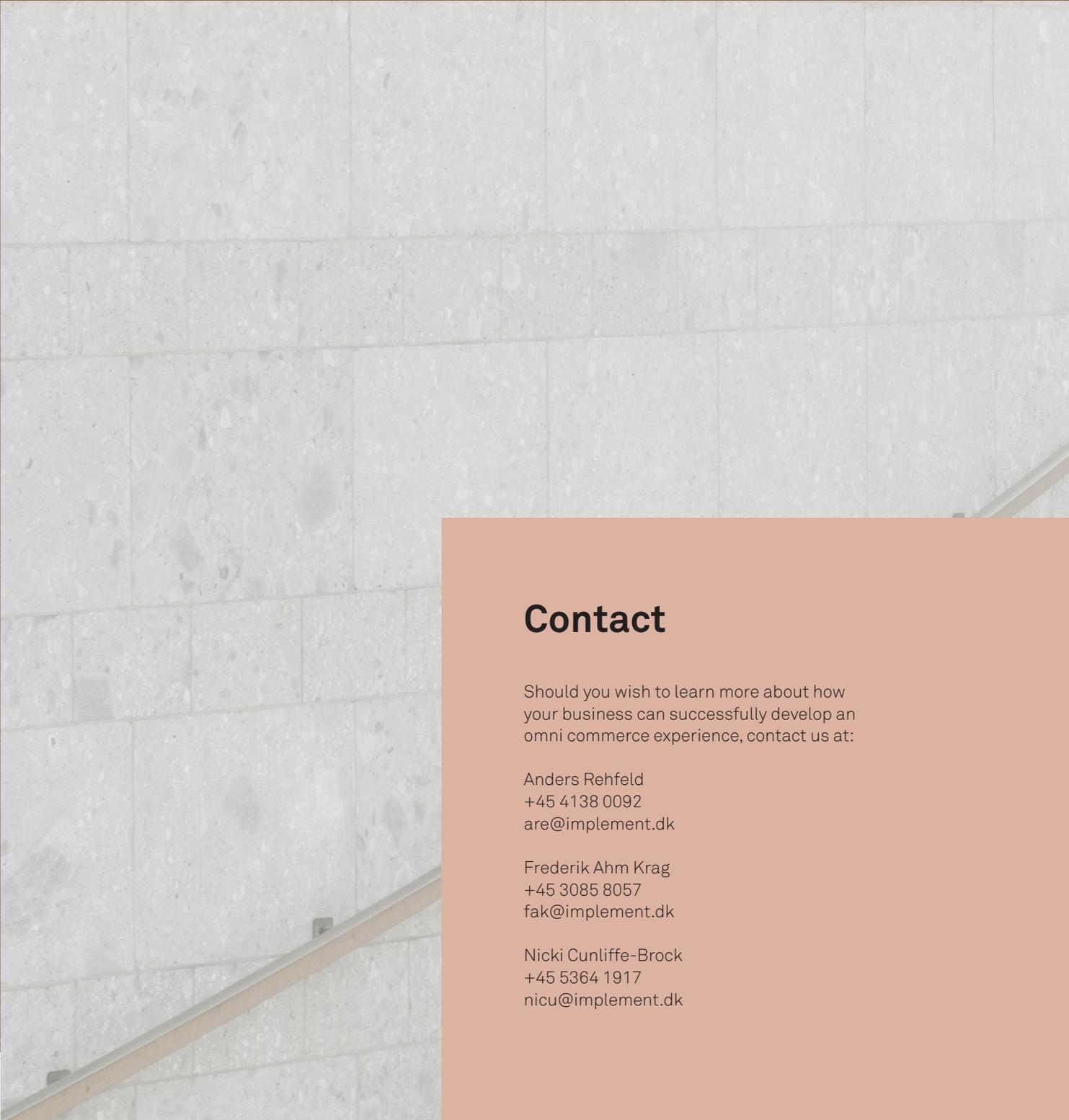
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