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# The Complexities Of B2B Sales Require Thinking Beyond Today's CPQ

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# Executive Summary



B2B firms must embrace a complete, omnichannel sales strategy.

The inherent complexity of business-to-business (B2B) sales creates challenges for firms struggling to meet the increased customer experience (CX) expectations of their customers, sales reps, and partners. Rising customer expectations transform the channels that B2B firms must serve with a consistent, high-quality user experience. Adoption of B2B eCommerce is increasing, but strong direct and indirect sales are still required today.

Regardless of sales channel, the complexity of B2B product bundles, sales technology ecosystems, and sales processes and touchpoints make it difficult for firms to sell complete solutions. To enable a better experience for customers, partners, and sales reps alike, firms must navigate and solve the inherent complexity of the B2B sales ecosystem — the question is, how?

In January 2017, FPX commissioned Forrester Consulting to evaluate current sales channel strategies, practices, and challenges at B2B firms in North America, the UK, Germany, and the Netherlands.

## KEY FINDINGS

- › **B2B firms want to enable more eCommerce sales but cannot neglect direct and indirect channels to do so.** B2B firms want to increase their eCommerce sales from an average of 35% to just over half. And almost all are embracing some form of eCommerce today. But this means that the other half of sales is still going to come from direct and indirect channels. Therefore, B2B firms must embrace a complete, omnichannel sales strategy.
- › **B2B complexity makes it difficult to sell complete solutions, regardless of channel.** While the specific challenges often vary by channel, the root cause stems from the complexity of B2B sales. This complexity, in the form of custom product bundles, sales technology ecosystems, and sales processes and touchpoints, makes it difficult for B2B firms to sell complete solutions, either through reps, partners, or eCommerce solutions.
- › **The right configure-price-quote (CPQ) technology can help solve B2B sales complexity.** To solve their complexity challenges across B2B sales channels, firms must leverage a platform that can unite existing sales technology, provide guided selling, give partners full sales visibility, and enable sales for complex solutions through eCommerce. While traditionally thought of as a solution to create uniformity in sales pricing, configuration, and quoting, modern CPQ technology can help B2B firms solve their sales complexity challenges and extend the value of their existing sales technologies.

To enable a better experience for customers, partners, and sales reps alike, firms must navigate and solve the inherent complexity of the B2B sales ecosystem.

# B2B Sales Strategies Must Evolve With Their Customers

The age of the customer is having profound effects on the way that B2B buyers expect to engage with firms and the way that they want to purchase products and services. And most B2B firms are scrambling to keep up with consumers' demands for an easy, convenient, and enjoyable sales experience. For many, this means changing sales strategy and expanding digital sales channels. Our survey of B2B firms reveals:

- › **Digitally empowered B2B customers have higher buying expectations.** Today's B2B buying world has been largely shaped by business-to-consumer (B2C) shopping experiences; B2B buyers prefer to conduct research on their own, desire the convenience of self-service, and want better experiences working with B2B sellers.<sup>1</sup> B2B customers bring the expectations they have as consumers shopping online to the B2B purchase experience today. Seventy percent of B2B firms say that customers have higher expectations on the experiences they have in the buying process.
- › **High-quality CX drives B2B sales strategies.** B2B firms recognize the significance of increased buyer expectations. And they understand that delivering a consistent and high-quality customer experience for both customers and users (such as sales reps and partner channels) is essential to sales strategies today (see Figure 1). This is reflected in B2B sales goals as well, with customer loyalty and improving CX being top five sales goals for over 50% of survey respondents.

It is important to note that this emphasis on CX is not only important for end customers; B2B companies must also address the rising needs of their sales reps and partners who serve those customers. Forrester's research shows that companies that are able to address the CX needs of both their customers and their sales technology users are more likely to improve topline revenue.<sup>2</sup> What does this mean for each?

- › **Buyers (end customers).** Customers have higher expectations on the experiences they have in the buying process. This means they desire a convenient buying process that is digitally enabled, and if they don't get that, they're more willing to shift their loyalty to other brands.
- › **Sellers (direct). Sellers face the brunt of the burden in B2B engagement.** These individuals must not only rise to the expectations of their buyers, but they must also meet the administrative and procedural requirements of their respective companies. For many, the administrative end hurts their ability to serve their customers.
- › **Sellers (indirect).** B2B businesses must also serve another type of customer: their partners. Partner channels expect it to be easy to interact with their suppliers/manufacturers, want access to real-time information, and want to maintain their own brand presence. Companies that can't deliver these experiences see their partners working more closely with other manufacturers.



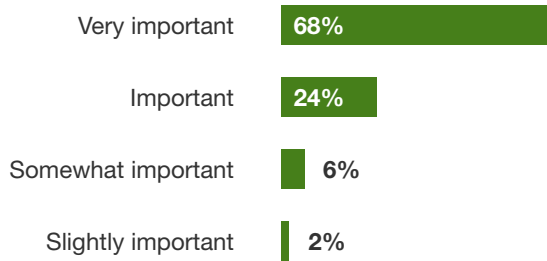
**70% of B2B firms say that customers have higher expectations on the experiences they have in the buying process.**



**Emphasis on CX is important not only for end customers, but for sellers and partners as well.**

**Figure 1**

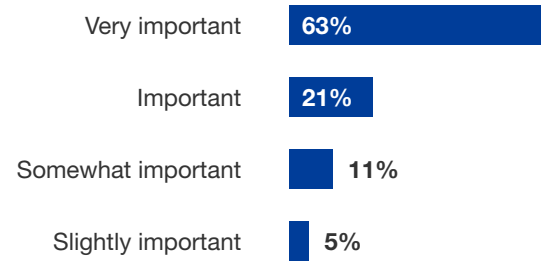
**“How important is delivering a consistent and high-quality customer (i.e., end buyer of your products or services) experience to your sales strategy today?”**



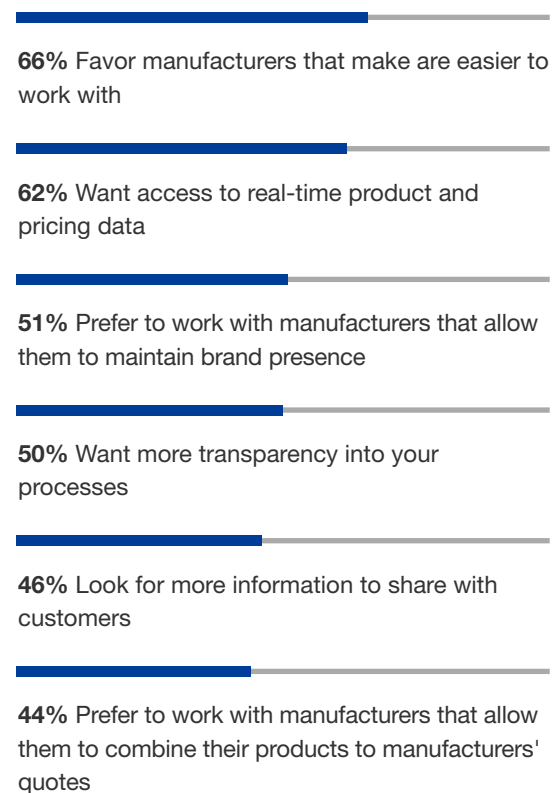
**Customers today . . .**



**“How important is delivering a consistent and high-quality end user (e.g., partner, reseller, distributor, sales rep) experience to your sales strategy today?”**



**Partners/distributors today . . .\***



Base: 338 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms

\*Base: 326 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms

Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

## B2B FIRMS MUST ENABLE A CONSISTENT OMNICHANNEL SALES EXPERIENCE

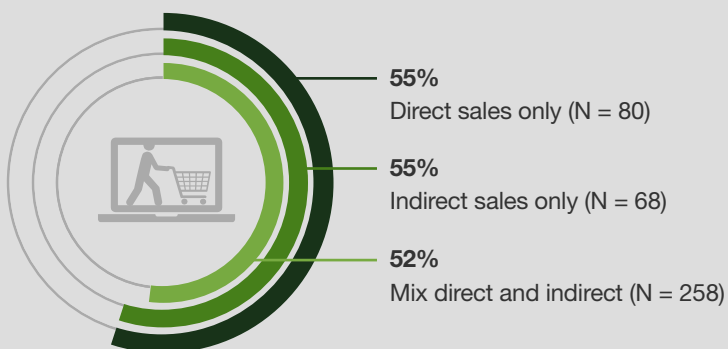
Today, a majority of B2B sales takes place in direct or indirect sales channels. But as customer expectations shift, the channels they want to buy from change as well, and firms must adapt to deliver a consistent and high-quality B2B buying experience when and where their customers prefer. As a result, our survey shows:

- › **B2B companies want to sell more through eCommerce.** . . . On average, eCommerce represents about a third of B2B sales today. To meet customer expectations, B2B companies aim to grow this number to just over half of their sales to come from eCommerce (see Figure 2). Almost all B2B firms have begun their digital transformations, with 97% of survey respondents embracing some elements of eCommerce today. So, if almost everyone is working toward expanding eCommerce, what is holding them back? B2B sales are complicated, both in terms of sales process and product or service complexity. eCommerce platforms were designed to handle straightforward transactions but do little to support these complexities.
- › **. . . but still must embrace an omnichannel sales strategy.** While there is a desire to expand eCommerce capabilities to deliver a better experience to customers, it would be a mistake for B2B firms to place all their eggs in the eCommerce basket. Self-service channels are only expected to replace about half of sales in an ideal world, which means the other half must be delivered through consistent, high-quality direct and indirect channel sales.

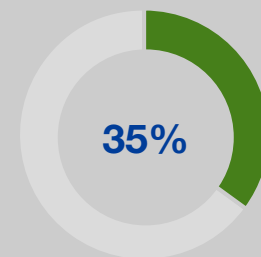
Self-service channels are only expected to replace about half of sales in an ideal world, which means the other half must be delivered through consistent, high-quality direct and indirect channel sales.

Figure 2

“Ideally, what percent of your sales would come from eCommerce systems if you had the right technologies in place?” (Mean)



Base: 406 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017



Today, an average of **35%** of B2B sales comes from eCommerce systems.

# Regardless Of Channel, Delivering A High-Quality Sales Experience Is Hard

The challenge for B2B firms is that meeting the CX expectations of customers, sales reps, and partners alike is not an easy task. Despite the heavy focus today on direct and indirect sales, B2B firms still have difficulty delivering consistent, high-quality experiences in each of these channels (see Figure 3). To compound this, firms have different challenges in each channel, making leveraging a common solution difficult today.

## DIRECT SALES

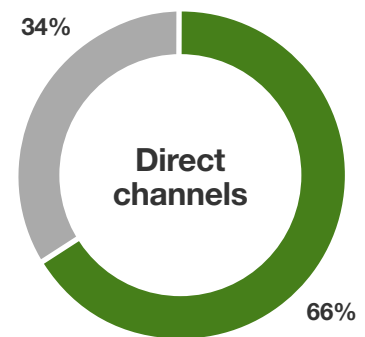
**Two-thirds of survey respondents say that delivering a consistent, high-quality sales experience in direct channels is at least somewhat difficult today.** B2B firms have traditionally placed high priority on improving direct sales, but have done so through a technology Band-Aid approach, adding solutions piecemeal to solve challenges as they arise. The result is that sales reps already selling inherently complex products and services must navigate and leverage a disjointed set of sales solutions to get information and complete the sale. This creates a difficult experience for both sales reps and customers alike. Our survey shows that the top challenges with direct sales include (see Figure 4):

- › **Leveraging disparate systems to support buyer engagement.** It is impossible to deliver a consistent sales experience to customers when the information reps need and the processes they must facilitate require them to utilize disparate systems. Using disconnected sales systems prolongs the sales process and increases the likelihood of incorrect information being shared with buyers.
- › **Inconsistent adoption of sales technology.** Sellers will only adopt and use the technologies that help them more effectively sell. Due to sales leaders driving the majority of the technology investments, sales solutions often fall short of the needs of frontline sellers, resulting in low adoption. Low adoption has many downstream impacts, including poor data quality, customers insights, and process adherence.
- › **Excessive sales touchpoints.** B2B sales, in their very nature, are complex, and not just on the customer side. Sellers often rely on communication with and approvals from different departments such as legal, finance, and product teams. Manual touchpoints prolong the process and provide the end customer with little to no visibility into the process.
- › **Onboarding new sales reps.** Learning new portfolios and products and services and researching new customers make sales rep ramping an arduous and time-consuming process. It is made even more difficult by the number of different touchpoints and systems they must learn to use in order to complete a sale. Long ramping cycles mean that companies are less profitable and have a lower capacity to serve their customers.

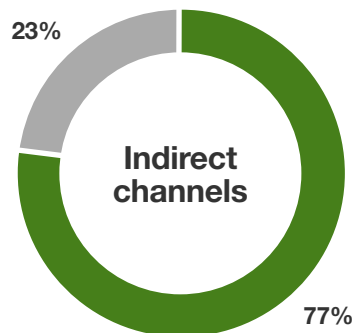
Figure 3

**“How difficult do you think it is to deliver a consistent and high-quality sales experience across your direct and/or indirect sales channels?”**  
 (“Very difficult,” “difficult,” or “somewhat difficult” shown)

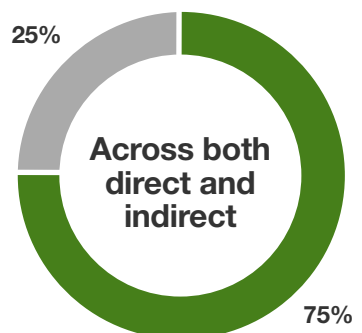
**Direct or mix of direct/indirect**  
(N = 338)



**Indirect or mix of direct/indirect**  
(N = 326)



**Mix of direct/indirect**  
(N = 258)

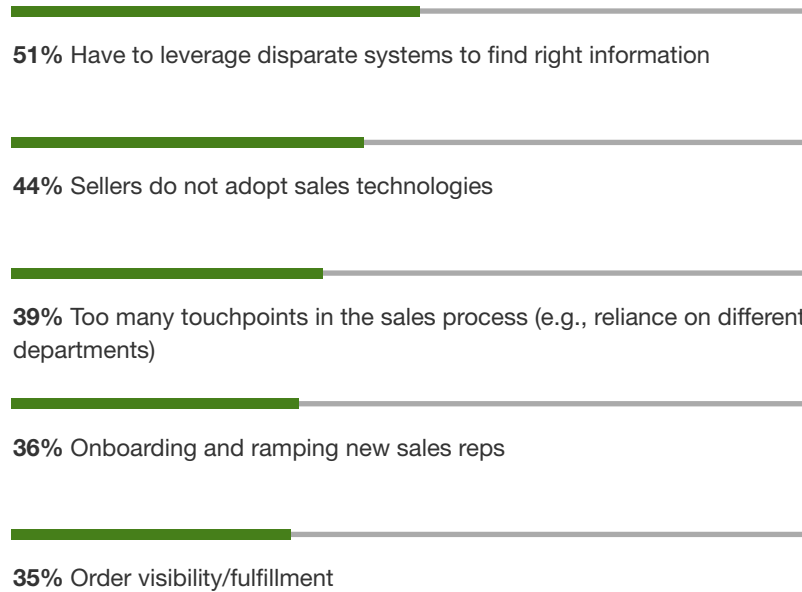


Base: Variable; professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

- › **Order visibility and fulfillment.** B2B sales orders often combine multiple products and services bundled together, making it difficult to see where all the moving parts are as an order is processed. With data spread across multiple systems, sellers find it difficult to get clear visibility into an open order and communicate expected fulfillment details to their customers.

**Figure 4**

**“What challenges do you have when selling through direct channels?”** (Select all that apply)  
(Top five responses shown)



Base: 338 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017



Top challenges for B2B direct sales include:

- Too many sales systems and touchpoints.
- Inconsistent adoption of sales technologies.
- New rep onboarding.
- Order visibility and fulfillment.

## INDIRECT SALES

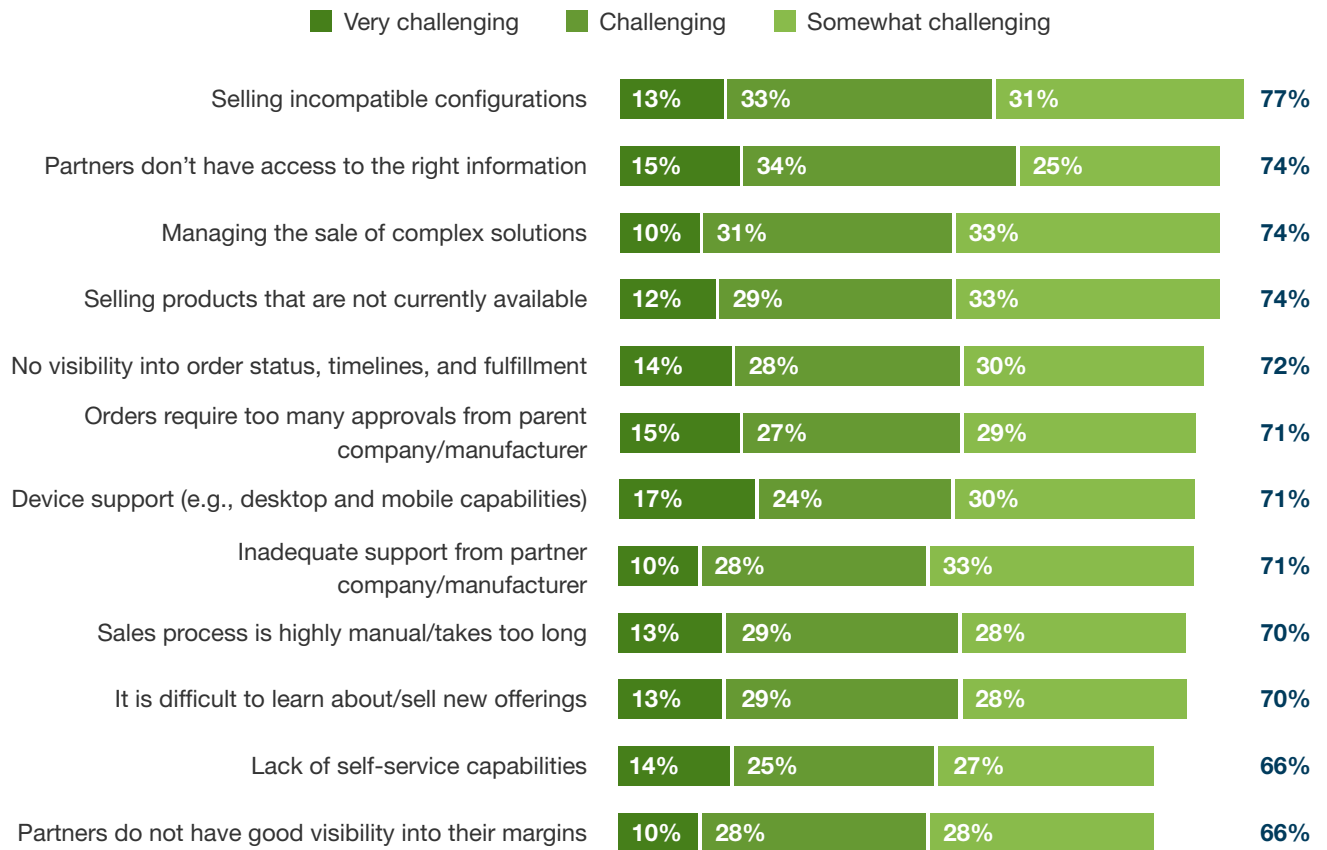
Over three-fourths (77%) of survey respondents say that delivering a consistent and high-quality sales experience via indirect sales channels is at least somewhat difficult. The complex nature of B2B sales introduces many challenges for indirect channel partners related to accessing up-to-date information, bundling products and services from multiple companies, and having visibility into current inventory levels. Our survey shows that top challenges for indirect channel partners include (see Figure 5):

- › **Selling incompatible configurations and unavailable products.**  
Indirect sellers, by their nature, are not experts on every solution from every manufacturer they work with. B2B companies that don't readily share real-time availability and solution compatibility with partners in an easily digestible fashion often frustrate channel partners and risk ruining the experience of their end customers.
- › **Managing the sale of complex solutions.** Many B2B purchases are conducted to solve for complex challenges, and, as such, require complex solutions. These solutions can be a mixture of the supplier's products and services with those from the partner. Businesses that can't support the sale of complex solutions oftentimes don't meet the needs of their customers and miss out on additional sales opportunities.
- › **Ineffectively communicating with suppliers and manufacturers.**  
Partners run their own businesses, and they have their own commitments to their customers. When suppliers require various approvals in the sales process, they introduce friction into the sales process between the partner and end customers, effectively diminishing their partners' ability to deliver a high-quality customer experience.

**77% of survey respondents say that delivering a consistent and high-quality sales experience via indirect sales channels is at least somewhat difficult.**

**Figure 5**

**“How challenging are the following for your indirect channels partners?”**



Base: 338 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms

Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

## ECOMMERCE

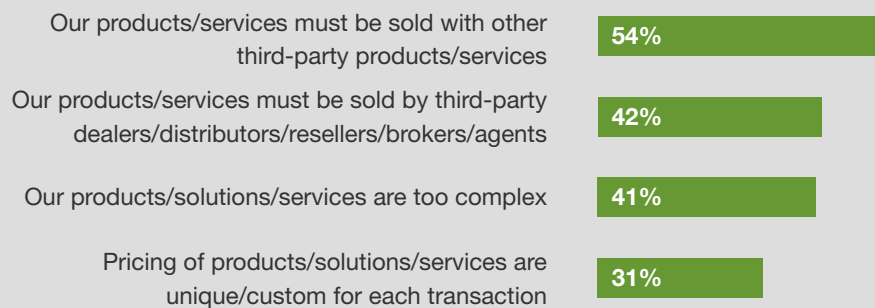
Current commerce solutions are extremely effective at facilitating straightforward transactions like simple products or replacement parts, but they are not equipped to support the full spectrum of complexity within B2B sales. As a result, more than two-thirds of B2B eCommerce purchases are for simple transactions, such as when the customer already knows the product, no value-added services are needed, and the purchase is a reorder.<sup>3</sup> Products that must be sold with other third-party products and services, and the desire to customize products, solutions, and offers, restrict what can be sold via eCommerce (see Figure 6). Our survey shows that the top challenges for supporting eCommerce sales include:



- › **Collaborative selling with value-add partners.** Due to the simple nature of eCommerce transactions, companies struggle to sell complete solutions that require both first- and third-party products and services. To date, most of these transactions require human assistance.
- › **Configuring complex products and solutions.** Modern eCommerce solutions only support rudimentary product configurations. When products and solutions have many variants or options, companies often have to leverage different pieces of technology to facilitate those transactions.
- › **Offering unique solution and pricing recommendations per transaction.** There are many different factors that make B2B sales complex, but near the top of that list are the relationships that companies have with customers and partners. Oftentimes these relationships come with their own agreements and specialized pricing. Businesses struggle to keep agreements and pricing straight with their various customers.

Figure 6

“What are the biggest impediments to achieving higher revenue from your eCommerce sales?” (Select all that apply)



Base: 394 professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

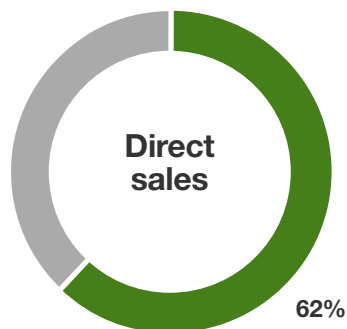
## THE COMMON THREAD? B2B FIRMS STRUGGLE TO SELL COMPLETE SOLUTIONS ACROSS CHANNELS

While the specific challenges often vary by channel, the root cause of these problems stems from the complexity of B2B sales. This complexity, in the form of custom product bundles, sales technology ecosystems, and sales processes and touchpoints, makes it difficult for B2B firms to sell complete solutions, regardless of channel (see Figure 7). The complexity here makes it difficult for businesses to serve their customers, their partners, and even their internal employees, let alone deliver a consistent and high-quality experience across all channels.

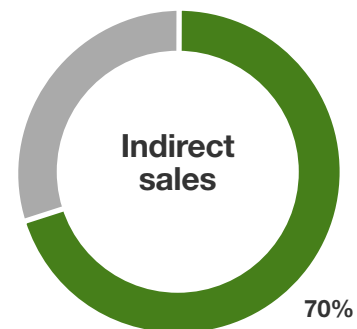
**Figure 7**

**“How difficult do you think it is for the following channels to sell complete solutions that align to the needs of the end customer?”** (“Very difficult,” “difficult,” or “somewhat difficult” shown)

**Direct or mix of direct/indirect (N = 338)**



**Indirect or mix of direct/indirect (N = 326)**



Base: Variable; professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

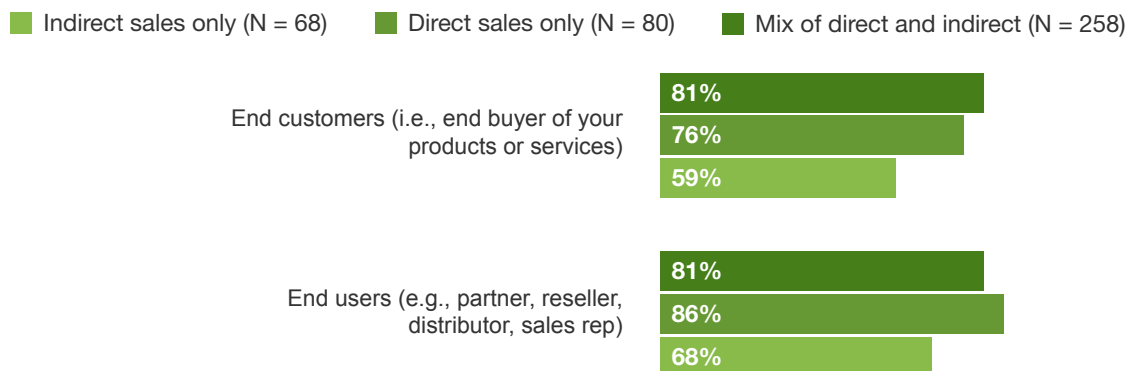
# Firms Need To Invest In A CPQ Solution That Can Solve B2B Omnichannel Sales Complexity

To solve their challenges, B2B firms have invested in many different sales solutions, from eCommerce, to CRM, to ERP, to CPQ. Previously, a common solution for businesses was to invest in a traditional CPQ solution to create uniformity in sales pricing, configuration, and quoting. These solutions manage the complexity of B2B products, pricing, and sales processes, but often only serve direct and indirect sales channels. They were point systems that often augmented ERP or CRM systems but did not truly support an omnichannel sales model. They still left a gap in experience and capabilities between human-assisted sales processes and self-service tools like eCommerce solutions.

To solve their challenges across B2B sales channels, firms must leverage a platform that can (see Figure 8):

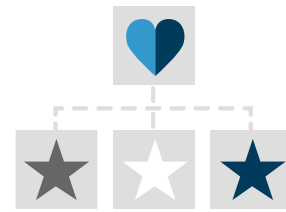
**Figure 8**

**“How valuable would it be to have a unified platform that interfaces with your existing sales, CRM, and ERP technologies; provides guidance for product and pricing recommendations; and is exposed to all of your sales channels to deliver a consistent, high-quality experience for . . . ?”** (“Very valuable” or “valuable” shown)



Base: Variable; professionals in North America and Europe with responsibility for sales/commerce technologies at B2B firms  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

- › **Unite existing sales technologies.** B2B companies rely on many technologies to power their business, including CRM, ERP, and eCommerce. Companies need to think beyond these siloed systems and leverage a platform to ensure that regardless of channel, end customers get the same experience. This means that they receive the same product or solution recommendations and pricing and have the ability to migrate from one sales channel to another without interruption.
- › **Provide guided selling.** B2B selling is about providing customers with solutions designed to meet their business needs. Firms must make sure this investment helps guide the sales process in all channels to get customers to their optimal solution. Guided selling not only streamlines the process for customers and users alike, but also ensures the solution is designed to effectively solve for the need in question.
- › **Give partners full visibility into availability, compatibility, and fulfillment.** Many B2B firms rely on partners to extend their sales reach and deliver additional value to their customers. This new platform must support the surfacing of real-time information to meet the needs of indirect channel sellers. Partners must have the same access to information as customers and direct channel sales.
- › **Enable the sale of complex solutions via eCommerce.** Forrester data shows that buyers increasingly want to self-serve, and this includes the desire to start conducting more complex transactions on their own. Firms must make sure that their investment can augment their eCommerce experience and allow users to self-serve for increasingly complex transactions.



## SOLVING B2B SALES COMPLEXITY UNLOCKS KEY BENEFITS

B2B firms that can deliver a consistent, high-quality sales experience to customers and partners will improve customer satisfaction, increase customer and partner loyalty, and drive sales. Our survey respondents indicate that a superior customer experience leads to tangible benefits in customer acquisition, loyalty, profitability, and market share. In addition, an improved customer experience makes it easier for partners to do their job, improves the ease of doing business, opens the door for additional cross-sell and upsell opportunities, and increases partner loyalty.

# Key Recommendations

Forrester's in-depth survey of sales/commerce technology decision makers at B2B firms about their current sales capabilities and challenges yielded several important recommendations:



## **Invest in a CPQ solution to simplify your sales complexities.**

Whether solutions sold are expensive, complex and configurable, or require a long multitouch sales process, B2B sales are wrought with complexity. These complexities only get compounded when you account for how many channels solutions are sold through. A modern, extensible CPQ solution accounts for product and process complexities, helps deliver a convenient and improved buyer experience, and unifies selling across channels all from the same system.



## **Look for a CPQ solution that extends the value of eCommerce.**

Buyers have spoken — they want to conduct more of their business via self-service. Today's eCommerce solutions are fantastic for basic transactions but fall short of being able to support the wide array of needs that your buyers have. Don't look at CPQ as a competing investment against eCommerce; look for CPQ to extend the value of your eCommerce investment by enabling users to self-serve even when the products or the sales processes are more complex. B2B firms won't be able to achieve the level of eCommerce volumes that businesses desire without supporting these needs.



## **Make sure your next investment connects your experiences and your technologies.**

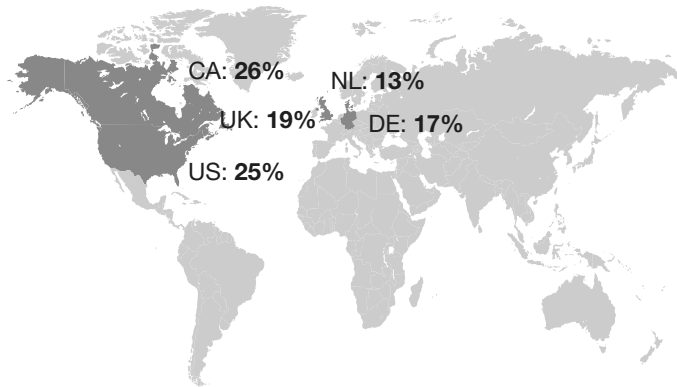
It's long overdue, but B2B companies are now beginning to focus on the customer. Firms must not stop there; they must begin to treat their partners and internal sellers like customers. Delivering better functionality and experiences has a direct impact on a firm's success. A better, more convenient self-service experience leads to more eCommerce sales. A consistent, streamlined experience for internal sellers boosts their productivity. And a transparent and automated process boosts partner loyalty. Don't waste time trying to solve these with Band-Aid solutions. Modern CPQ not only delivers on these experiences, but does so from a single platform.

## Appendix A: Methodology

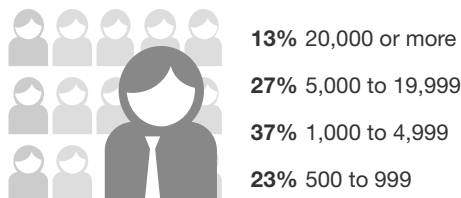
In this study, Forrester conducted an online survey of 406 B2B firms in the US, Canada, the UK, Germany, and the Netherlands to evaluate sales channel strategies, practices, and challenges today. Survey participants included decision makers in IT, finance, operations, marketing, and sales responsible for selecting sales technology at their organization. The study began in January 2017 and was completed in March 2017.

## Appendix B: Demographics/Data

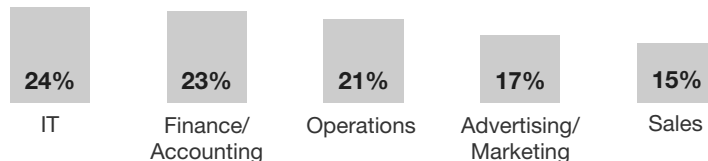
**“In which country are you located?”**



**“Using your best estimate, how many employees work for your firm/organization worldwide?”**



**“Which of the following best describes your current position/department?”**



**“Which of the following best describes to whom your company sells?”**

- Consumers and businesses equally
- Mostly businesses
- Exclusively businesses



**“Which of the following best describes to whom your company sells?”**

- Direct sales channels
- Indirect sales channels
- A mix of direct and indirect sales channels



Base: 406 professionals in North America and Europe with responsibility for sales/commerce technologies at their companies  
Source: A commissioned study conducted by Forrester Consulting on behalf of FPX, March 2017

# Appendix C: Supplemental Material

## RELATED FORRESTER RESEARCH

“Death Of A (B2B) Salesman: Two Years Later,” Forrester Research, Inc., March 29, 2017

“Brief: Find The Right Sales Efficiency-Effectiveness Balance,” Forrester Research, Inc., September 28, 2016

“Vendor Landscape: Configure-Price-Quote Solutions,” Forrester Research, Inc., March 21, 2016

“Death Of A (B2B) Salesman,” Forrester Research, Inc., April 13, 2015

## Appendix D: Endnotes

<sup>1</sup> Source: “Death Of A (B2B) Salesman: Two Years Later,” Forrester Research, Inc., March 29, 2017.

<sup>2</sup> Source: “How To Improve Your Top Line With Salesperson-Centric Software,” Forrester Research, Inc., October 15, 2016.

<sup>3</sup> Source: “Death Of A (B2B) Salesman: Two Years Later,” Forrester Research, Inc., March 29, 2017.