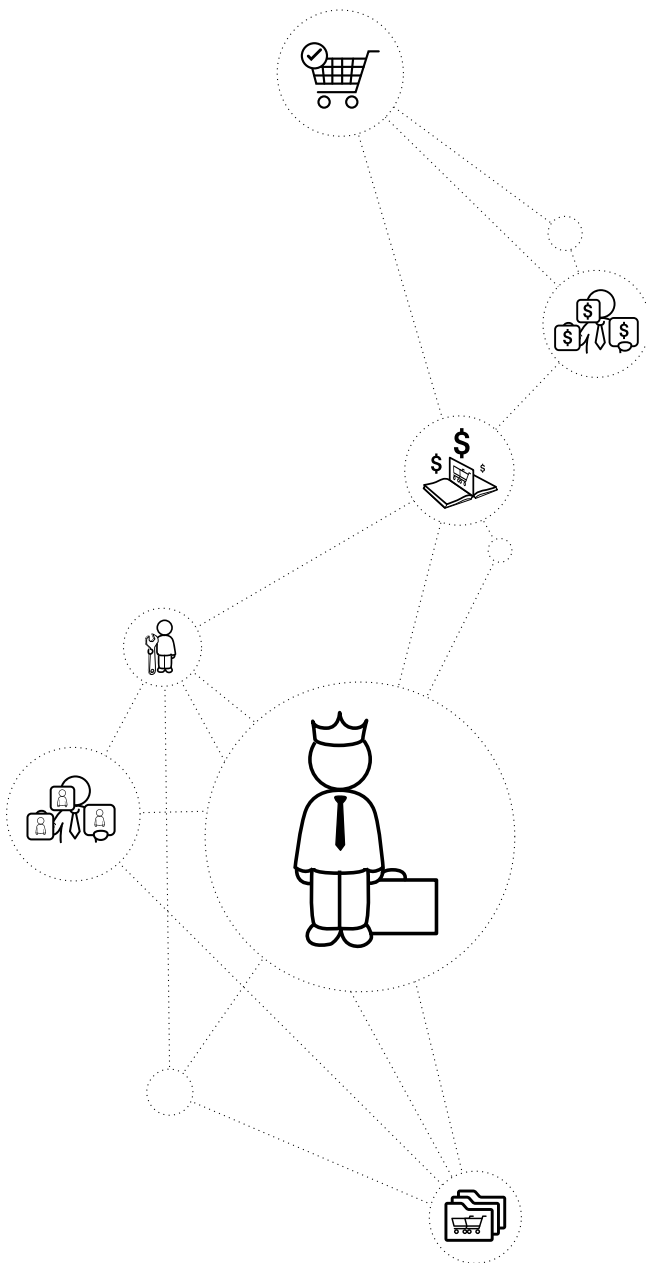


The Consumerization of B2B Multi-Channel Commerce



The “consumerization of IT” is a hot topic as organizations are under increasing pressure to open corporate networks to consumer devices and to allow access to social and other Web-based media. This consumerization effect is also emerging in B2B commerce, driven by a range of customer, cost, and market factors. Business customers are demanding increasing levels of service and convenience. Cost pressures are forcing organizations to find ways to streamline operations and reduce expenses. Markets are becoming hyper-competitive, requiring businesses to squeeze competitive advantage from every possible angle.

Despite these challenges, there are numerous multi-channel B2B commerce opportunities that organizations can take advantage of to increase revenue, decrease costs, create competitive advantage, and create long-term business value.

This white paper examines opportunities for B2B organizations to leverage multi-channel commerce to:

- Reduce costs by streamlining business operations
- Increase revenue by capturing new customer segments and market opportunities
- Increase conversion by benefiting from B2C best practices
- Increase customer satisfaction by delivering multi-channel convenience
- Represent complex and specialized products accurately and effectively
- Manage the complexity of B2B transactions

Opportunities for Creating Business Value with Multi-Channel Commerce

The consumerization of B2B commerce is being driven by changing customer behavior. As consumers adapt to and take advantage of the benefits of maturing B2C multi-channel commerce, they are starting to demand a comparable experience from their B2B vendors. In fact, many of today's B2C multi-channel commerce capabilities can be adopted by B2B organizations to transform the way they do business.

Streamline Operations to Increase Efficiency and Improve Loyalty

Manual and labor-intensive operations can be automated in part or in whole. In addition to reducing operational costs and improving convenience for customers to foster loyalty, automation can improve quality by limiting points of manual intervention that can introduce the opportunity for error. Automation also enables customer self-service for routine processes and tasks such as reordering or authorizing new users or locations.

Leverage and Boost Existing Channels

B2B multi-channel commerce enables organizations to improve existing functions and channels for more effective sales and support. For example, transferring some level of account responsibility to the customer "unlocks" the traditional relationship between the sales rep and customer, enabling sales reps to focus on revenue-generating activities for improved sales effectiveness. At the same time, automating support and integrating service capabilities across all channels improves satisfaction which, in the long term, increases customer lifetime value. This value can even extend to partner channels; automating and standardizing processes while supporting customizations enables organizations to serve a larger number of trading partners without requiring commensurate increases in dedicated account management resources.

Increase Revenues by Adopting New Business Models

B2B multi-channel commerce enables organizations to cost-effectively serve new markets and customers that were traditionally impractical to support. Organizations can serve new customer types – such as B2B2B or B2B2C – by taking advantage of market places and white label opportunities. Or companies can disintermediate to develop more direct customer relationships. B2B multi-channel commerce provides the capabilities to better manage the extended ecosystem of suppliers, distributors, and partners to expand capacity.

Increase Customer Convenience through Multi-Channel Selling

Providing a consistent experience across all channels enables customers to interact with organizations whenever and however they want. Organizations can make it easy for customers to do business with them by enabling online ordering and easy order replenishment; providing access to order details, account history, and profile management at any time; and offering tools and information to support user, budget, and cost center management.

Represent Complex and Specialized Products Accurately and Effectively

B2B products can be complex and highly specialized, making it a challenge to accurately and effectively represent them across a wide range of channels, all with different display capabilities. Organizations who clearly communicate details about their complex products can shorten sales cycles, reduce return rates, and minimize customer support issues.



Challenges of Delivering Effective B2B Commerce

Many of the capabilities required for successful B2C multi-channel commerce are also critical in the B2B realm, but there are a number of challenges that are unique to B2B that need to be addressed.

Complexity of Relationships, Products, and Pricing

B2B commerce entails a level of complexity across a number of dimensions that must be efficiently managed. B2B account management tends to be more complex than in the B2C world and requires the ability to address different types of users with different needs and multiple user accounts with multiple roles. Complex customer self-service workflows must be supported. And personalization requirements are complex due to varying contract and trading relationships, often requiring information to be configured differently for each account holder. The B2B products themselves are often complex – from products with involved configuration requirements to product/service bundles – and price lists, as well as delivery options, can vary across customers. A robust B2B multi-channel commerce infrastructure is required to support all levels of complexity.

Difficulty Predicting Which Channels B2B Customers Will Use in What Order

Customers interact with businesses through a variety of channels – Internet, telephone, email, fax, and increasingly mobile – across the entire lifecycle from initial search and research, through transactions, to post-purchase support and service. B2B commerce must enable customers to easily and effectively use any channel at any point in the process.

Content Consistency

Content production processes must fit the multi-channel paradigm through product content management (PCM) to ensure that up-to-date information is available across all channels.

These challenges require a solution with true multi- and cross-channel capabilities, not just a single-channel commerce point product. A robust B2B multi-channel commerce system needs to offer a seamless experience to customers across all channels, and requires integration across back-end systems.

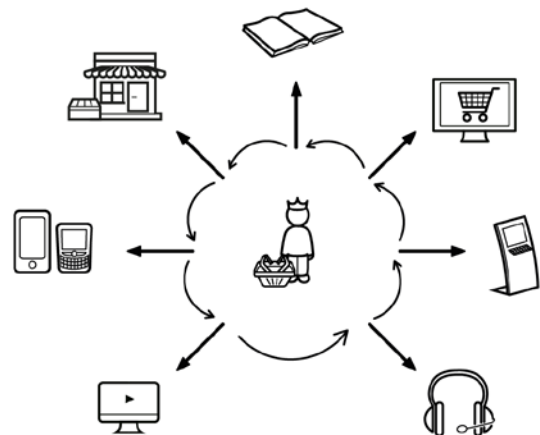
Technology Considerations for Effective B2B Commerce

In order to overcome the challenges and take advantage of the opportunities to create true business value, B2B organizations need to ensure they have the right multi-channel commerce infrastructure in place. The ideal B2B multi-channel commerce system is a single, centralized planning and execution platform that delivers on all requirements.

When evaluating B2B commerce solutions, organizations need to take a number of technology considerations into account to ensure that the system supports the key capabilities required for B2B commerce.

Enable True Multi-Channel Integration

It's not enough to offer the ability to simply support multiple channels; all channels – including online, mail-order catalog, call center, etc. – must be “aware” of the other channels and be integrated to deliver a holistic customer experience. Processes and customer interactions must be optimized across all channels and touch points, such as online stores, mobile, affiliates, kiosks, chat, etc.



Optimize Commerce for Maximum Business Value

The ability to adopt different business models quickly with a single solution is critical. Businesses need a system that supports a variety of B2B, B2C, and B2B2C commerce offerings to provide the agility needed to stay competitive. B2B commerce systems also need to be able to support complex relationships with ease. For example, different customers have different terms and conditions, prices, product catalogs, promotions, etc. Relationship workflows such as registration or on-boarding must also be integrated into the system. And customer service can be more complex in the B2B world requiring sophisticated account management, including the ability to view orders placed across channels, view order status, maintain authorized delivery addresses, and approve orders automatically or manually.

Deliver a B2C-Class User Experience

A B2B multi-channel commerce solution must offer B2C-class marketing and merchandizing capabilities. B2B customers are increasingly demanding ease-of-use and convenience; failure to deliver can be disastrous in a highly competitive market. Online merchandising capabilities, such as advanced search and navigation and cross-/up-selling opportunities, ensure customers find what they need quickly and easily. Segmentation and targeting, personalization, recommendations, and complex promotions provide marketing opportunities to shorten sales cycles and increase the profitability of customers.

Support the Entire B2B Transaction Through Fulfillment

The ability to support comprehensive sales fulfillment capabilities is also important. The B2B sales process can be complex and requires a broad range of sales order capabilities including quick orders, order replenishment, multiple product and bulk order entry, and order workflows and approvals. But it's not enough to just make a sale. B2B multi-channel commerce solutions must support a broad range of fulfillment requirements as well, such as integration with purchasing systems, invoicing and credit management, ERP integration, and warehouse integration and functions. Finally, complex B2B systems require robust reporting and analytics capabilities to track key performance indicators and identify areas for improvement.

Support Robust Content Management

To deliver content that is clear and informative, B2B multi-channel commerce systems must deliver comprehensive, rich content. Consistent, accurate, and up-to-date information about products

and services must be available across all channels. The ability to support targeted content for different contract or trading relationships is critical. And providing sales reps or buyers with PDF catalogs to use in the field helps support sales activities.

The ability to streamline content management systems and processes is also critical. In order to leverage content across channels, the system must consolidate structured and unstructured content on a single platform. Numerous contributors need to be able to easily collaborate on content creation and manage approval processes. Effective content management enables businesses to reduce the time and cost associated with producing and distributing printed materials such as catalogs.

Fully Integrate with Back-Office Systems

Effective B2B multi-channel commerce requires full integration with all the back-end systems that support customer relationships, including fulfillment systems, logistics systems, CRM, finance and billing, etc.

Maximize Marketing Effectiveness with Sophisticated Campaign Planning

In addition to improving sales and fulfillment effectiveness, multi-channel commerce can also deliver capabilities to support marketing activities. Planning, executing, monitoring, measuring, and adapting cross-channel campaigns can deliver additional value across a wide range of B2B customer relationships.

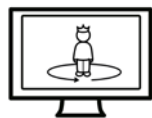
Key Areas that Benefit from B2C Best Practices



Recommendations



Promotions



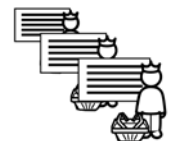
Personalization



Search and Navigation



Cross-/Up-Selling



Segmentation & Targeting

Conclusion

B2B commerce is being transformed by consumerization, which is driving B2B organizations to identify new opportunities and create new competitive advantages. To support these mission-critical efforts, businesses need multi-channel commerce systems that deliver the capabilities needed to address the unique challenges of the B2B realm, with the flexibility to adapt in a rapidly changing competitive landscape.

True multi-channel commerce is key to providing the tools and capabilities required to support complex business relationships and deliver a high-quality, holistic customer experience. This means the solution should seamlessly integrate with sales, fulfillment, service, and marketing systems. It should offer a broad range of sophisticated capabilities that deliver a B2C-class experience in the more complex B2B context. It should have integrated content management to enable rapid content development and maintain content consistency across all channels and support unique customer requirements and terms. And finally, it should provide the ability to streamline operations to reduce costs and maximize profitability. By adopting the right platform, businesses can not only provide a rich B2B commerce experience, but they can create a compelling and lasting competitive advantage over the long term.

About hybris software

hybris software, an SAP Company, helps businesses around the globe sell more goods, services and digital content through every touchpoint, channel and device. hybris delivers OmniCommerce™: state-of-the-art master data management for commerce and unified commerce processes that give a business a single view of its customers, products and orders, and its customers a single view of the business. hybris' omni-channel software is built on a single platform, based on open standards, that is agile to support limitless innovation, efficient to drive the best TCO, and scalable and extensible to be the last commerce platform companies will ever need. Both principal industry analyst firms rank hybris as a "leader" and list its commerce platform among the top two or three in the market. The same software is available on-premise, on-demand and managed hosted, giving merchants of all sizes maximum flexibility. Over 500 companies have chosen hybris, including global B2B sites W.W.Grainger, Rexel, General Electric, Thomson Reuters and 3M as well as consumer brands Toys"R"Us, Metro, Bridgestone, Levi's, Nikon, Galeries Lafayette, Migros, Nespresso and Lufthansa. hybris is the future of commerce™. www.hybris.com | sales@hybris.com