

Why B2B eCommerce platforms are must-have for SAP-based manufacturers

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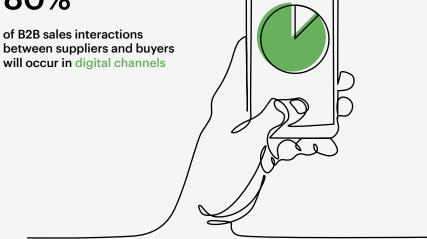
Why B2B eCommerce platforms are must-have for SAP-based manufacturers

Only 17% of buyers' time is spent meeting with potential suppliers when they are considering a purchase, according to Gartner. Distributors and dealers now expect a full-service online portal with the ability to purchase, check the status of their orders, and track shipments–all with volume- and account-specific pricing, ATP, variant configuration–and more. Manufacturers who offer this, will thrive. Those that don't will lose market share.

A whopping 80% of B2B sales interactions between suppliers and buyers will occur in digital channels by 2025, according to Gartner¹. This trend, hastened by the pandemic, is driven by a self-serve mentality that permeates all aspects of business transactions. Your customers and distributors want a more agile experience to keep up with their customers – including supply chain issues, pricing volatility as a result of COVID, and continued inflation.

Gartner expects that by 2025...

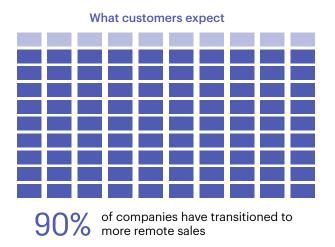
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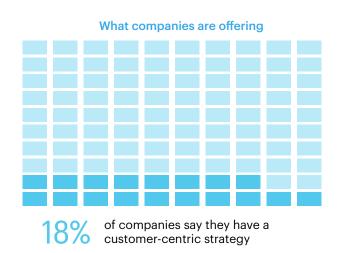
1. https://www.gartner.com/en/newsroom/press-releases/2020-09-15-gartner-says-80--of-b2b-sales-interactions-between-su

Yet, at a time when more and more B2B buyers want to conduct transactions online, SAP-based manufacturers are challenged to provide that kind of eCommerce experience. The gap between what customers expect² and what manufacturing companies are offering is huge: According to McKinsey, 90% of buyers are purchasing remotely³, but only 18% of industrial companies say their online offerings are customer-centric. Does that sound familiar?

Another way to say this is that offering "some" eCommerce isn't going to cut it. Having only a portion of your SKUs available for online purchase, or a portal that only shows orders placed online isn't going to deliver the user experience that buyers want.



Industrial companies are struggling to keep up with rising customer expectations



In your business, you undoubtedly understand the challenges:

- Thousands of SKUs across inventory and made-to-order configurations
- Product information in SAP with quotes likely produced in an outside system
- Ensuring accuracy in quotes, pricing, discounts, and availability
- Fluctuating staffing levels in customer service and sales
- Near-instant customer/distributor demands for order information
- The need for an online sales portal but the hesitancy about the potential impacts on the business if it doesn't work right.

2. https://www.mckinsey.com/industries/advanced-electronics/our-insights/how-industrial-companies-can-put-ecommerce-at-the-heart-of-their-growth-strategy 3. https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-b2b-decision-maker-response-to-covid-19-crisis Like it or not, consumer purchasing experiences like Amazon have set expectations for eCommerce in B2B markets as well. Your B2B buyers want a self-service eCommerce experience that caters to their specific needs. They also want the same personalized service, discounts, and understanding of their business that your sales team provides.

This means your need to deliver accurate and detailed information on availability, payment terms, pricing, and delivery information – specific to their particular business and for each product you sell. It can seem daunting, but failure to enable this kind of self-service eCommerce risks not just unhappy customers, but customers who move on to a competitor with the experience and convenience they want.

Partial or "good enough" eCommerce solutions are probably doing you more harm than good. If you currently offer eCommerce capabilities, take a hard look to ensure it's delivering on the promise (and revenue) of a fully-functioning solution. That includes a great user experience from login to checkout, access to your full product catalog, accurate pricing based on volume and negotiated discounts, and full tracking and status of orders

A robust B2B eCommerce site can turn a table stakes offering into your competitive advantage. Those who sell successfully online see both top-line and bottomline improvements.

In this eBook, we'll cover:

- Why self-service B2B eCommerce is a must-have
- Your customers and distributors expect self-service
- The business impact of adopting B2B eCommerce
- Use SAP data to deliver a world-class eCommerce experience



Why do manufacturers need to embrace **B2B eCommerce?**

Simply put: your customers expect it. The pace and velocity of business is now 24/7 and eCommerce enables customers to engage with you whenever they want. It's like having a sales team that's open all the time. And, when done right, it's also like having customer service/ account teams available around the clock because your customers can not only place orders, they can check availability, find tracking information, and configure customizable products (all without breaking SAP-based business rules).

And if keeping and delighting your current customers isn't enough incentive, attracting new customers, growing revenue and improving margins are other benefits.

4. https://www.pwc.com/us/en/industries/industrial-products/library/manufacturing-e-commerce.html

Two-thirds of US manufacturers surveyed by PWC⁴ in 2021 said that implementing digital marketing and sales over the next two years was a 'high' or 'very high' priority. To be clear: this isn't about keeping up with the latest trends. This is sound business logic that has been proven to preserve and protect sales, increase new customer attraction, improve revenues while lowering cost-toserve, and help improve margins. 86% of B2B buyers told PWC they prefer to order online instead of speaking to a sales representative. This staggering number shows that getting eCommerce right is critical for future success and growth.

Manufacturers Agree: B2B eCommerce is an Opportunity...and Challenge

Business Opportunity			Business Challenge		
Over the next 6 months	44%		Over the next 6 months	37%	
Over the next 1-2 years			Over the next 1-2 years	I	
		66%			40%

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Self-service B2B eCommerce has not been a priority for manufacturers

The manufacturing industry, as a whole, has historically biased technology investment toward solutions to improve operations, rather than core business systems. That's also because you have significant investments in systems such as SAP which have deeply rooted, highly customized business logic built-in and embedded. Sound familiar?

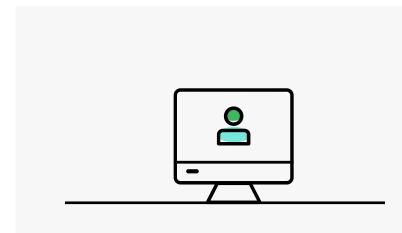
Traditional off-the-shelf eCommerce solutions often require rebuilding products into online catalogs or, just as cumbersome, trying to write interfaces between business systems. This understandably led to a 'not now' mentality when it came to eCommerce initiatives.

Even the most slow-to-innovate companies and industries are now feeling the pressure to do business online. The pandemic accelerated the adoption of online commerce and forged a revolution of sorts as supply chain challenges drove distributors and customers alike to find new product sources and new ways of keeping shelves stocked and inventory moving. Approximately 50% of manufacturers have invested in some level of eCommerce according to Sapio Research, but that still far lags demand as only more than 75% of B2B buyers prefer remote human interaction or digital self-service according to McKinsey⁵. 70% of B2B decision makers say they are open to making new, fully self-serve or remote purchases in excess of \$50,000, and 27% would spend more than \$500,000.

- McKinsey, "For B2B sales, digital is the wave of the future"

5. https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/these-eight-charts-show-how-covid-19-has-changed-b2b-sales-forever

The business impact of eCommerce: mimicking the in-person buying experience



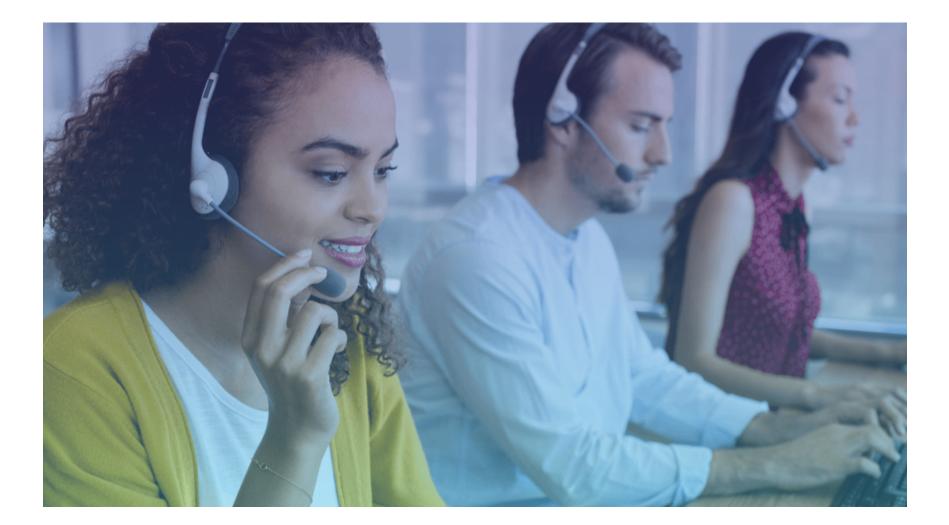
The key to a successful self-service eCommerce portal is to build the same rapport and trust with your customers online that you have through phone conversations in the past. This starts with ease-ofuse but quickly hinges on having 100% accurate (and account-specific) pricing, availability, and configuration options.

It's important to acknowledge that a home-grown or limited functionality eCommerce solution is likely just frustrating buyers. No one wants to be midway through an order and realize configurable items have to be placed directly with a sales representative via phone or email, or that your volume pricing isn't properly being applied in the shopping cart. An enterprise-grade eCommerce solution, tied into your SAP data, is the best way to ensure your brand, and products, are the preferred choice for customers.



And given that you have tens-of-thousands if not hundreds-of-thousands of SKUs and nearly infinite configuration options, your eCommerce solution must leverage the business logic, product configurations, and account-specific discounts that are housed in your SAP system. Don't underestimate the importance of getting this right. Your full catalog of products, with account-specific pricing is mission-critical because any time a customer has to leave eCommerce to talk to a sales representative, you are adding unwanted friction to the buying experience.

Another business impact of a full-service eCommerce solution is freeing up customer care teams to focus on value-added activities rather than fielding calls about tracking numbers, order history, or product availability. No customer wants to wait in a call queue (however short) just to find out when their shipment arrives. Remember, B2B buyers expect the same experience in their work purchases that they enjoy from their Amazon orders - shipment notifications with tracking information, delivery confirmations, exception notifications, etc.

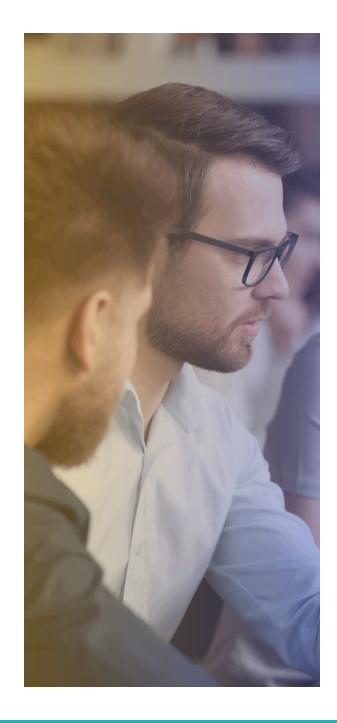


Your SAP back-end is the key to a successful B2B eCommerce front-end

The key to a successful B2B eCommerce solution is to leverage all the data you have about a customer to personalize their experience with 100% accuracy. All of this data lies in your SAP system, waiting for the <u>right partner</u> to help you unify it with an <u>eCommerce platform</u>. These are some of the things that live in SAP that are must-haves in your eCommerce solution.

- Access to their full order history (not just orders placed online)
- Account-specific discounts and pricing must be 100% accurate
- Order tracking, exceptions, and delivery information must be real-time and always up-to-date
- Variant configurations must be available, following all SAPspecified rules. If only some of your products are available for online purchase, it's as good as none.
- ATP/expected availability must be real-time and tied to the exact order quantity and specifications

With limited IT resources and business-critical needs like a swift deployment of eCommerce, it's key to find a partner, like <u>enosix</u>, with a proven track record of quickly and accurately delivering an eCommerce solution that leverages, not replicates, the alwayschanging data within SAP.



Key take-aways:

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Do not delay eCommerce implementation any longer. Current customers want it. New customers expect it.



Your competitors already have an eCommerce solution, or will soon. The vast majority of B2B buyers want to do business online-even for very large purchase amounts.



If you have a self-built or limited functionality eCommerce solution, prioritize replacing it before customers take their buying dollars elsewhere.



Consider the positive impacts on other areas of your business: decreased call/inquiry volume for customer care, more time for sales representatives to build account relationships, lower cost sales invoices for self-serve orders, and more.



Ensure any eCommerce solution you consider leverages the business information within SAP using data virtualization and not middleware. No company has time or resources to keep replicated catalogs or secondary data sources synchronized with master SAP data. (hint: talk to an <u>enosix</u> expert about how to do this in just weeks.)

The enosix Difference

With limited IT resources and business-critical needs like a swift deployment of eCommerce, it's key to find a partner, like <u>enosix</u>, with a proven track record of quickly and accurately delivering an eCommerce solution that leverages, not replicates, the always-changing data within SAP.

The enosix difference, from a technical perspective, is that we use data virtualization to create a window into SAP directly within Salesforce. That means an eCommerce solution is pulling real-time product data, pricing, and configurations directly from SAP without time delays, middleware, or custom configurations.

From a business perspective, enosix becomes your competitive advantage. A seamless, worldclass eCommerce experience that drives both customer satisfaction and revenue can be yours. And because we are built on SAP expertise–in fact, SAP for Manufacturing specifically–we understand the pace and complexity of your business and how eCommerce can play a business-critical role serving end users and distributors alike.

If you are looking to level-up your eCommerce solution or implement one for the first time, let's talk about how enosix can help you save time and drive more revenue.

For more information <u>contact us</u>.