

Expert Group

B2B Experience

Customer Experience as a Success Factor in B2B

Takeaways

1. Customer-centric organizations keep finding new ways to improve their position in the supply chain.
2. This has nothing to do with there being any conflicts in the supply chain; it's about the value you deliver. If you've got nothing new to add, you're out – it's that simple.
3. That's why it's important to keep improving the customer experience by incorporating service design into your organization to ensure that you will remain a valuable link in the supply chain.

Host



Chair

MIRABEAU | *
A Cognizant Digital Business

Eat or Be Eaten

The "Big Five" tech companies (Google, Apple, Facebook, Amazon, and Microsoft, collectively known by the acronym "GAFAM") are miles ahead of other companies in terms of customer experience, and are taking over the world. Start-ups are quickly catching up, and those who don't deliver added value will soon be yesterday's news. This blue paper explores ways of using customer experience to remain valuable in the supply chain.

1. Why Should Customer Experience Be a Priority in B2B?

Effecting a digital transformation and endeavoring to improve customer experience is every bit as important in B2B as it is in B2C. Customer loyalty is not just about price and speed but also – increasingly – about service and convenience, and making things as easy for your customers as possible. This is causing supply chains to change rapidly, and the only way to survive is to quickly adapt to the needs of all the links in the supply chain around you.

Changes in the supply chain are caused by a variety of factors. Here are a few examples:

- The lines between B2B and B2C are becoming blurred. Corporate customers are consumers as well, so B2C tends to set the standard in any industry. Although there are several key differences between B2B and B2C, one thing they have in common is the need to provide a good digital experience. Businesses that offer greater convenience and ease of use enjoy a stronger position than their competitors. (See the 2017 blue paper published by the B2B2C Business-to-Human Expert Group)



From B2B and B2C to Business-to-Human

- Globalization is causing large companies such as Amazon and Alibaba to have more and more of an impact on local supply chains. This can present either a threat or an opportunity, but if you're not thinking carefully about ways to deliver a superior experience to these companies (for

example, by being faster or more user-friendly) or add value to what they are doing already, you've got a problem on your hands.

- **Servicification:** Technology provides opportunities for developing new solutions and finding ways to deliver a superior customer experience. This includes the use of object recognition to order product refills, product suggestions based on order history, 24/7 support from chatbots, and the automated exchange of relevant data regarding the order status. Suppliers that manage to integrate these types of solutions into their services will be more appealing business partners than companies that do not provide these options. It's essential to keep improving all the time.

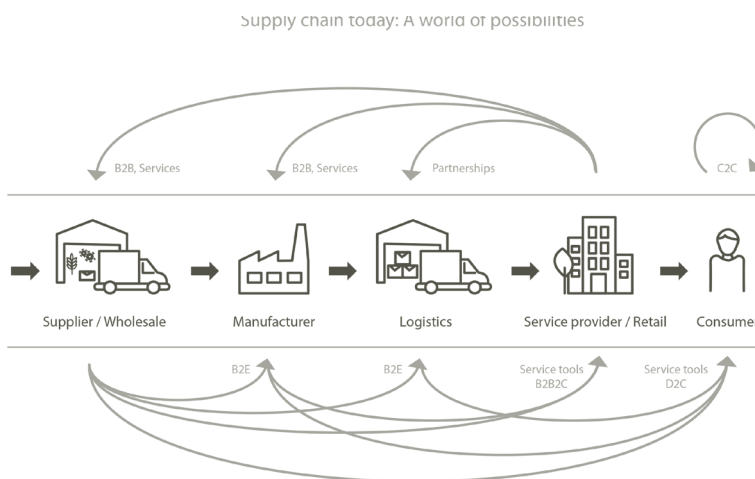
You need to think carefully about how to approach the rapidly changing market, and in some cases you may need to restructure your organization. The lean organizational structures that start-ups tend to have, for example, allow them to quickly adapt to changes; they are not held back by *legacy* systems and practices in their corporate culture.

2. How Do You Discover Where Your Opportunities Lie?

Before we go on to explore ways of making your customer experience more successful, we first need to address the question: "What customer experience?" You can improve your position in the supply chain, but compared to whom, exactly? There are numerous links in the chain and many new opportunities for providing customer value.

2.1 Explore the Supply Chain Beyond Your Own Position

Even if it's only to find out in what area you can deliver the most added value and whether you may be at risk of falling behind the competition. You may also find that it pays off to partner with others so you can offer a shared proposition. Look at things from both a horizontal and a vertical perspective. Be sure to also study your customer's customers. The better you understand where the problems lie, the easier it will become for you to spot opportunities (and threats).



Companies are discovering that digital tools allow them to deliver a valuable experience to organizations that they did not traditionally have a relationship with

2.2 Combine Quantitative Data with Qualitative Insights

Collect information about the supply chain, so you can find out where there is room for improvement. Since quantitative data has little significance without context, we recommend that you always combine it with qualitative insights into the situation at hand. Make sure you only collect data if you know why you need it. Too much data is never a good thing, and data is useful only if you can convert it into valuable information, for example by using it to create forecasts that can help you make decisions. If you have a rough idea of where the problems or opportunities lie, it's time to think about which service concepts can deliver the most valuable experience.

2.3 Which Service Concept Will Improve Your Customer Experience?

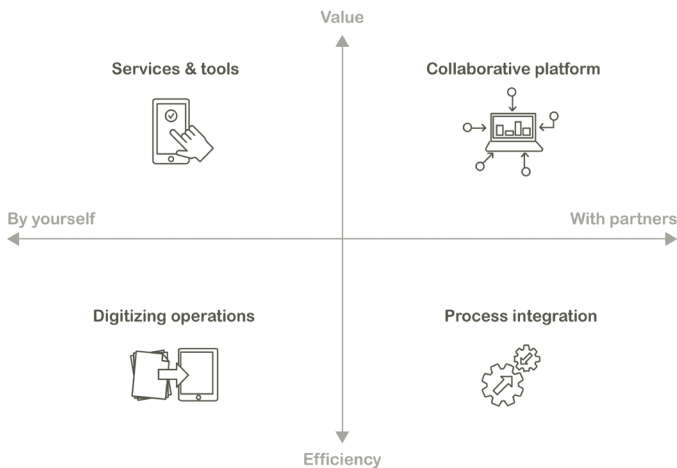
It's ultimately about creating a proposition that delivers a highly valuable experience to a specific group of people somewhere along the supply chain. In some cases this may be an existing customer served through an existing portal, but there is such a wealth of opportunities that it also pays off to apply the Blue Ocean strategy and consider doing something completely different.



The Blue Ocean strategy

2.4 Model

We have developed the model below to help you figure out in what areas you would like to add value. This allows you to explore the opportunities available.



The horizontal axis encourages you to think about whether you would like to implement a solution independently or in conjunction with other players. Farther to the right means more cooperation across the supply chain (horizontal and/or vertical) or even outside your own supply chain (e.g., Senseo, the partnership between electronics manufacturer Philips and coffee company Douwe Egberts.) On the vertical axis, added value is balanced against efficiency. Both can have a significant impact on customer experience. A faster response time or more streamlined procedures can be just as valuable as a convenient tool or new service. The quadrants this creates show four potential avenues for making improvements, of which we will share several examples below.



Services & Tools

By "services" we mean improving existing services or creating new services that improve the customer experience because they provide added value. For instance, Technische Unie has started enabling customers to order a customized print product catalog, while insurance company Centraal Beheer has branched out beyond insurance products by launching a roadside assistance service called Roadguard.

Case: Make Things More Convenient for Your Customer with Handy Tools



The number of items at horticultural businesses that require service and maintenance is substantial. Managing this takes a huge amount of work, but it is essential to business operations. In order to make things easier for its customers, Royal Brinkman has launched a convenient digital tool that allows growers to easily coordinate and manage

service and maintenance work. This also gives Royal Brinkman greater insight into its customers' needs and current concerns, which makes it easier to work with them and strengthens the relationship, now and in the future.

Case: Help with Choice Overload



Tarkett Home provides floor solutions for consumers, primarily through dealers. In order to help its customers' deal with choice overload, the company created a platform modeled on Pinterest that allows dealers to inspire their customers using a simple tool. As well as enabling Tarkett to promote their products, this also strengthens the company's relationship with its dealers.

Things to Keep in Mind

- Start by gathering information on your customer's day-to-day, practical needs (obtained through ethnographic research into each demographic.)
- Start out small and keep testing throughout the entire process. Involve your customer in the development process.
- Remember to also take your employees and their work processes into consideration when developing the service.



Collaborative Platform

In some cases, you are stronger together. You can join forces and combine knowhow, data, or services to create a 'one-stop shop' that customers can turn to for all their needs. You can cooperate in the supply chain in a variety of ways, and you can even go beyond the confines of your own industry. Examples: Ariba's integration with SAP, and TecAlliance, which aggregates and enhances product data related to car parts and presents it on a single platform.

Case: Internet of Things Platform

Schneider Electric has developed a platform called Ecostruxture that allows *connected* products to seamlessly interact. This improves the experience for end users, as well as for all companies in the supply chain that manufacture connected products or systems. Schneider Electric is responsible for managing this process, which strengthens its position in the supply chain.

Case: Conversion

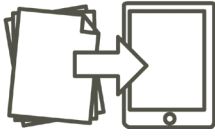
Technische Unie works closely with its suppliers to improve the customer experience on its own high-traffic platform. During the selection and ordering process, suppliers can add value using, for example, specific content, video, and/or smart selections or calculation tools. This partnership helps improve conversion ratios, so it's a win-win all around.

Case: Data Partnership for Vehicles and Spare Parts

ABS All Brake Systems uses TecDoc. TecDoc's TecAlliance is designed to share standardized data in datasets which can be used in the automotive aftermarket. ABS also provides data on individual items and links this information to identifiable vehicles. Automotive companies looking to sell ABS products can take out a data subscription to import data into their own systems and merge this with the information already available on their end. This makes highly complex data available very quickly.

Things to Keep in Mind

- When sharing data with others, agree on a set of ground rules regarding the rights to, and use of, the data, including how long it can be used, permission for commercial use or resale, penalty clauses, duration and compensation.
- Beware of people looking to piggyback off your hard work: make sure all parties involved pull their weight.



A Digital Transformation

Many B2B companies continue to use traditional tools for collaboration within the company, although this is becoming increasingly rare. If your own employees are still using paper or obsolete systems, it will be very hard to provide customers with a good digital experience.

Case: Efficiency in Aviation

Amsterdam-based digital agency Mirabeau has developed various digital tools for a Dutch airline in recent years, for both cabin crew and the internal logistics departments. These tools improve team efficiency and have a shared, single source of truth. The customer experience has improved as a result, as people can be assisted more quickly and with fewer mistakes. An additional advantage is that airplanes can be repaired more quickly, while it has also become easier to trace aircraft parts.

Things to Keep in Mind

- Involve staff members in the design process to end up with an optimal solution and create new ambassadors.
- Make sure internal stakeholders are presented with convincing cases.
- Add 'digital DNA' to existing departments or put together an innovation team.
- Ensure change management is in place.



Process Integration

By aligning systems and processes more closely, you can make things easier for your customers and allow them to focus more on their core business. For example, you can make sure that order processes or billing processes are more in sync. The entire "industry 4.0" rhetoric also revolves around process integration. Examples of this include *supplier portals*, notification systems, EDI/XML/OCI PunchOut links, and the implementation of data standards.

Things to Keep in Mind

- Take a flexible approach to the task at hand, because customers are all different and processes change rapidly.
- Use standards, including standards for communication. Help your industry develop them further if necessary.
- Agree on terms for data ownership where necessary.

3. How Do You Create the Right Experience?

Knowing what you want is one thing, but how it should work precisely is another matter altogether. The first step in creating the right customer experience is understanding who your customer is and identifying their needs.

3.1 Identifying Needs

Investigate how potential users experience your service, both online and offline and preferably in their own environment (i.e. by doing ethnographic research). As before, combine quantitative data with qualitative insights. Make sure to conduct this study with an experienced team. While interaction between employees and customers (for example through customer panels) may be a good way to get the lay of the land, real research into customer experience is a different thing altogether: you'll want to take a more in-depth look at behavioral patterns and latent needs. One of the most common mistakes is to have in-house staff who lack the proper training conduct this kind of research. Without being aware of it, they end up asking leading questions, fail to pick up on important details or draw the wrong conclusions. The upshot is that you end up making the wrong decisions in developing your service and marketing an unsuccessful service or product, which is extremely costly.

Don't Heedlessly Follow All Your Customers' Suggestions!

Since customers are not designers, you shouldn't ask them for solutions. Rather, attempt to establish the problem through observation and by asking yourself the question "why?" An example: In a recent customer survey, a maintenance technician at a manufacturing facility stated that it was very important for him to be able to see which mechanical parts belonged together before ordering them. The conversation then turned to the merits of online configurators. Although he said they were just the ticket, we had noticed that he was a very busy man who was always on the go. When asked whether he had enough time during his busy day to play around with a configurator, he said: "Ha ha, what do you think? Of course not!" This anecdote just goes to show you that the skill involved in conducting customer surveys should not be underestimated.

3.2 In-House Staff

When developing a new product or service, it is crucial that you also investigate what impact this will have on your own staff. Their role in the overall process is every bit as important as the role played by customers. If a new service is not adopted within the company, it is certain to fail.

3.3 Service Design

Service design is a design methodology that links customer needs and processes to internal processes (involving both humans and machines). This goes significantly further than a regular customer journey and allows you to create a link between customer experience, employees (business), and technology. It is the most realistic way to design customer experiences, as your own organization becomes part of the design. Developing a plan for the transition from your current method of operation to the new system should be one of your key priorities. When making complex changes to the customer experience or developing an all-new service, consider whether you want to hire service designers.

3.4 Design, Testing, Measurement, and Optimization

As soon as you have a clear idea of what your employees and customers really need, you can start designing your service, platform, process or tool. You need to test constantly, involving users and employees in the process, from the very first sketch through to your first beta version. Different research methods are available for each stage of the process. Every time, the findings will help you to develop the next iteration, taking you one step further towards a final product.

But measurement and optimization remain important even after the service has been launched, so it is important to be curious about how your customers perceive your service and make sure that you have the capability to respond as needed.

4. Integrating Customer Experience into Your Organization

Many B2B organizations are not equipped to develop an effective customer experience strategy in this digital age. They lack employees with digital technology skills, have a traditional culture, and are structured in a way that makes the systematic optimization of customer experience very challenging.

4.1 Leadership

Leadership remains the first key to successfully implementing organizational change. Your organization must be ready to embrace change and know where it is headed. This requires that you develop a clear strategy, supported by the management, that enables you to quickly respond to customer needs. Flexibility may be today's number-one requirement, given the rate at which the world is changing. Of course, modifying or adding service models, as discussed above, is a part of this.

4.2 Resistance

If you find that your management isn't quite ready for these changes yet, try to persuade them with customer testimonials and available facts and figures. Show them what happens if you sit back and do nothing. The impact of an improved customer experience can be tricky to measure in concrete terms, but loyalty can be measured.

4.3 Structure

In order to be able to make swift, targeted changes to the customer experience, you want all your employees to think about ways in which they can improve this experience. This allows you to intervene quickly and with the flexibility required. Self-organizing, multidisciplinary teams tend to be the best option for this, as they are fully equipped to make a collaborative effort to improve part of the customer journey. These teams should preferably also include employees in customer-facing positions.

In order to ensure that all these self-organizing employees remain on track, it is important to set clear parameters within which these teams must operate. This might include a governance framework for customer experience based on the corporate strategy, including KPIs, forcing everyone to measure on an ongoing basis the impact of their efforts on customer experience (along with other results).

Instead of emphasizing effort or deliverables, you should focus on generating output in relation to your strategy. Encourage your employees to dare to make mistakes and ensure that their successes are visible. Make sure that everyone is working proactively on implementing a customer-centric strategy and keeps measuring, testing and verifying the impact of their actions among customers.

4.4 Culture and Employees

If you want to keep up with all the digital trends and changes in the supply chain, you need to develop the relevant competencies. You need people specializing in customer experience, service design, customer research, data analysis, business intelligence, and more. They need to be able to deliver the

right mindset and expertise throughout the organization. The problem is, however, that these types of employees tend to be used to a work culture that is quite different from the one found at many B2B companies. They are also often unaware of the myriad challenges presented by B2B. Make sure you explain clearly (e.g., in job advertisements) why your organization matters in the world.

4.5 Working Conditions

This transformation will involve a cultural change within your organization. *Digital natives* are used to open spaces, stand-ups, the freedom to pin items to the wall, music playing in the background, flexible hours and plenty of time to blow off steam during the working day ("*work hard, play hard*"). If your corporate culture involves sitting quietly at a desk, clocking hours, holding meetings in cubbyholes, and scarfing down a brown-bagged lunch at your desk, this will inevitably create friction within the company. You want to create the perfect working environment for your employees, where they can be – and remain – creative and successful.

It is also important that you provide digital natives with the tools they need to do their work, so they can quickly help improve the customer experience. For example, you shouldn't give them ancient DOS systems or obsolete Windows devices to work with. Some other measures you can take:

- Make sure to create a safe bubble for these new hires, at least in the beginning. Give them a separate floor or section of the building where they are free to "do their thing."
- Facilitate peer groups that bring like-minded people together.
- Ensure that they have each other to fall back on, because together they can make real change happen. You eventually want everyone to work together, and having common ground contributes to that.
- Provide a very clear set of shared standards and values and communicate these to your people. This will create unity within the company.
- It also helps to regularly organize events such as hackathons, team days, and shared projects.

5. Conclusion

It's a mistake to think that customer experience does not play a role in B2B: it is precisely in this market that you can make great strides in customer experience by being proactive and task-oriented. This goes further than just improving existing customer interaction. There are opportunities for adding value throughout the supply chain. Don't be afraid to change your service model and add value before someone else does it. Only customer-oriented businesses and those with flexible organizational structures will survive in the end. It's eat or be eaten!

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