How to Transform Your B2B Sales to Digital?

KlaroCPQ's guide to digitalizing sales processes

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Contents

The purpose of this guide

Companies in many industries, especially those doing complex solution sales in the manufacturing industry, would happily to give more time to customers, production, and product development if only sales routines weren't consuming so much time and energy. Product and service portfolios are often complex and extensive, and preparing quotes is a laborious and time-consuming task. Companies know that digitalizing sales processes would make sales more efficient, but they don't know where to start. According to a survey conducted by McKinsey in the summer of 2020*, 2/3 industrial companies are thinking about digitalizing their sales processes.

This guide will tell you how to take concrete steps to digitalize your sales processes. KlaroCPQ has experience in digitalizing sales processes with manufacturing companies since 2004. In this guide, we explain the different stages of sales digitalization in our iterative approach, with actions that will deliver immediate benefits.

Source: https://www.mckinsey.com/business-functions/operations/our-insights/from-defense-to-offense-digital-b2b-services-in-the-next-normal

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Why digitalize sales?

According to Gartner*, 50% of B2B buyers are part of the internet generation. They are used to buying online and want to be served digitally also in B2B buying. Gartner's research also shows that B2B buyers are spending less and less time with vendors, and want to explore potential solutions online independently.

B2B buyers are expecting service that is increasingly consumer-like, regardless of time, place, or channel. These requirements are putting pressure on B2B sales to rethink their sales processes to better meet today's buying routines.
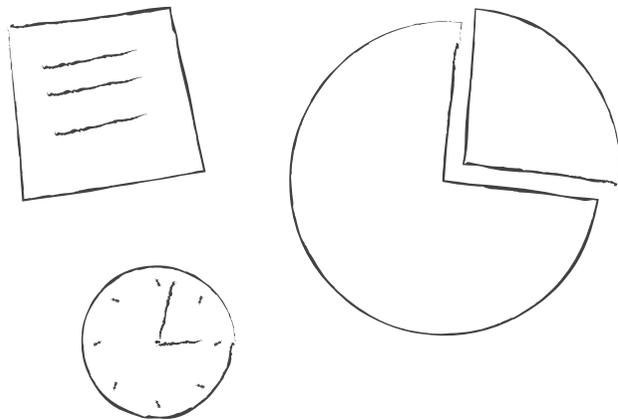
B2B sales should be able to provide customers with multichannel service that is constantly taking the customer forward in the buying process. The vendor should focus on serving the customer in the right way, at the right time, and utilize digital tools that will help them identify customer needs and create comprehensive quotes for precise solution proposals. Digital tools can be used to facilitate and automate parts of the sales process as part of a modern, multichannel sales process. The right digital tools help salespeople in their daily routines.

TIP: Buying behavior is constantly changing, and business goals and plans need to live with the time. When implementing a digitalization project, it's important to understand what are the available technologies that will enable the company to continuously develop their business processes.

* Source: https://www.gartner.com/en/marketing/insights/articles/what-b2b-can-learn-from-b2c-digital-commerce

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How to move forward in sales process digitalization?

At the most shallow level, digitalizing sales processes means deploying services to the sales team to eliminate manual steps in the sales process. At the deepest level, sales digitalization is a holistic transformation, encompassing business processes and bringing a new kind of modern sales model to the company.

Based on our experience, the best way to proceed with sales process digitalization is in stages. This step-by-step model enables effective and productive development actions that take into account the needs of the sales organization and customer.

Sales process digitalization proceeds through the following main stages:

01. Defining the objectives

02. Analyzing the current state

03. Design

04. Implementation

05. Evaluation of results and continuous development

The approach presented in this guide provides the company with the following benefits:

» **The model focuses on actions that can be implemented easily and quickly.**

» **The aim of the model is to get a return on investment as quickly as possible.**

» **The model manages transformation and related risks in an efficient and targeted manner.**

TIP: A successful project requires sufficient resourcing for the project. The company must be able to determine its desired sales process, assess the impact on the business, and make decisions on the content of the project. Without the commitment from the staff and a precise understanding of the desired sales process, the results of the digitalization project will be weak or, at worst, the project will end in failure.

01

Defining the objectives

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01 Defining the objectives

Digitalization of processes always has to start from the business goals. Digital tools enable reaching new customer segments, as they enable serving customers independent of place and time. Compared with more traditional models, digital tools enable more cost-effective service channels. For example, when sales operations are expanding to new countries, digital channels can bring significant benefits.

The digitalization of sales processes should be a part of the company's business strategy and digitalization plan. Isolated digitalization projects are always less effective and, at worst, they can have a negative effect on the customer experience.

A company may have the following, or other, specific targets in the digitalization of sales processes:

Streamlining the sales process and supporting the work of salespeople by automating routines

Selling a new product with a new sales process

Serving a new market with a new sales channel

Serving new customers in the current market with a sales process tailored to them

TIP: When defining the objectives, the approach to take is that the digitalization project progresses in phases. Plan each phase to last 3 months. Aim for targets that can genuinely be implemented within each phase, and the effectiveness of which can be verified in customer work.

02
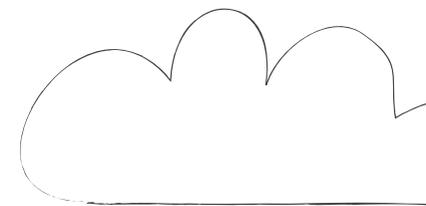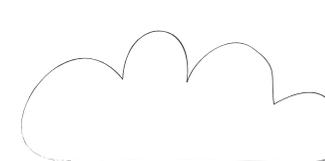
Analyzing the current state

02 Analyzing the current state

Once the objectives are clear, the company should determine the current state of the sales operations. The current state analysis examines the customers' as well as the company's own assessment of the functionality, efficiency, and profitability of the sales process and satisfaction in it. The current state analysis should be done from the perspective of the customer, the staff, as well as the management, and it should include various quantitative and qualitative assessment methods.

The current state analysis should be able to indicate areas for development and give a rough assessment of the effects of a possible development project.

In the current state analysis, the company should assess at least the following factors:

» **Is the company able to serve all targeted customers with the current sales process?**

» **What is the customer's assessment of the current sales process? What about the sales organization's?**

» **How satisfied is the customer with the company's communication and customer service?**

» **How many qualified leads does the sales process produce? What is the hit-rate?**

» **What are the sales costs in the current process? How much time is spent on routine tasks? Is the current process efficient enough?**
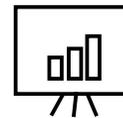
TIP: A modern B2B buyer wants multichannel sales service. Use plenty of time for studying the customer's purchasing process and engaging your staff to think about how you want to serve your existing and new customers.

03

Design

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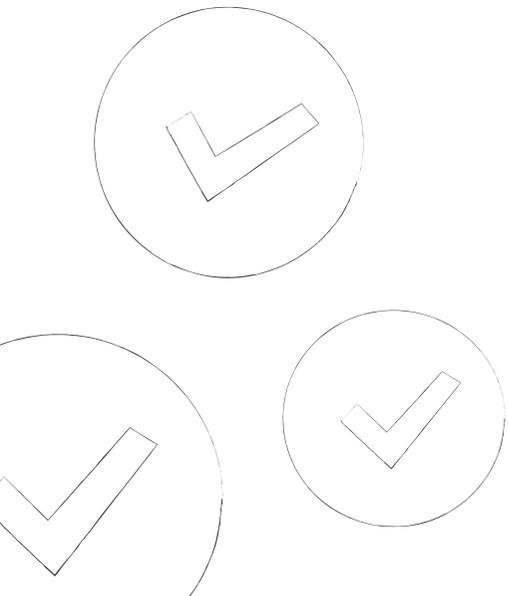
03 Design

This stage involves designing the business processes and technical architecture. Designing begins from the development objectives identified in the current state analysis.

The design stage should involve at least the people working at the customer interface. They should evaluate potential targets for the project. The design stage also prepares the organization for the transformation and its effects.

In the design stage, the company should gain an understanding of the investments required, their estimated impacts, and risks.

In this stage, it's worthwhile to implement a technical architecture plan that explains how a transformed, digitalized multichannel sales process can be implemented. The company should plan in more detail how the implementation will be phased, i.e. in which order the various digital tools will be implemented and introduced to users.
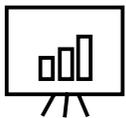
TIP: Good planning and design ensure that the sales process becomes smooth from the customer's perspective, and that the digitalization project proceeds as quickly and cost-effectively as possible.

**The company must have an understanding on:**

» **Which steps in the sales process will digitalized from the customer's perspective?**

» **Which sales steps will be handled by the salespeople towards the customer?**

» **Which steps in the internal sales process will be automated?**

» **Which of the company's internal tasks will be handled by the salespeople?**

» **What is the degree of automation of the above processes and tasks for the different solutions and customer segments?**

Customer	Internal
Digitized	Not digitized

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At the most shallow level, digitalization can mean the deployment of smart communication channels. Deeply digitalized multichannel sales processes, in turn, involve the automated collection and processing of diverse and in-depth customer data to support the sales process, and providing sales with tools to lead the customer forward in the purchasing process.

When it comes to the digital solution, it's good to consider to what extent you want to use off-the-shelf software as part of the digitalized process, and how much tailormade software will be implemented. It's essential to understand how different applications fit into the multichannel service process and support the vendor's work on a practical level.

While choosing digital solutions, it's critical to understand their scalability and versatility, reliability, integrability, and cost.

There are many off-the-shelf applications on the market for customer communication, which provide adequate features for various needs. Similarly, there are plenty of off-the-shelf applications for sales process management as CRM software. When it comes to defining customer needs, creating solution proposals, and quoting, it's a good idea to have tailormade application, as off-the-shelf solutions rarely fit into the company's sales processes.

04
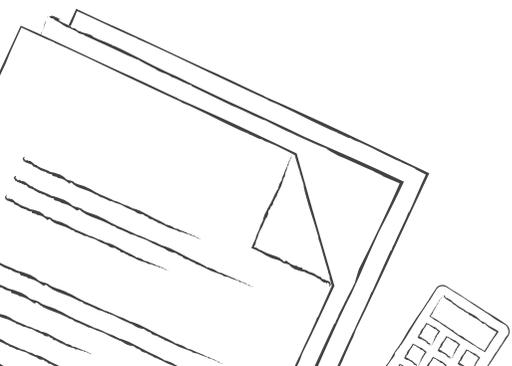
Implementation

04 Implementation

In the design stage, the company has decided on the phasing of the implementation of digital solutions, taking into account the benefits, costs, and potential risks associated with the implementation. The company may be implementing off-the-shelf solutions and/or developing customized digital sales solutions. Whatever the case, we'll call the first solution application v1.0.

First, application v1.0 will be implemented for use of pilot customers. After piloting, the use of the application can be expanded to the full planned scope. Pilot customers should be selected in such a way that the benefits of this first phase of the digitalization project can be assessed as comprehensively as possible.
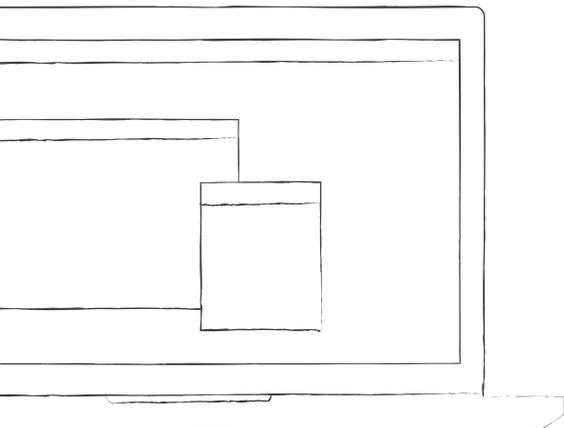
In order to evaluate the benefits as quickly and easily as possible, v1.0 should include the critical features. Desired functionalities should be classified into the following groups for prioritization:

» *Critical features* **that must be in the new application right from the start. Without critical functionality, the application will not be usable.**

» *Essential features* **that will be added immediately after the pilot phase. Such functionality significantly improves the application's ability to service the customer and significantly develops the company's business.**

» *"Nice-to-have" features* **that are not necessary for use, but make the use of the service smoother, more efficient, or improve the customer experience.**

When prioritizing functionalities, it's important to keep in mind the investment required for them, the likely returns, and the effect of the functionality.

In further phases, the application can be developed further with new features, and/or the digital services can be expanded to cover new customers.

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Here, we present KlaroCPQ's model for application implementation as an example of how a digital sales solution can be built.

01. Implementation begins with a precise functional and technical definition of the new sales process. The intended process is implemented into a Proof-of-Concept (POC) within the KlaroCPQ software application development environment. The POC ensures that the requirement assessment is relevant, can deliver the intended benefits, and that the digital tools will work in that process. The implementation done in the POC phase can be utilized directly in the development of v1.0 of the application.

02. Next, v1.0 of the application is developed and implemented. The application can be implemented using existing off-the-shelf applications and product components, or as tailormade software development.

03. Digital sales solutions can be integrated with other applications based on user needs. Integration can also proceed in phases.

04. After integration, continuous development begins, either implementing new functionalities in the current application, or developing the application for new business processes.

When implementing the first phase solution, it's important to keep in mind that digitalization projects are not just application development and deployment projects, but they affect the operations of the entire organization. The staff's commitment to the transformation will determine whether the targeted benefits are fully achieved.

TIP: It's a good idea to start a project with such a process, or part of a process, that will produce results as quickly as possible after the completion of application v1.0.

05

Evaluation of results and continuous development

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05 Evaluation of results and continuous development

In this final stage, the company evaluates the results of the first phase of the project and the return on the investment.

At this stage, further development will be decided on based on the effectiveness of the first phase. Looking at the desired benefits, their effectiveness, and the return on the required investment, the company should think about how to phase the new development projects.

Further development projects can be selected, for example, from the following areas:

| Increasing the automation of sales processes through the digitalization and integration of manual steps |

| Serving new customer segments with a new sales process |

| Digitalizing the sales process for a new solution offering |

When selecting further development projects, it's a good idea to return to the original objectives of sales processes digitalization, and check whether the company's business goals have remained the same. The company should also keep in mind the cost-benefit analysis when making an assessment on further development targets.

It's important to note that in the continuous development stage, the company will be able to develop new tools faster, as their organization is now more aware of the possibilities of digitalization and has started to continuously develop its operations and introduce new digitalized sales processes.
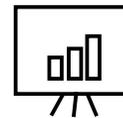
TIP: Invest enough time in collecting and evaluating the results. In this way, the effects of the digitalization project are identified as accurately as possible, and the targets of further development projects can be best assessed.

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KlaroCPQ has been digitalizing sales processes with Finnish industry since 2004. We specialize in complex solutions sales and demanding sales processes. KlaroCPQ's applications are used from customer requirement mapping to contract management and solution lifecycle management processes.

We offer software solutions for the digitalization of sales processes, from new customer acquisition to sales of solution lifecycle services.

**If you want to build a smart sales process for your company, please get in touch with KlaroCPQ!**

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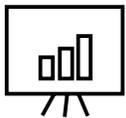
TIP: Sales processes are often more complex than expected, and buying behavior is constantly transforming. For a digitalization project to be successful, it's important to choose a partner with extensive experience of implementing similar projects and the ability to implement constantly evolving solutions with a long solution life-cycle.
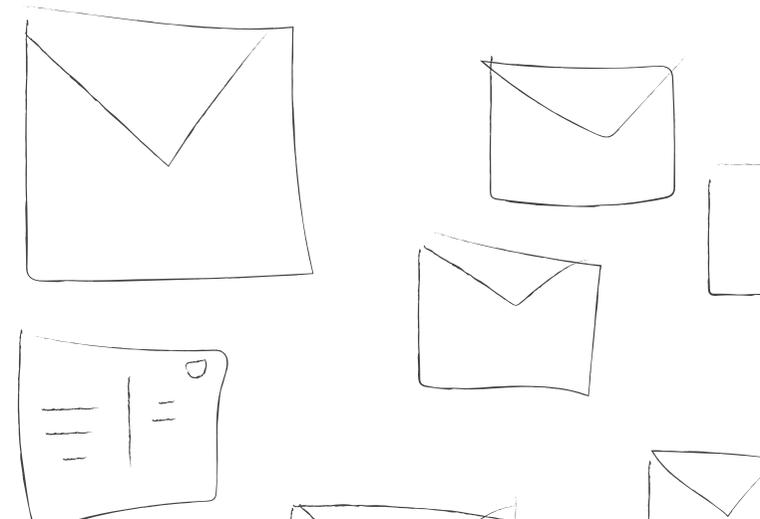
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