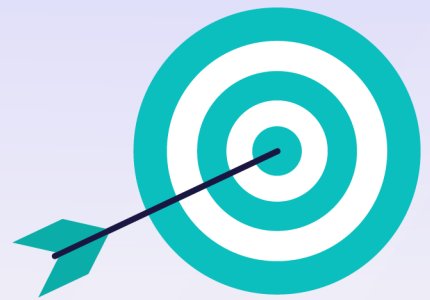


Accelerating Your Digital Vision:

# Taking Your Strategy to the Next Level

Presented by Master B2B

In partnership with



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Not since the widespread adoption of the consumer internet in the 1990s have we seen a force disrupt every aspect of business in the way that generative AI has over the past year.

Every single time we've spoken with B2B eCommerce practitioners over the past 12 months, we talk about AI. We talk about it one-on-one; we talk about it in Master B2B Boardrooms; we talk about it in virtual roundtables; we talk about it in in-person roundtables. Every topic comes back to how AI has the possibility of changing all aspects of how we work.

A year ago when we released [“Establishing Your Baseline: Assessing B2B Digital Maturity”](#) we said that only the most digitally mature (what we called “Stage 4”) companies are embracing AI and allowing their internal evangelists to experiment with AI-based tools.

In just this short time, companies that are not embracing AI have regressed back to Stage 1 status. In fact, we'd suggest that companies that are not embracing AI-enabled tooling risk missing the opportunity to become truly digital organizations, not to mention ceding precious ground to the competition. You can't be digital without using some form of AI.

What's changed in the past year is that companies can no longer wait and see how these new technologies shake out. They can no longer sit back and pursue a “slow follower” approach to technology. If you're not a leader, or at least a very fast follower, you're about to be left far, far behind.

We've written this research report to offer companies a roadmap for how to accelerate their digital maturity. It's no longer enough to just know where you are on your path to digital maturity - you need to figure out how to move to the next level...and fast.

As you'll see in the results of our exclusive executive survey, we've observed a shift this year to where practitioners say that they've (finally) been given the budget they need, as well as support from - and alignment with - their executive teams on the importance of digital investments.

There's no more room for excuses. It's time to execute.

**Andy Hoar + Brian Beck**

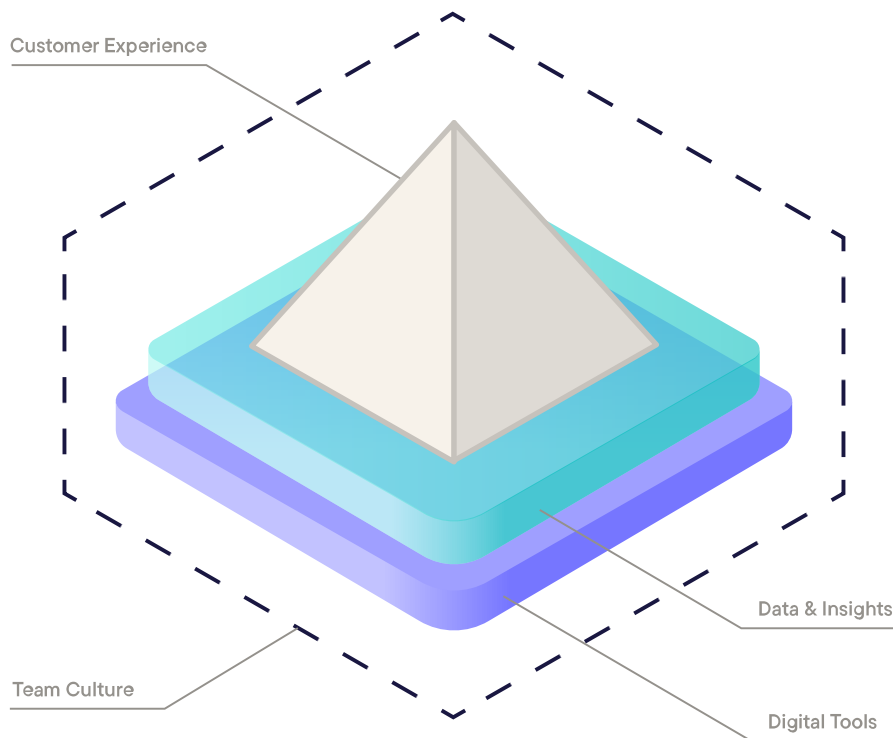


# Introduction

B2B Commerce executives have faced obstacles to executing on digital strategy in the past - lack of executive support, small budgets, subpar technologies - but **2024 is a new era**. Practitioners, with a tailwind of CEO buy-in and the budget they've been asking for, now face the pressure of getting it all done while asking how they can show progress in the short-term as they're executing against a long-term strategy.

This report details best practices for speeding up your efforts in the four dimensions of digital maturity we outlined last year in the first installment in our research series, titled [Establishing Your Baseline: Assessing B2B Digital Maturity](#).

As a refresher, the Master B2B digital maturity model helps practitioners evaluate their organization's maturity across four dimensions:



- » **Digital Tools:** How much is the organization taking advantage of the technology available to streamline operations and improve the customer experience?
- » **Team Culture:** How much is the organization embracing digital from an organizational perspective? How much have they hired for digital roles? How much has the sales team embraced the shift to digital?
- » **Customer Experience:** How much is the organization focusing on creating functionality and experiences that meet the demands of their customers?
- » **Data and Insights:** How much is the organization investing in putting data into the hands of business users so they can make data-driven decisions about investments?

That report offered a framework for organizations to determine their current level of digital maturity, while offering a roadmap for moving to higher levels. Here's how we defined those 4 levels of maturity:

### **Companies are at Stage 1 when...**

1. They have executives who fear what they don't know about digital more than the opportunity it represents.
2. They struggle with how to prioritize digital investments.
3. They see data as a cost center, rather than as an enabler for innovation and growth.
4. They don't offer online ordering capabilities, or have an extremely rudimentary site with limited product selection.

### **Companies are at Stage 2 when...**

1. They've started looking for a digital expert from outside the organization to lead a small, growing team that is building out the company's initial digital capabilities.
2. They utilize a mix of legacy and modern systems within their technology stack.
3. Data is mostly siloed, but broadly viewed as an important asset to drive better customer experiences.
4. Sales teams have embraced customers' desires for an omnichannel buying experience.

### **Companies are at Stage 3 when...**

1. Broad swaths of the organization understand that they're contributing directly to the success of the company's larger digital objectives.
2. They have mostly modern tech systems operating in real-time, with first steps being taken towards incorporating AI enhancements.
3. Clean data allows for wider distribution and increased 1:1 customer engagement.
4. Customers largely enjoy similar experiences across multiple channels.

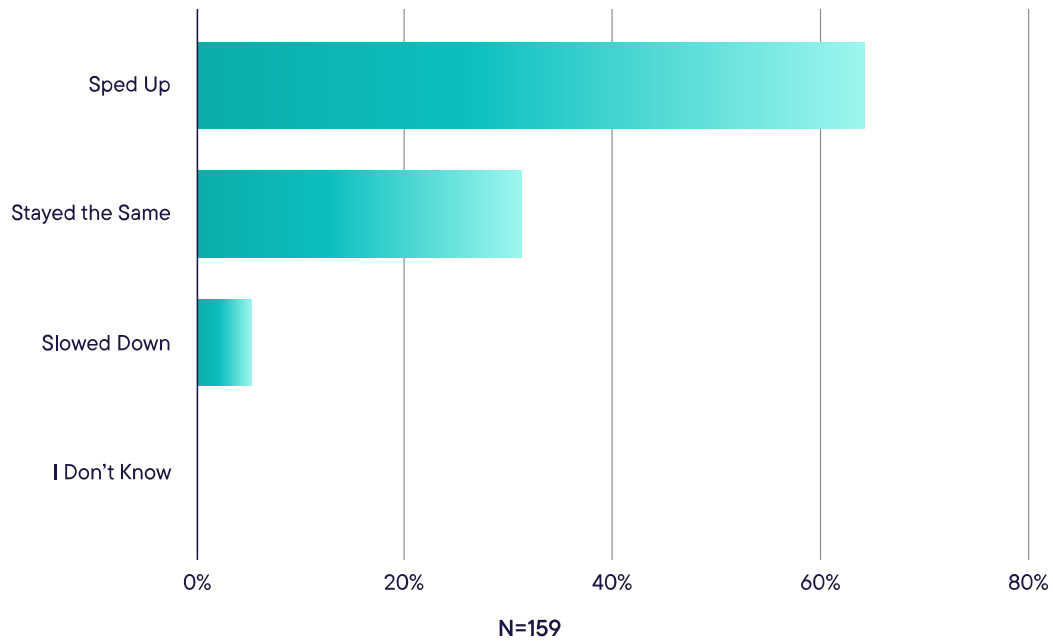
### **Companies are at Stage 4 when...**

1. The CEO is driving and the C-Suite is executing on a customer-first digital strategy.
2. Business users can leverage low/no code tooling and clean data to operationalize their business objectives.
3. The company is operating flexible, scalable tech architecture that's integrated with critical systems of record.
4. Real-time data powers advanced 1:1 customer engagement and anticipates customer needs and buying preferences.

As we found last year, the only way for companies to know where to invest their next dollar - and where to invest in the long term - is to assess where they are RIGHT NOW.

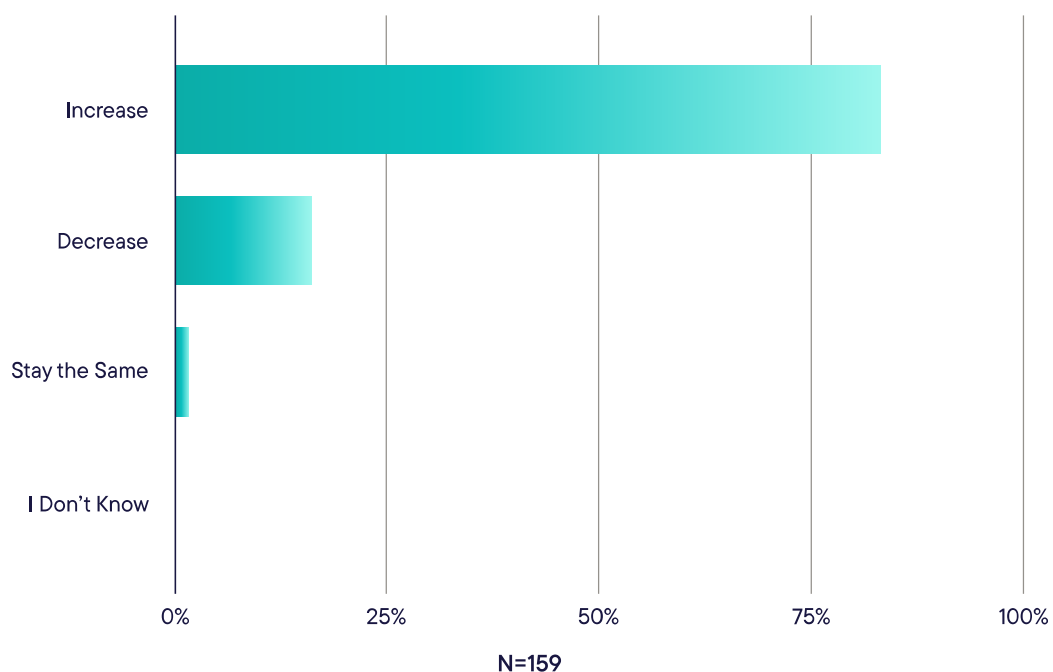
That, of course, still holds true today. But a recent Master B2B Executive Survey also uncovered more urgency now than there was last year, as 64% of respondents said that they need to demonstrate ROI faster than they did just 3 years ago. For the majority of B2B eCommerce practitioners, waiting is simply no longer an option.

## Compared to three years ago, the timeframe in which I need to show an ROI on B2B eCommerce these days has:



Moreover, 83% of companies surveyed are planning to spend more money on digital in 2024 than in 2023, which only heightens the scrutiny their executives will apply to the digital investment equation. Practitioners will need to work closely with their CFOs to build a business case that balances short-term and long-term return on investment.

## Thinking about the amount your company will invest in digital tools in B2B eCommerce in 2024, how does that amount compare to your investment in 2023?

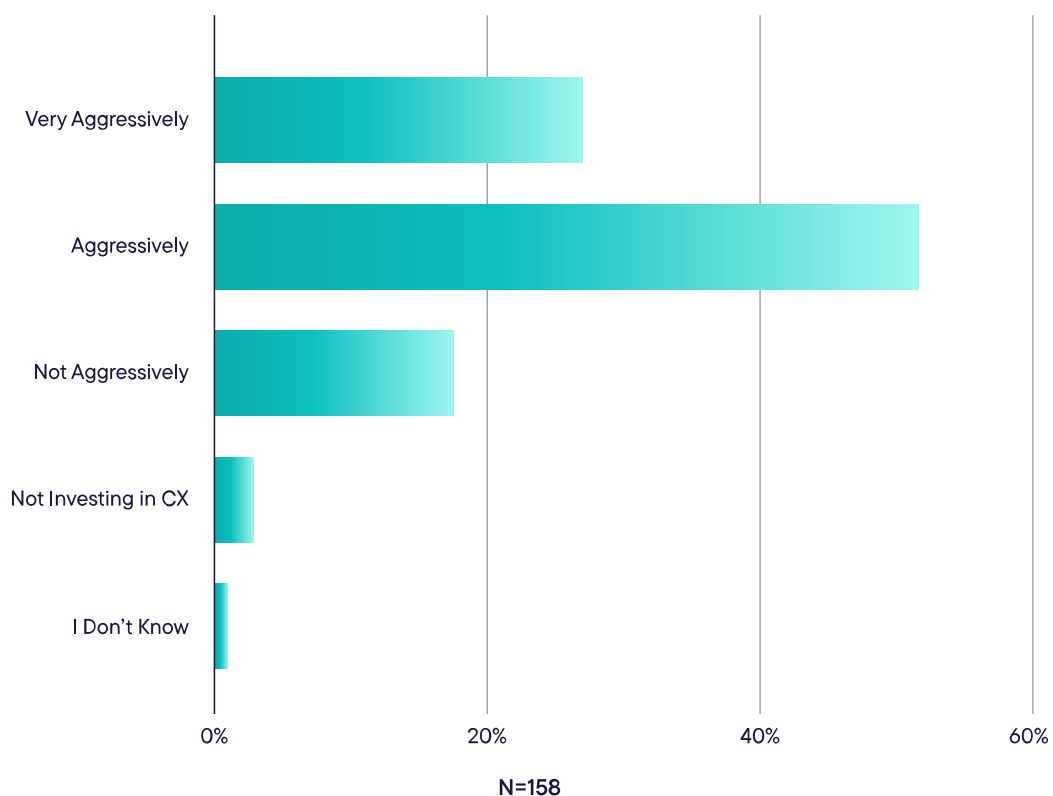


Beyond just having the financial resources they need, eCommerce practitioners say that they have organizational support in a way they haven't had in the past. A whopping 94% of respondents said that their CEOs were "supportive" or "very supportive" of their digital transformation efforts. Post-COVID, chief executives have come to understand that their success is directly tied to the company's digital future.

This is a marked shift from the very cautious approach to spending we heard practitioners lamenting in 2022 and 2023. If investment strategies over the past 2 years were driven by uncertainty over economic conditions, this year has seen companies come face-to-face with the massive potential of opportunities around AI and the need to invest in this, and other, new technologies - or the fear of being blamed for not investing in technology that everyone is talking about.

Investments in modern technologies will be focused on improving the buying experience for customers, with 79% of executives saying that they were "aggressively" or "very aggressively" investing in technologies that enable a better customer experience.

### How aggressively are you investing in improving your customer experience?



In short, what we're hearing from practitioners is that they have the financial resources and organizational support they need to run a customer-focused digital transformation. The question, though, is how to accelerate those digital efforts.

In the next section of the report, we'll share how digital leaders at a wide range of companies have leveraged their customer experience, digital tools, team culture, and data & insights to speed up their digital transformations.

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# Digital Tools

When considering the maturity of a company's digital tools strategy, we asked one central question in the Master B2B Digital Maturity Executive Survey:

*How much is the organization taking advantage of the technology available to streamline operations and improve the customer experience?*

That question consists of 3 different criteria that we consider when assessing an organization.

- » Is the company actually taking advantage of modern technology? Has it created a flexible, composable stack that can grow with their business needs? Has it begun to integrate AI tooling to get more out of the technology? Is the company overly reliant on one or two people within an organization to oversee a large number of custom-built tools?
- » Are the tools used by the company being deployed to improve the efficiency of the operations? Are the tools allowing the company to re-assign workers into roles where they generate more value?
- » Are the tools being used ultimately to improve the customer experience? Is the technology strategy focused on the customer, rather than on the pet projects of a handful of individuals in the company?

To learn how organizations stay focused on answering those questions, we spoke with two digital leaders about how they have used digital tools to enhance their ability to deliver critical features and capabilities more quickly and effectively.





**Matt Swan, Technical Product Manager of Data Products at dental surgical supplier ACE Southern**

### **On building a flexible tech stack:**

Swan told us how ACE Southern built a more flexible technology architecture to give them the ability to create a customer experience that will help them stand out.

*We moved to a composable platform because we were having difficulty making updates to the website that the business teams were requesting - small changes were taking 3 to 4 weeks.*

### **On having senior executive support for the initiatives:**

*We're blessed to have a CEO and VP of Sales who are supportive of digital investments. And they were on board with that because they know that to be competitive we can't just do what everyone else is doing. So we needed to move to a composable platform that would allow us to create a customer experience that would differentiate us from our competitors.*

*The pitch we made to them was that "If we offload our complexity on the back end to commercetools, my team can focus on crafting a customer experience."*

### **On the benefits of a composable platform:**

*One of the initial reactions we had heard about composable platforms is that they could add complexity to our operation. But we saw the platform as making it easier, because the flexibility enabled us to be more agile. It doesn't matter to me how a composable platform vendor makes its secret sauce, as long as I can access it.*

*I'm the only full-time employee working on this (I'm a coder), and we work with an outsourced team as well. On any given day, we've got 5 people working on the website and each is limited to 10 hours a week at most. The infrastructure we have makes it easier to work with a smaller team.*

Swan shared that as a manufacturer they have to create their own product data, and being able to reduce the time it takes to get new product information onto the website allows them to generate revenue faster. With their new agile platform, they came up with five new templates for product managers to follow to build out product information, driving higher conversion. With more products - and more detailed product information - available online, customers could purchase without having to speak to a salesperson. With that change, they were able to import product data onto the website overnight, rather than having to put it into a workflow queue that could take weeks.



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**Andy Goodfellow, Chief Technology Officer at Zoro.com**

### **On making the shift to be an agile, customer-focused company:**

*We're digital first, unlike many other distributors we have been an ecommerce platform since our inception. Our digital investment is all about what our customers need. For example, our customer has to understand availability, so we built tools for that.*

*We need to be super-advanced to function at the level of scale we function at. If we didn't have the digital tooling, we wouldn't be able to serve our current market or scale to the size we want to.*

### **On the mindset companies need to get more out of the digital tooling investments:**

*If you think of IT or tech as a cost center or a risk - that's a mindset that needs to change. That's where you start: How do you look at IT and digital tools as a way to add value for customers?*

*At this point, tech moves so fast that you have to pivot your thinking now. It starts with a mind-shift change and how you invest in people, processes and technology.*

*Once you're thinking about tools as an investment, rather than as a cost center, you can focus on the specific tools you need, and the talent you need to get the most out of that new technology.*

*If a company is just beginning to invest in digital technology, I would make sure the executive team can be specific about what creates value for the customer. And for most companies, that would begin with investing in site search.*

### **On overcoming roadblocks in the company:**

*Even if your organization has been investing in digital for years, you may still have significant roadblocks. In our case, not all our partners are equally digitally mature. For example, in terms of being able to provide up-to-date shipping information to our customers, some can provide us with real-time shipping data and some cannot. But in all cases, we'll find a way to accommodate.*”

### **The Bottom Line on Digital Tools:**

Building a tech stack with a composable architecture provides the flexibility necessary to ensure that your digital tooling can adapt to the constantly changing needs of your organization, while also speeding up the time to get new functionality and products live on the site.

Organizations need to think about digital tools as an investment, rather than a cost center.

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# Team Culture

We wholeheartedly agree with the old Peter Drucker adage that “culture eats strategy for breakfast,” as we’ve never seen a successful digital transformation happen without a culture that embraces change.

In a March 2024 [episode of the Master B2B Friday 15 Podcast](#), we dug into the story of how Honeywell was able to digitally transform its organization. Certainly, data and analytics mattered, as their CEO said that before their transformation they “had no plan for collecting and using data.” So they corrected that. They had far too many digital tools - they were able to reduce the number of ERPs from 2,700 to fewer than 1,000.

Ultimately, the success of the project was due to the CEO taking ownership, leading key meetings, overriding objections from his subordinates, and making difficult decisions. Andy summed it up during the podcast:

**“What ends up happening is at some point, there are some painful choices like - Are we going to go with a self-serve, eCommerce model principally, or are we going to go with an assisted one that requires salespeople, and commissions? That’s a strategic decision that must be made at the CEO board level. I don’t care how well you understand digital transformation. It’s these change management issues that are the big ones. And I don’t know who can solve that other than the CEO and the board.”**

— ANDY HOAR, co-founder Master B2B

In other words, the CEO is more than just a voice in the digital transformation process. The CEO’s involvement is fully necessary and indispensable when it comes to answering these key questions about culture:

- » How much is the organization embracing digital from an organizational perspective?
- » How much has it hired for digital roles?
- » How much has the sales team embraced the shift to digital?

To learn more about how to transform company culture during a digital transformation, we spoke with two executives about how they leapt ahead a stage or two in digital maturity by harnessing team culture to drive key changes in company mindset and mentality.

Theresa Kuske, former Digital Marketing Director at work gear manufacturer Ergodyne

## On how to build a digital-first culture in a mid-sized company:

Kuske argues that the only way to improve your customer experience is by putting someone on the digital team in charge of gaining alignment across every aspect of the organization. At Ergodyne, Kuske filled that role:

*I'm the senior digital leader at Ergodyne, although I'm not in the C-suite. We're a medium-sized company with a flat organizational structure - we're all very close and we speak a lot. Even so, the team realized that these informal conversations wouldn't be enough to get the customer experience to where they want it to be.*

*Digital has fundamentally been part of our approach and process. Part of why I'm here is to bring up digital ideas at a higher level across all teams.*

## On working cross-functionally:

To help everyone align on their current level of digital maturity, Kuske led the team through the Master B2B maturity assessment. That exercise helped everyone to understand where they were strongest, and where they needed to focus their investments.

In response, they created a Change Management and Digital team that meets regularly. Kuske brought team members from marketing, IT and finance to collaborate and present ideas to the C-suite. Kuske stressed the importance of including someone from finance at the beginning of the process, so that they understand the types of investments the team is considering.

## On creating a channel-agnostic approach to customers:

The team aligned around the idea that they shouldn't look only at incremental revenue to make investment decisions:

*We want to service the customer however they want to be serviced. We leveled the terms & conditions as well as the incentives for each channel so we could see which channels customers most wanted to buy from. It changed our mindset to look at growth for the company overall rather than just looking at growth within a channel.*

Kuske added that they found that the best way to build out their desired customer experience was to keep a small team and arm them with agile technologies. They built a composable commerce stack to create a best-of-breed platform. Notably, the flexibility of the stack enabled them to incorporate a modern search solution that greatly enhanced their customer experience offering.



**Steven Baruch, the former EVP & Chief Strategy and Marketing Officer at industrial equipment distributor MSC Industrial Supply**

### **On aligning a great culture with performance expectations:**

Baruch says having a great culture is not at odds with having high expectations of your team. And merging culture and outcomes starts with making the right hires.

*You have to hire for cultural fit. I think if you take a super successful, wickedly smart person from a company where the ends justify the means, that's not going to work in an organization like ours, that's founded on a bedrock of values and principles and culture. Our CEO had every reason to be everything but humble, and he was nothing but humble. He was the first to say we're better together if we can admit what our flaws are and support each other in closing those gaps. But even so, part of the culture should be delivering results.*

### **On how to build a culture for the long term:**

*At MSC, we would tell you that the reason the company is still around, while many others have failed, is because we lived by a credo and a culture that drove the success of the business. It wasn't in spite of that. We derived our success from our culture and how we treat people. If that behavior is modeled from the top, it won't be seen as a sign of weakness.*

*One thing that's struck me as I've worked with family businesses is how long a view they take. Because many have been around 50 or 100 years, they seem to think about their decisions in a much longer timeframe than, say, a public company that has to report financials quarterly. This is sometimes viewed as a negative – that it leads to slow decision-making. But one of the positives is that their culture and values matter, because that's what's gotten them to where they are today.*



### **The Bottom Line on Team Culture:**

Create cross-functional teams to evangelize and embed digital thinking across the organization and smooth the path for skeptical employees to get on board with eCommerce and other digital-first initiatives.

Hire for cultural fit, because while you can teach people new skills, it's very difficult to integrate someone into the organization who does not fit in with the culture.

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# Customer Experience

Every decision a company makes about digital transformation should be through the lens of customer experience. Why? It literally pays off. A 2022 [McKinsey study](#) found that companies that successfully improve their customer experience increase revenues by 2 to 7 percent, profitability by 1 to 2 percent, and shareholder return by 7 to 10 percent.

Master B2B's own executive survey found that companies are pretty satisfied with the experience they're providing to customers. When asked about their eCommerce websites, 68% of respondents said they provide a "better" or "much better" experience than the experience provided by their competitors.

That's a higher percentage than we would have expected, which led us to wonder - how do they **know** that they're providing a better customer experience?

When we asked executives to choose the 5 primary goals they consider when making technology investment decisions, only 31% put customer satisfaction measures (CSAT, NPS or similar) in the top 5. This creates a disconnect between rhetoric and reality. Companies are claiming to prioritize customer experiences, but broadly they're not using customer satisfaction measures to drive better decisions. Since we typically say that customers should drive digital strategy, if you're not measuring customer satisfaction then you won't know if you're providing the experience your customers expect.

Ultimately the success of a company's customer experience strategy comes down to who owns the initiatives. During a March 2024 Master B2B Friday 15 Podcast, Brian Beck shared how he thinks about this question:

**"I think it really does end up depending on how you structure the role. Ultimately, I think a CXO or Chief Experience Officer can work, but they have to have real organizational influence. It's the same as with a Chief Digital Officer - there has to be some real meat to the role. Otherwise, they turn into the chief cheerleader...Whoever is in this role has to have power to do something. And whether you call it Chief Digital Officer or Chief Experience Officer; and whether you put it under the remit of the revenue officer or the marketing officer, it's almost less relevant or less important than the actual way that the organization is structured."**

— BRIAN BECK, co-founder Master B2B

In other words, **you can't separate the structure of the organization from the customer experience produced.** The wrong organizational structure will inevitably produce the wrong customer experience.

We spoke with 2 practitioners about how they've accelerated their digital maturity by building a digital-first team structure and technology strategy that focuses intently on the customer.

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Ellery Fisher, SVP & CIO of McKesson Medical-Surgical at McKesson

## On building a business case for investing in customer experience:

It's a question that many senior executives struggle with these days - how do I build a business case so I can get the necessary funding for the strategic investments I need to make? Fisher said the key to building a business case for customer experience investments is based on understanding how to measure the outcomes of those investments and how to tie them back to larger company goals.

*Customer experience is the sum of a lot of things and you have to make sure they're tangible and measurable. It has to be aligned with the business strategy. If your strategy is to offer differentiated services to provide better outcomes for your customers, then you have to figure out how the investment measurably supports that. In other words - What can we do for our customers that will drive them to choose us over a competitor?*

*If your strategy is retention, you might ask "does this investment improve customer satisfaction or customer loyalty?" How will we link back investments to improvements in what we measure?*

## On understanding how the CFO thinks about measuring investments:

Fisher says that you have to speak your CFO's language - meaning, in most B2B businesses, the CFO knows how to measure the value of investments in physical assets. By speaking about technology investments in the same way, it'll be easier for the team to understand the business case you're making.

*How do you build a business case as a story that explains the value? In B2B usually, a CFO is deciding whether to fund a physical asset (like a new warehouse) where they know how to calculate the value of the investment. For a digital investment, you have to explain the value in terms the company already uses to measure the value of an investment.*

## On convincing other executives to join your cause:

*You have to take people on the journey with you and educate them along the way. Generally, I've found that senior leaders are naturally curious and have a desire to learn.*

*If you think about how your senior management uses a framework to make larger strategic decisions, you can then frame your own investments in the same way so they understand how to evaluate what you're recommending.*

For companies at the beginning of their digital transformation, Fisher outlines the key traits necessary in the person leading that initiative.

*Know your business really well. You need to fall in love with the problems of the business and know them as intimately as the operations, marketing, and sales teams do. It's not for those*

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teams to make technology work, it's for you to make technology work for them.

Your job is to be the sherpa. You can't call from the top of the mountain and expect people to follow you. Technology is something that everyone needs to have ownership of. It's easy early on in your career for you to think that building partnerships around technology will slow you down...and it does. But you'll find that you'll hit a brick wall at some point, and it would actually be faster to be patient with your partners and bring them along with you.

This is a job that requires you to be patient and impatient. Impatient, because you need to be constantly dissatisfied with “good enough” so you can make things work better. But you have to accept that sometimes it isn't the right time for your business to make that leap into digital.

### **Eric Rehl, VP of Digital Customer Experience at Schneider Electric**

#### **On shifting to an external perspective:**

Rehl talked about how a shift from an internal focus to an external, customer-centric focus drove the evolution of digital at Schneider Electric.

*For years, ERP investments consumed the company. That project was very internally focused, and our executive team understood the value of that investment because it was about improving business operations like supply chain, finance and human capital.*

Over time, the C-suite has evolved their thinking about digital. It's not just about marketing or internal processes, it's now a channel to go-to-market — a differentiator, an enabler, and a driver of revenue.

#### **On uncovering the cracks in your processes:**

*Digital transformation exposes the underbelly of the company to the customer - where you had processes that were complex or internally focused, that stuff started getting splashed onto your website and portals and eCom journey, and that started fires, because you're projecting your complexity onto your customers.*

In other words, if organizations have not invested in cleaning their product data, that's going to lead to lower website conversion rates, more calls (and cost) for your call center, and a higher cost-to-serve.

#### **On the two rules of customer experience:**

*The first rule of customer experience from a digital standpoint is to do no harm - don't do anything that would make the buying experience more complicated, even if you're adding additional functionality.. The second rule is that customer experience must create an advantage and drive business strategy.*



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For example, I used to work at Avnet and they were focused on lead time...customers would come to the website and they didn't just want to know the price of the product. They also wanted to know if it was in stock and when they'd get it. But industrial companies have struggled with this - with understanding lead times and providing customers with the experience they want, even though offering that information would create a unique advantage for the company.

### On shifting customers to the online channel:

In the past, customers were calling up a salesperson who could help get them answers. But with self-service, when you take the human intermediary out of the process, you need to look upstream and see if customers can get the answers they were calling a person to find out.

More and more, companies are thinking ahead with these issues. Customer experience in B2B is all about process - what business process am I exposing to the customer? You have to go upstream and downstream - to see an end-to-end view of the process so you're giving the customer what information they want.

### On the mistakes made with customer experience and how they fixed them:

One of the early mistakes made in B2B was that as we came out with solutions, we treated our customer base end-to-end as the same. But we all serve different tiers of customers and they each have their own ways of doing things. Maybe they're going through their own digital transformation. Dropping a new way of doing things in their lap just doesn't work.

You need an “embedded digital relationship” with them - how do we get operationally embedded with them during their discovery process, actually digitizing and automating procurement and through the post-sale journey? EDI's a great way to get embedded with your bigger accounts, but it's a heavy lift that's hard to manage. APIs work well with big strategic accounts because it helps with the end-to-end process (it's not just a transaction).

With smaller accounts without those heavy-duty processes, you can deliver your value proposition more easily, in a more lightweight way, and differentiate yourself.”

### The Bottom Line on Customer Experience:

Because “customer experience” can mean many different things, it's important that B2B companies agree on a common definition of the phrase.

Before undertaking a digital transformation, organizations must do a fresh customer assessment and segmentation analysis. Different segments of customers require different approaches to meeting their needs. Rarely does one size fit all.

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# Data & Insights

There are two central questions organizations need to ask themselves to understand the maturity of their data & insights strategies:

- » Is my data clean enough to execute my customer and product strategies?
- » Are we investing enough in putting data into the hands of business users so that they can make data-driven decisions about investments?

From the results of our Master B2B Digital Maturity Executive Survey, companies have definitely been making strides in these areas, but there's still quite a ways to go, especially around the incredibly complex process of cleaning product data. Only 44% of respondents told us that their product data was "clean and ready for syndication."

For manufacturers especially, issues with product data can severely limit their ability to sell through a growing number of online distribution channels, putting a cap on revenue growth. Curtailing channel distribution also artificially limits customer acquisition opportunities and creates an opening for vertical marketplaces to enter and steal share.

We're seeing a similar percentage of companies making data available to their teams to help them make better decisions, with 47% of respondents saying that their companies have successfully made product data available to teams across the organization. Companies that do not make data widely available to their teams are at a significant disadvantage to their competitors who do share their data widely. More data in the hands of practitioners leads to better, faster decisions as that would ensure that everyone is relying on the same source data for their analyses.

In the next section, we'll hear from two practitioners about how they're actively tackling the data quality issue and how they're using data to build business cases to capture investment – both key traits of B2B companies that have crossed the chasm on data and insights and are well on their way to becoming post-digital enterprises.

## Gireesh Sahukar, Vice President of Digital at Dawn Foods

Gireesh is leading the charge to improve the data and insights the bakery ingredients manufacturer uses to make strategic decisions. To be sure, Dawn Foods has had tremendous success online - half of their revenue is derived from eCommerce. But Sahukar shared how he's helping the company to think more about what KPIs are important, and how to measure those.

### On the benefits of using AI for forecasting:

*Data is messy everywhere. And that's the case within our company. Cleaning it is a multi-year journey.*

*We're using AI for demand planning and forecasting. In fact, it helps all the way back to the factory floor - what do we need to manufacture; where do we manufacture it; when do we manufacture it. The "where" actually matters the most.*

*We're using AI models to recommend what products someone will want when they visit the website. Those needs can change from visit to visit, so how do you make sure that session-to-session you're not recommending the same items because their needs have changed?*

Although we've heard a considerable amount of buzz around using AI in marketing and merchandising, we expect to hear more stories like the one Sahukar discussed around using it for demand planning and forecasting, especially for B2B manufacturers.

### On building feedback loops:

*We've also built out a feedback loop. It includes qualitative and quantitative voice of customer feedback. We have a robust "voice of customer" program, and a great insights team; we're always listening to our internal and external customers.*

### On how they think about insights:

Even though Dawn Foods is relatively mature when it comes to their digital tools and analytics, they're at the beginning of their journey when it comes to KPIs and the state of their data.

*When it comes to KPIs, we're still measuring eCommerce the way we're measuring our offline business. We have to measure the digital aspects of our business differently than our offline business. We have limited data and insights about our offline business - we don't really know how to measure that.*

*We typically have a hypothesis, measure it out, and see what happens. And over time when we feel confident about a metric, we make it a KPI.*

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*It took us a while to figure out how to measure some key metrics because offline isn't really set up to do that. For a while we didn't measure what our on-time fulfillment rate was. But we took time and measured it, and then were able to come up with a KPI for it. Once we defined the KPI, we had to figure out how to deliver against it - we could set the team in motion to meet those goals.*

**Doup Topken, Director of Global eCommerce, CRM and Digital Customer Experience at global ingredients solutions company Ingredion**

Although building a strong financial business case is important for companies looking to grow their digital business, Doug Topken says that the culture you build around customer-centricity will ultimately be the best predictor of digital success.

**On using customer satisfaction measures to help make a business case:**

*A lot of how you measure digital is softer - you have to partner with finance from the beginning and see how they look at investments. And you have to socialize investments as you go. By the time you get to the CapEx committee, they should know what you're going to ask for.*

*NPS is very important to us. A big aspect of NPS is responsiveness - how well does the company respond to customer needs? A website with lots of information, for example, can provide that.*

*NPS is one piece of it and it definitely does resonate with CFOs. They're more accustomed to dollars listed in spreadsheets. We do look at cost savings. Everyone asks for net new customers and net new revenue. I can't promise that in year 1, maybe in year 2. Cost reduction, though, we can show in year 1. I've sometimes been successful getting dollars to do the research to measure share of wallet, but not always.*

**On how you can more accurately measure cost savings:**

*Cost savings can be called handle time, customer service response times, shorter workflows, the number of people who have to touch a request, or how many emails have to be sent. Cost savings does not mean reducing salespeople.*

Creating a culture of customer-centricity goes beyond the walls of a company. For a company like Ingredion that relies on a distribution network, it's important to instill that same culture into their distribution partners.

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## On how distribution partners fit into their digital strategy:

*Distribution partners are an incredibly important piece of our business - so it's critical that we service them the way that we provide information to our own sales people, so the experience of our customers who buy from distributors is the same as our customers who buy from us directly.*

*There are distributors who are going to go to bat for you...they'll carry the right inventory and train their salespeople. We don't have enough salespeople to reach everywhere we want to go, so the channel is important to us.*

## The Bottom Line on Data & Insights:

Organizations must create customer feedback loops to ensure that the data they're getting from customers informs critical product and other investment decisions.

Cost savings can come from technology investments (by using chatbots to deflect call center calls, for example), but the organization needs to agree on how to measure and quantify such cost savings.

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# Moving to the Next Stage of Digital Maturity

B2B companies aren't all beginning at the same level of maturity across the 4 dimensions. Some are starting at what we've called Stage 1, some are on the road but not fully developed, while others are pushing the envelope and developing completely "net new" functionality.

Companies must determine where they are within each of the four dimensions and then, as mentioned throughout, calibrate their best next steps from among the following recommendations:

## Digital Tools:

Building a tech stack with a composable architecture provides the flexibility necessary to ensure that your digital tooling can adapt to the constantly changing needs of your organization, while also speeding up the time to get new functionality and products live on the site.

Organizations need to think about digital tools as an investment, rather than a cost center.

## Team Culture:

Create cross-functional teams to evangelize and embed digital thinking across the organization and smooth the path for skeptical employees to get on board with eCommerce and other digital-first initiatives.

Hire for cultural fit, because while you can teach people new skills, it's very difficult to integrate someone into the organization who does not fit in with the culture.

## Customer Experience:

Because "customer experience" can mean many different things, it's important that B2B companies agree on a common definition of the phrase.

Before undertaking a digital transformation, organizations must do a fresh customer assessment and segmentation analysis. Different segments of customers require different approaches to meeting their needs. Rarely does one size fit all.

## Data & Insights:

Organizations must create customer feedback loops to ensure that the data they're getting from customers informs critical product and other investment decisions.

Cost savings can come from technology investments (by using chatbots to deflect call center calls, for example), but the organization needs to agree on how to measure and quantify such cost savings.

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# Research Methodology

For the Accelerating Your Digital Vision: Taking Your Strategy to the Next Level report, Master B2B conducted an online survey of 159 executives working at manufacturers and distributors in the United States and Canada to understand how they're thinking about their digital investments and the support they receive for those investments from their management. Respondents were not provided an incentive for their participation.

The survey was fielded and completed in March 2024.



## About Master B2B



Master B2B publishes industry-leading thought leadership research and operates an elite community of B2B eCommerce executives who network and share best practices through peer-to-peer dinners, roundtables, and summits.

To learn more, visit [masterb2b.com](https://masterb2b.com).

## About commercetools



commercetools, a global commerce company, is the market leader in composable commerce.

We enable companies to flexibly customize, tailor and scale shopping experiences across markets.

Our composable commerce platform equips some of the world's most influential businesses with tools to remain agile, future-proof digital offerings, reduce technical risks and costs, and build outstanding experiences that drive revenue growth.

With headquarters in Munich (Germany) and Durham (US) and employees spread across five continents, commercetools has led a global renaissance in digital commerce by combining cloud-native, technology-agnostic, independent components into a unique system that addresses personalized business needs.

We empower brands -- including Audi, Danone, Eurorail, NBCUniversal, Sephora and Volkswagen Group -- to stay ahead of changes in the market and consumer preferences by powering distinctive, dynamic user experiences.

To learn more, visit [commercetools.com](https://commercetools.com).