

accenture

HIGH-VOLTAGE DIGITAL SALES

Lessons from industrial
leaders to spark digital
sales transformation now




Digitize your sales before you have to

Industrial customers expect an Amazon-like digital purchasing experience, but companies have been slow to deliver. Digital commerce has accelerated since the pandemic, and customer demands are only expected to grow. Online sales currently make up 21% of total business-to-business (B2B) sales, growing faster than previously estimated. We anticipate they will continue to race ahead, representing 29% by 2025.

Our research highlights how leading companies are setting the pace and can serve as role models in achieving tangible customer benefits. These companies focus on five key capabilities to develop digital sales at speed.

The need for action is clear. Our study shares pragmatic insights and concrete action points on how you can complete your digital sales transformation journey.

A woman with dark hair tied back, wearing a white t-shirt and a black beaded bracelet, is smiling broadly while talking on a mobile phone. She is sitting at a desk in an office environment, with a desk lamp and a computer monitor visible in the background. The image is framed by a large, semi-transparent purple circle.

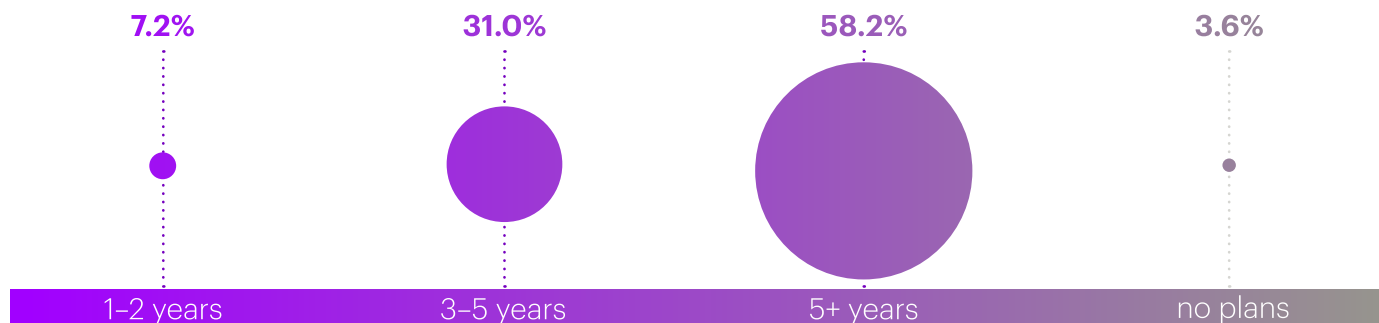
**B2B customers
have placed
their orders**

B2B customers have placed their orders

Many industrial companies know what customers want but struggle to deliver a highly digital sales experience. To better understand the barriers companies face and how the most successful surmount them, Accenture surveyed 500 industrial sales and marketing executives globally. Results show respondents are aware of the potential margin benefits and efficiencies from digital (or online) engagement and automation. Yet few have pursued them. Why have so many been slow to build effective digital channels and transform sales at speed?

More than 96% of respondents want to transform their sales department, but only 7% have plans to act in the next 1-2 years and 31% in the next 3-5 years. The rest are waiting too long. (See Figure 1.)

Figure 1. Too many companies are delaying sales transformation



We know disruption happens fast. Amazon already sells spare parts in several industries, and procrastinators could lose market share to faster-moving competitors. Time is of the essence to catch up to customers' desire for predictability, reliability and seamless service.

Nearly 90% of respondents' customers see clear benefits in digitizing B2B sales processes and are willing to use the new tools. How can industrial companies jump-start the sales transformation process? Our research highlights how the most successful companies are transforming.

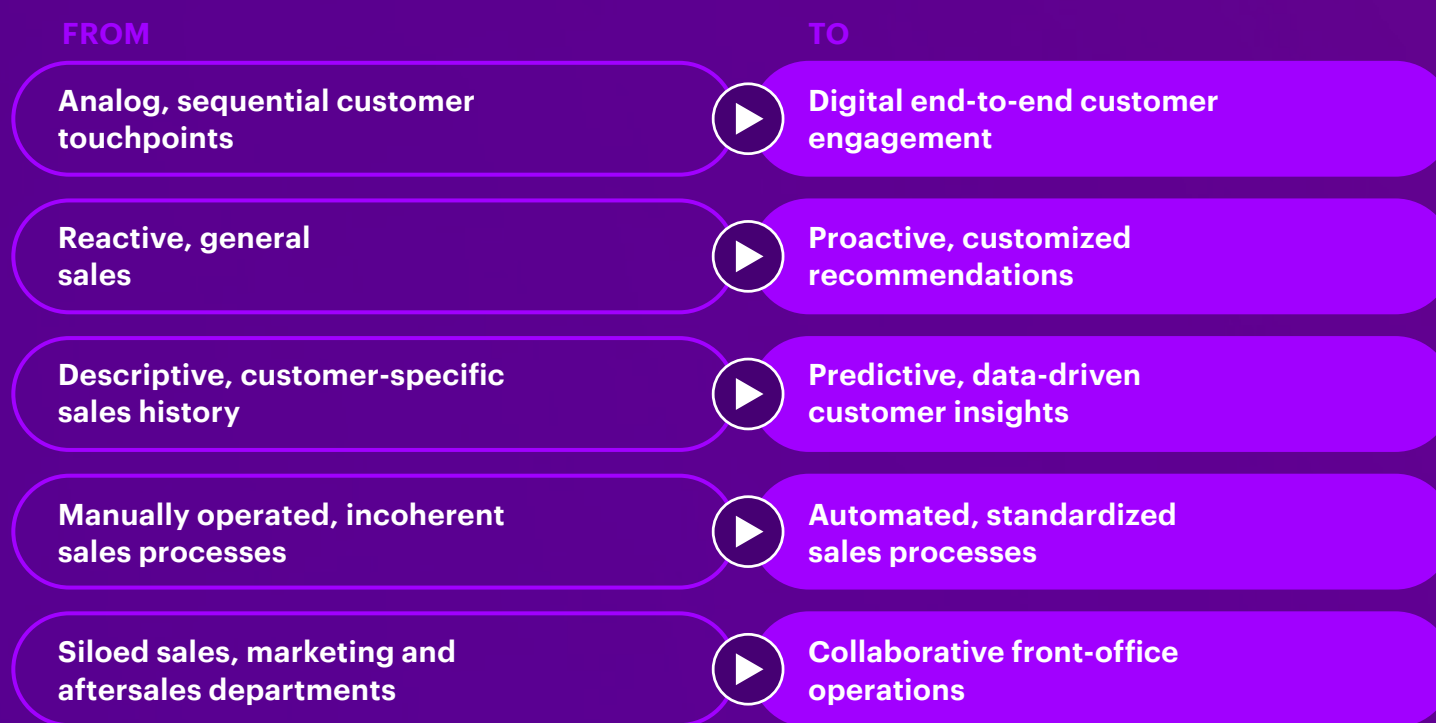
~90%
of respondents' customers see clear benefits in digitizing B2B sales processes and are willing to use the new tools.

B2B customers have placed their orders

Sales transformation maturity levels

Our survey examined five capabilities that drive sales transformation. (See Figure 2.)

Figure 2. Key capabilities to create seamless digital sales



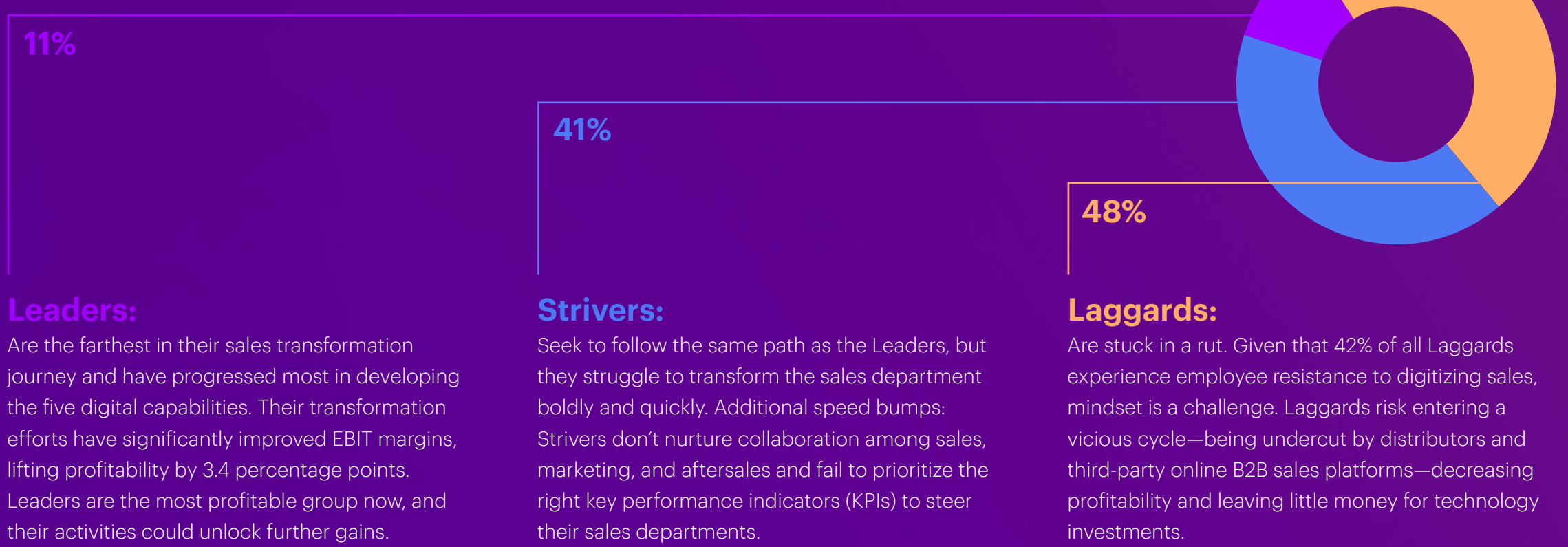
We assessed survey respondents against these cutting-edge sales capabilities to understand their maturity in providing a seamless digital sales experience.

What do the most mature companies have in common?

- Able to interact digitally with customers to a high degree
- Fully apply recommendation engines and customer-tailored web shops
- Use tools that generate true customer insights and plan additional, robust investments in data-driven insights
- Have the most standardized and automated sales processes and plan to invest strongly in this area
- Already have closely cooperating front-office entities

Sales transformation maturity levels

Based on our findings, we divided the companies into three clusters according to digital sales maturity.



Configurator

Home / Resources / Configurator

SELECT MODEL

CONFIGURE PRODUCT

- EQUIPMENT
- FOR BUSINESS
- TECHNICAL
- RESOURCES
- MYRTE GOLF



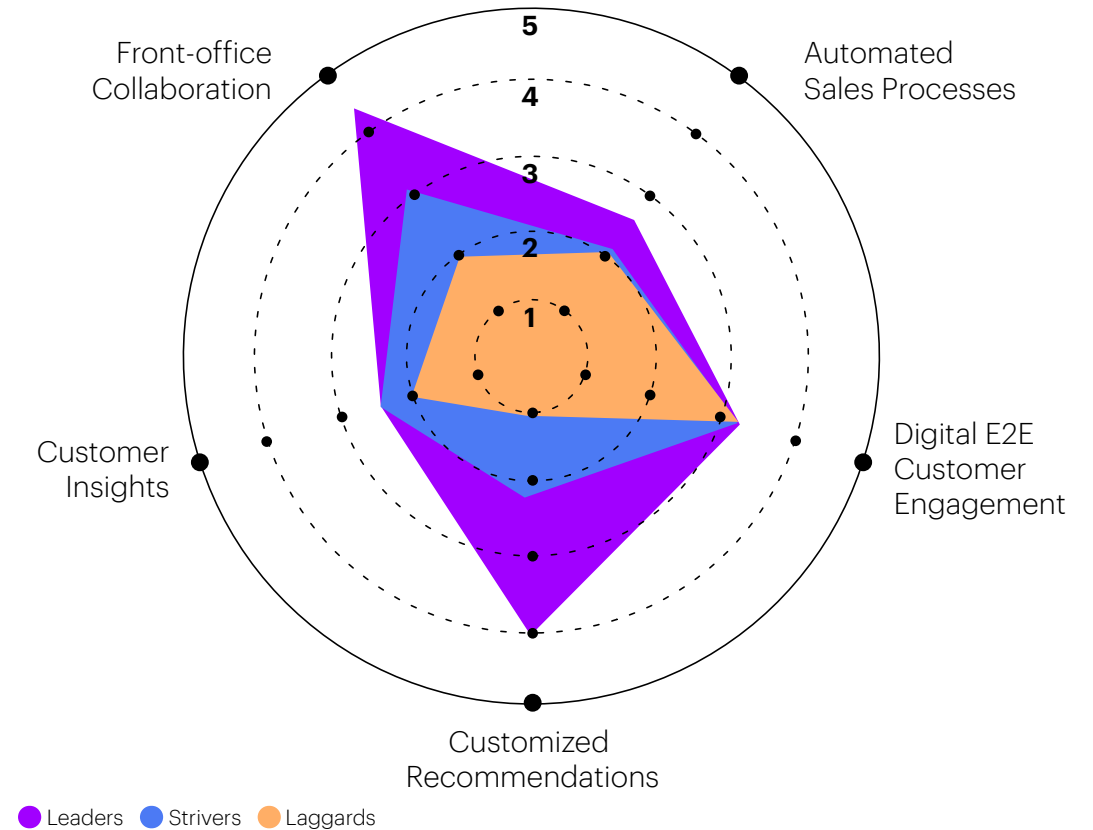
Make sales truly digital

Although Leaders still haven't reached peak digital sales performance, they can serve as role models in achieving tangible customer benefits on the digital sales journey. Here's how the clusters are performing in each digital sales capability.

Figure 3: Future sales maturity level

Performance of the clusters in each digital sales capability

From 1=rudimentary capability to 5=fully developed capability

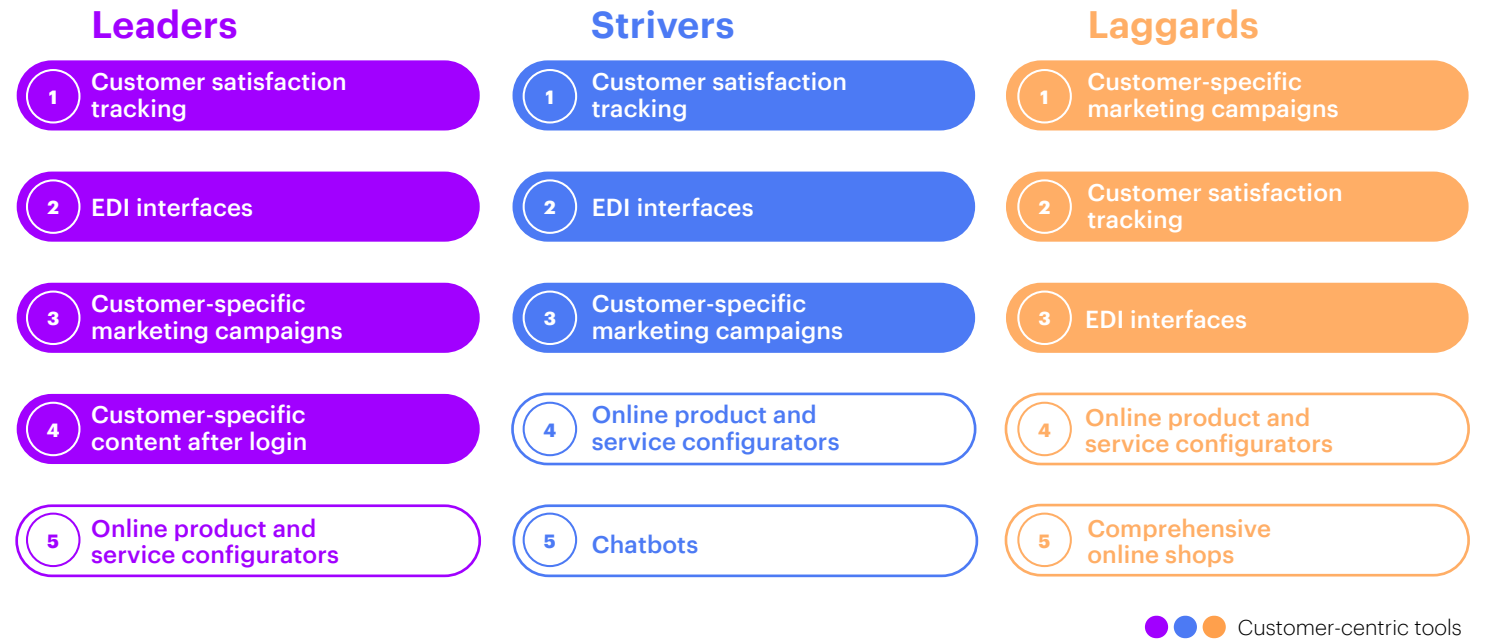


1. Digital end-to-end customer engagement

True digital end-to-end customer engagement involves developing a holistic, interconnected set of digital tools and complementary channels for each stage of the sales process, from customer profiles to online shops. While respondents across clusters are aware of digital tools' importance, not all clusters use them with the same degree of success.

Leaders rely heavily on powerful customer-related tools like customer satisfaction tracking, EDI interfaces, and personalized customer content after login. Leaders see such digital tools as market differentiators and means for greater personalization, but other clusters neglect the technology's promise. (See Figure 4.)

Figure 4. Most-used digital tools today



2. Proactive, customized recommendations

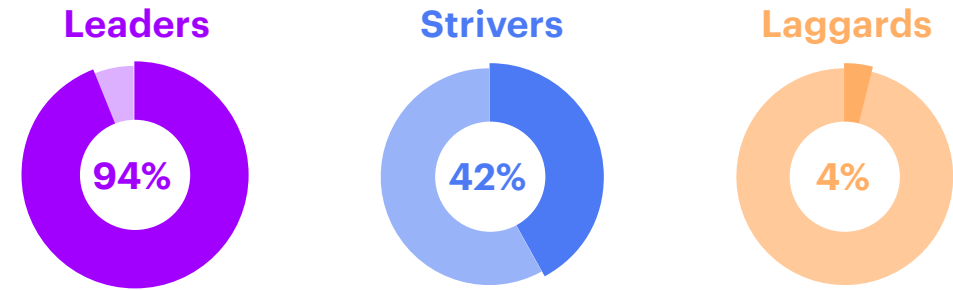
To increase cross- and upselling, industrial equipment companies are beginning to use recommendation engines. About 94% of Leaders employ them, compared to 42% of Strivers and 4% of Laggards. (See Figure 5.)

Some companies are successfully adding personalization to customer online experiences. About 91% of Leaders use branded, customer-tailored web shops integrated with customer procurement portals to sell their products and services. This compares to 33% of Strivers and only 1% of Laggards.

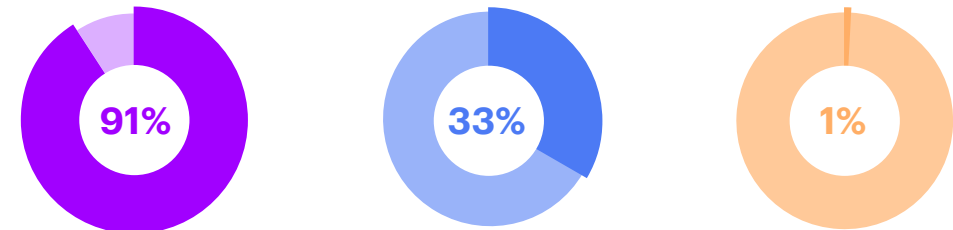
By making the online experience personalized and relevant, Leaders are doing far more to bring an Amazon-like experience into the B2B world. If companies integrate recommendations in their customer-tailored web shops, they can even multiply the benefits.

Figure 5. Leaders highly leverage proactive and customized solutions

Use recommendation engines



Offer branded, customer-tailored web shops



3. Predictive, data-driven customer insights

Customer data systems and analytics enable companies to get a 360-degree customer view, understand customer needs, and create tailored offerings. Leaders have realized this and are already using big data analytics on customer feedback combined with transactional data for targeted offerings; they are also cross- and upselling more frequently than other clusters.

Of the tools, 70% of Leaders rank big data analytics for customer feedback their most-used tool. For Laggards, it comes third after online configurators and product information management systems. Leaders' analytics investments (with \$18 million annually earmarked over the next 3–5 years) will only widen the gap. (See Figure 6.) To catch up, Strivers and Laggards would have to invest even more than Leaders.

Figure 6. Annual investment in customer analytics tools in the next 3–5 years (in USD million)



¹ "Cooking up superior customer experiences," Accenture, accessed February 25, 2021, <https://www.accenture.com/nl-en/case-studies/industrial/electrolux>.

Electrolux Professional's recipe for customer insights

Getting a 360-degree view of the customer is critical to building mature sales capabilities. Electrolux Professional transformed sales processes to yield rich customer insights. Sales employees can track the customer experience from prospect to sale with a clear view of the pipeline. Management can control and monitor the business with common metrics and take fast actions to grow. Data quality and segmenting are also improving customer profiling. The streamlined processes and tools are shortening the time to reach new customers and improving customer focus.¹

Make sales truly digital

An average of

\$13.4M

is planned to be invested annually
by Leaders in automation tools
over the next 3–5 years.

4. Automated, standardized sales processes

Digitizing manual processes can create a virtuous circle, using data and analytics to identify patterns, inform customer interactions and enable automation tools. Leaders use automation tools more than other clusters to deliver cost savings and improve the customer experience. Robotic process automation (RPA), for activities like approval workflows, and chatbots rank among Leaders' top four most-used tools. Strivers and Laggards make little use of automation tools.

Leaders also plan to invest an average of \$13.4 million annually in automation tools over the next 3–5 years. While Strivers and Laggards recognize the need to act, their investments aren't big enough to catch up.

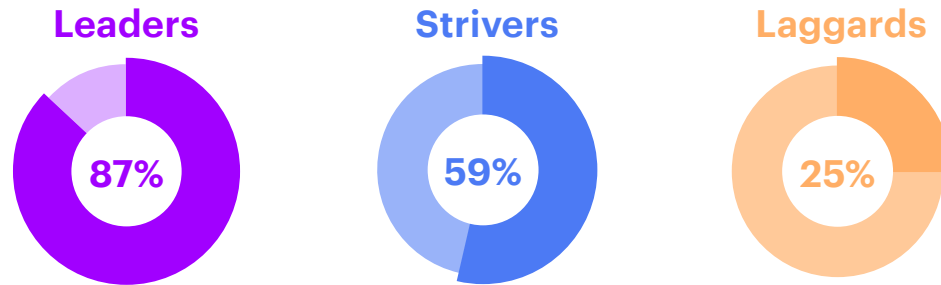
5. Collaborative front-office operations

Without a collaborative front office, companies won't be able to excel at lead generation and management. Leaders recognize the advantages of close cooperation among the marketing, sales and aftersales departments. (See Figure 7.)

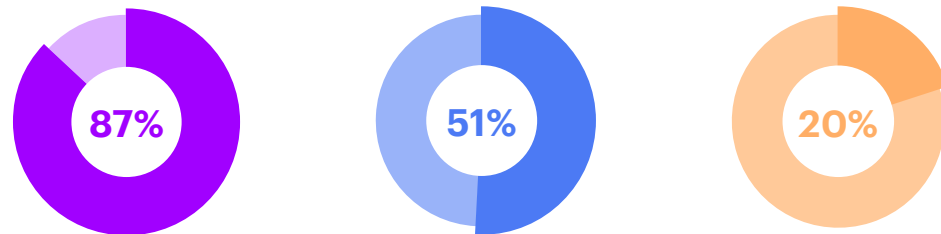
In addition to prizing strong collaboration, 54% of Leaders engage in advanced marketing practices like competitive intelligence and pricing optimization, serving as a strategic advisor for sales and aftersales. When it comes to core marketing practices, Leaders primarily focus on digital rather than offline marketing.

Figure 7. Leaders strongly foster collaboration

Strong collaboration between sales and marketing



Strong collaboration between sales and aftersales



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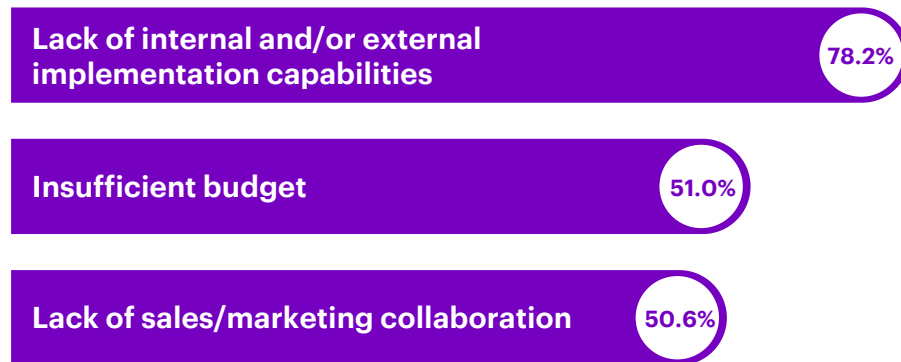


**Flip the switch
to speed
transformation**

Leaders may have taken the first steps, but even they are challenged to reach mature digital commerce capabilities. Strivers and Laggards need to make up for lost time. What pragmatic actions can they take to transform sales at speed?

Figure 8 shows areas where respondents registered the greatest need for help. It is not meant to illustrate a step-by-step approach, rather capabilities companies can develop to accelerate sales.

Figure 8. Top three challenges to creating digital sales



1. Partner with proficient implementation resources, internally and externally

Given day-to-day demands, not to mention the pandemic's impact, it's no wonder the majority of respondents need implementation help to speed transformation. They know, for instance, the importance of being customer-centric and solving for customer pain points. Digital customer lifecycle management solutions could give them an end-to-end view of the customer, but 78% of all respondents said they don't have the right resources to implement the transformation.

>78%

of all respondents said finding the right internal and external capabilities presents the biggest challenge to achieving their transformation goals.

Digitizing processes isn't enough. Companies will need to make changes to the organization, too. Even with reskilling or upskilling the workforce, few companies have capable resources or the right mix of resources to make sweeping changes on their own. Successful companies have been able to create an internal center of excellence or leverage an ecosystem of partners to help achieve their goals.

Flip the switch to speed transformation

2. Develop a compelling business case and identify the best KPIs

To get started on their digital sales transformation program, sales departments need to develop the business case and strategy, with the right KPIs to measure success. Without a solid business case, top management may not understand the value digital sales transformation programs could bring. This seems to be an issue for 51% of respondents who failed to secure sufficient budget.

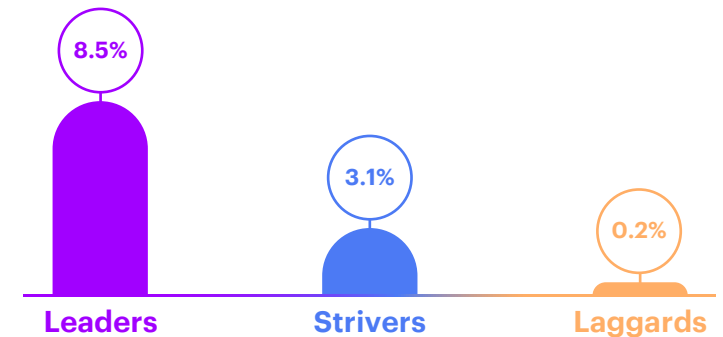
In addition, choosing the right KPIs is key. Leaders focus on easy-to-capture KPIs that measure profitable growth and traffic volume (e.g., online configurator visits or online sales margins). Strivers and Laggards concentrate on hard-to-measure KPIs or follow too many of them at the same time and don't have a clear focus.

3. Double down on cross- and upselling

Recommendation engines can play a crucial role for automated cross- and upselling, especially when it comes to less complex products. However, our research shows only 6.6% of all respondents use analytics for automated cross- and upselling. Leaders take the lead in this area with 8.5% of sales attributed to recommendation engines. (See Figure 9.)

In addition, respondents indicated recommendation engines were low priority investments over the next 3–5 years, with only \$3.4 million earmarked annually. In comparison, the overall annual investment in other digital tools (like 3D configurators or chatbots) is \$5.5 million on average. Analytics on customer feedback is \$6.9 million, the highest area of investment.

Figure 9. Sales attributed to recommendation engine usage



Flip the switch to speed transformation




4. Enlist employees as advocates of the transformation journey

Although front-office collaboration is critical, many respondents report some level of employee resistance to needed changes. When employees hear “automation,” some fear for their jobs and create obstacles to achieving more targeted sales and marketing approaches. To help break down functional silos, companies can focus improvements on the customer journey. Putting employees in the customer’s shoes can demonstrate the benefits of collaboration and incentivize them to team.

>48% of Strivers **42%** of Laggards report that employees are resistant to sales transformation efforts.

In addition, automating repetitive, low-level tasks, where possible, will help employees concentrate on selling more complex, high-value products and services. Leaders supplement this approach by driving skill development in high-margin areas that, in parallel, deliver greater customer value.

A man in a light blue button-down shirt is working in a factory. He is standing next to a robotic arm that is holding a small, grey, rectangular component. The background shows industrial machinery and a clean, well-lit environment. The image is overlaid with a semi-transparent purple circle.

**Create
a seamless
digital sales
experience**



The need to change is omnipresent. Customer expectations are shifting, accelerated by the pandemic. Like consumers, industrial customers increasingly expect an Amazon-like experience with online product display and self-service digital capabilities. Industrial companies should not wait for the perfect solution. They should take a customer-centric approach to solve their biggest pain points and take action on those they can most easily monetize.

Like the Leaders, focus on building these capabilities:

Digital end-to-end customer engagement

Create a personalized online experience, such as product and service configurators, to build a robust digital commerce offering

Proactive, customized recommendations

Build recommendation engines to increase cross- and upselling for products and services

Predictive, data-driven customer insights

Stitch together customer insights from marketing, sales and service transaction data. Combine with firmographic data for real predictive power

Automated, standardized sales processes

Provide immediate customer responses via chatbots. Leverage RPA for approval workflows to unleash back-office capacity

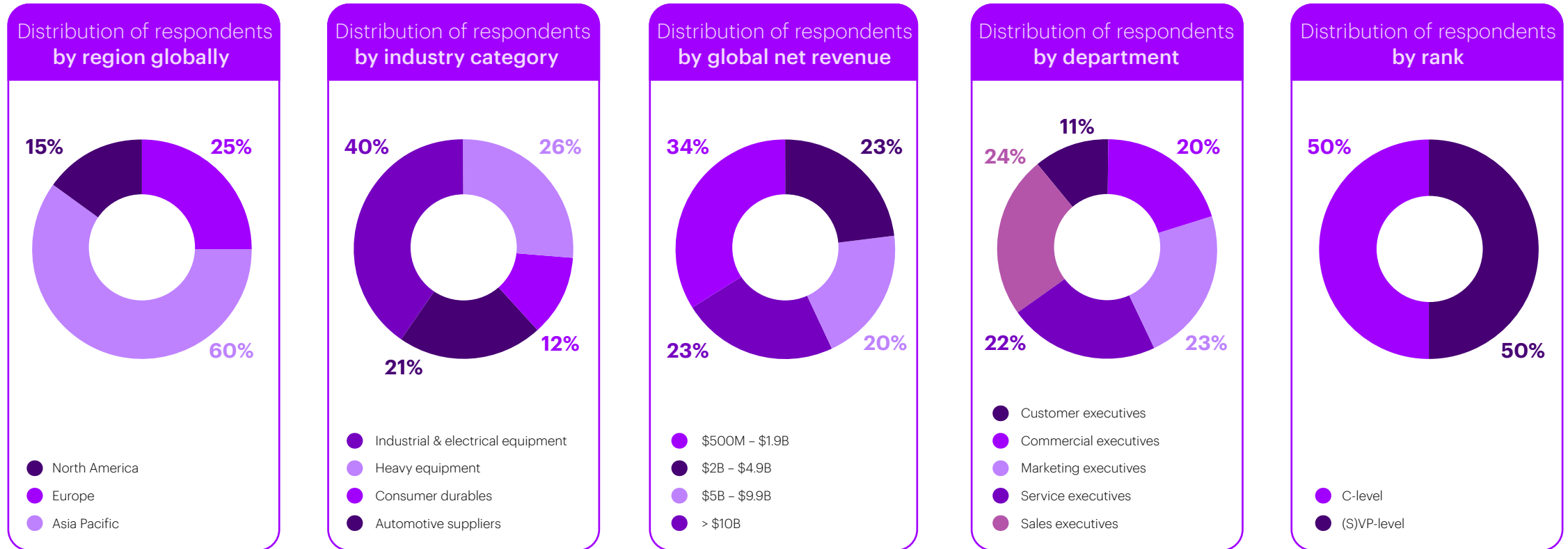
Collaborative front-office operations

Break down functional silos. Identify service patterns that can yield new sales opportunities. Direct cross-functional teams to improve the customer journey at moments of truth

The path to creating digital sales is individual to each company, determined by your company's strengths and weaknesses. As a first step on this journey, assess the maturity of your company's capabilities and where you need to start. Don't wait—ignite "high-voltage" digital sales at your company, now.

About the research

From October to November 2020, Accenture conducted a comprehensive and representative online survey with 500 global industrial executives in senior sales, marketing and aftersales positions. The companies are based in 12 countries and operate in four industry segments—industrial and electrical equipment, heavy equipment, automotive suppliers, and consumer durables.



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