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# A Playbook for B2B Companies Launching eCommerce Capabilities

*A team of eCommerce software, tax software  
and systems implementation pros weigh in on  
all-star selection and implementation practices*

Presented by:



## THE MAIN INGREDIENT OF STARDOM IS THE REST OF THE TEAM.”

*John Wooden, Former UCLA Basketball Head Coach*

This guidance holds true on the basketball courts and in the business-to-business (B2B) arena, where collaboration is a crucial enabler of MVP-level performance among companies buying or upgrading eCommerce technology.

Taking a cue from Coach Wooden’s Hall of Fame acumen, this report – call it a playbook – highlights a team-first approach to selecting and implementing B2B eCommerce technology.

There are two ways teamwork features prominently in the discussions that follow. First, the selection and implementation insights culled from thought leaders repeatedly emphasize the pivotal nature of collaboration – with internal stakeholders, customers and project team members – in driving success. Second, the eCommerce, systems implementation and tax management thought leaders who contributed insights to this playbook have developed a deep and personal appreciation of teamwork’s value: these experts from Magento, Guidance and Vertex work together to help B2B customers improve their customers’ experiences with eCommerce system implementations and related improvements.

The audience for this guide is rapidly expanding: 87 percent of B2B companies indicate that they recently migrated offline customers online, according to Forrester. Additionally, 46 percent of these B2B companies expect 50 percent or more of their customer base to buy from them online within three years.<sup>1</sup>

While the types and sizes of B2B companies embracing eCommerce vary widely across industries, these organizations share at least one compelling similarity: they are all focused on enhancing the customer experience. The following practices are intended to help them achieve this objective.

## Readiness Signals

**WHEN AND HOW DO B2B LEADERS RECOGNIZE THAT IT IS TIME TO LAUNCH, OR SIGNIFICANTLY UPGRADE, AN ECOMMERCE CAPABILITY? THERE ARE A NUMBER OF COMMON DRIVERS, NOTES MAGENTO SENIOR MARKETING MANAGER SHANNON HANE, INCLUDING THE FOLLOWING:**

- **Competitive pressure:** A local – or, increasingly, national or even global – competitor that has invested heavily in eCommerce capabilities begins siphoning away business and customers.
- **Customer demand:** In many cases, B2B customers express an interest for a more convenient way to purchase products or services. As is the case across all industries, most B2B customers have been delighted by the speed, ease and service they experience while buying from leading B2C companies. These experiences greatly increase their expectations concerning other types of transactions, including B2B purchases.
- **Internal goals and constraints:** Many B2B companies invest in eCommerce as a means of reaching new customers as they strive to meet growth targets. Other organizations turn to eCommerce as a way to conduct sales (and service) more efficiently in the face of resource constraints.
- **Aging 1.0 eCommerce technology:** B2B companies that set up homegrown eCommerce systems or invested in early-generation technology years ago often reach a point where:  
1) those applications no longer satisfy customer needs; and/or 2) the upgrades, customizations and ongoing maintenance of those applications becomes more costly than investing in a state-of-the-art system.

Those situations frequently determine *when* a B2B company invests in new eCommerce technology; *who* is involved in this decision is equally important throughout the entire selection and implementation processes.



## Collaborative Decisions and Candy Bars

Sales and marketing leaders, chief information officers (CIOs), other information technology (IT) managers and eCommerce leaders are obviously involved in eCommerce technology decisions. The involvement of other internal stakeholders – including the chief financial officers (CFOs), corporate finance managers and others – is also critical and marks a key ingredient of successful selections and implementations.

Consider the importance of the corporate tax function's involvement. "Tax is absolutely critical," asserts Brian Beck, digital commerce strategist for Guidance, an industry leading digital commerce service provider and systems integration company based in Los Angeles, CA. Beck, who is also the author of the forthcoming book, "Billion Dollar B2B eCommerce," notes that the system "needs to handle taxation across multiple jurisdictions and product types, tax exemptions, and many more complexities from a tax perspective."

Determining the correct sales tax on a B2B product in accordance with the numerous tax jurisdictions whose rules apply to each online transaction depending on where the buyer and seller are located is a non-trivial matter. The sale of a seemingly straightforward product, such as a Snickers candy bar, can be exceedingly tricky to manage from a tax perspective. Depending on where that Snickers bar is purchased, it may be designated by tax authorities as a standard grocery item, a sugar item or a nutritional food (thanks to those nuts); each of those product categories may have a different sales tax rate, and those rates vary across different states, cities and local jurisdictions.

B2B transactions pose similar complexities, especially when it comes to determining which transactions are exempt from taxation and which are subject to it. In many cases the same product (e.g., a laptop) will be either exempt or subject to sales tax depending on its use by, or even location in, a company.

"How your systems categorize a product affects its taxability and any errors in that mapping can increase the risk of an audit," notes Mark Sieczkowski, senior product manager for Vertex, a tax technology company.

That's just one of numerous tax management challenges eCommerce systems must address. In addition to managing tax requirements at a very granular level, the tax automation should be able to manage updates to tax rules as unobtrusively as possible, track and manage transactions that are exempt from sales tax (a determination made according to a complex array of national, state and local rules), and support the tax returns process in a way that limits a company's audit risk. "Sales tax is a highly complex and fast-changing area, and the Supreme Court's Wayfair decision made it much more complex," Sieczkowski adds.

The 2018 Wayfair decision replaced a company's physical presence as a determination of tax liability with economic presence (i.e., the amount of sales revenue it generates from customers based in a state) as the primary determinant of tax liability. Many U.S. states have recently changed their sales tax requirements in response to this historic ruling; many others are expected to do so. This type of complexity explains why the involvement of a tax expert in the eCommerce system selection process is crucial.

## Leading Selection Practices

The most effective eCommerce technology selection processes tend to proceed in a coordinated and collaborative manner. Buyers work through the following selection activities and then leverage this work to create and execute an implementation game plan:

- **Determine and document your requirements:** Beck describes an approach, “requirements documentation,” through which all of a B2B company’s requirements for the eCommerce system are identified and documented. Typical items on this comprehensive list include rundowns of what the application should do for customers (a lengthy list in and of itself), the other information systems the application will integrate and/or share data with, what groups and individuals within the company will interact with the application and much more. The list of customer capabilities includes specific types of functionality, such as accelerated check-out options; configure, price quote (CPQ) options; customer pricing and more. “There are hundreds of specific things underneath most functionality categories that should be defined,” Beck notes. He also emphasizes that the requirements documentation is especially valuable, since it serves double-duty by driving the selection process and designing how the implementation should proceed.
- **Know your customers:** Identifying and documenting a complete set of eCommerce application requirements necessitates an understanding of customer needs. This understanding includes knowing, for example, that one B2B customer company may have 50 individual buyers, each of whom use different sales channels, pricing models and catalogs. “You really need to stay in tune with your customers,” Hane asserts. “We advocate a customer-centric approach through which you study the customer journey to understand where a customer’s pain points are and then design your solution to serve those needs.” Beck agrees. “Your customers’ input is valuable early in the process in order to build a product that maximizes the business benefit and maximizes ROI,” he adds. These interactions often include discussions with a customer advisory committee.
- **Understand and meet contractual obligations:** Most B2 B companies have unique pricing, sales channel and services arrangements with each customer. These agreements have been carefully negotiated. An eCommerce system must reflect and adhere to all of these unique contractual obligations.
- **Address current – and future – needs:** Despite its recent growth, B2B eCommerce appears likely to achieve even more explosive growth moving ahead. “B2B eCommerce is going to change quite a bit over the next several years,” Hane reports. “Organizations should ensure that the solution they select will be able to grow as they grow and adapt as the technology market changes. You don’t want to get locked into a solution that has a narrow vision.” That advice applies to all of the solution’s internal functionality, as well as to functionality enabled through integrations with other applications, such as tax technology. Tax rates change constantly, so updates to the tax rules that apply to online transactions should be managed as quickly, accurately and conveniently as possible. Other applications that integrate with eCommerce systems should also be flexible enough in structure to be used with any IT-infrastructure modes (on-premise, cloud or hybrid) the eCommerce system uses.

- Develop a sound business case: An effective business case addresses high-level business objectives while identifying specific return on investment (ROI) metrics. “It’s smart to tie the eCommerce investment to larger business goals,” Hane says. Beck describes three types of ROI metrics frequently included in business cases for an eCommerce system:
  1. **Revenue lift:** These measures focus on sales increases among existing customers through various enablers, including boosts to average order volume (AVO);
  2. **New customers:** These measures focus on the acquisition of new customers (often including those who currently cannot be reached through existing sales and marketing channels); and
  3. **Shift:** These measures address the shifting of revenue-generating activity from higher-cost channels (e.g., in-person sales) to lower-cost channels (e.g., a website or mobile sales).



## Implementation Considerations

Once project teams have worked through the previous steps and selected a B2B eCommerce system, they can begin the implementation. “If you assembled a comprehensive set of requirements during the selection,” Beck notes, “you have the basis for a successful implementation. Those requirements can be used by a systems integrator, like Guidance, and your solutions companies, like Magento and Vertex, to estimate, with a good level of confidence, how long it will take to implement a system.”

The requirements documentation and selection process typically takes from two to four months in duration, according to Beck, who reports that the length of an implementation varies, depending on several factors. These determinants include the organization’s existing IT infrastructure, the state of its data (in terms of quality and accessibility), how easily product information can be accessed and integrated into the new system, the number and type of other systems that need to connect to the eCommerce application and the online storefront design process, in addition to other factors.

B2B eCommerce system implementations typically require an average of seven to eight months to complete, although there are exceptions on either side of that estimate. “It’s a significant investment of time and resources,” Beck notes, “which is why it is so important to ensure you nail your requirements and objectives early upfront.”

The scope of these projects also explains why Beck and Magento’s Hane emphasize the value of the following three implementation steps:

- **Appoint a project lead:** “Number one, organizations need to remain engaged throughout the implementation,” Beck asserts. “One of the best ways to do so is by appointing an internal resource as the project’s point person.”
- **Consider an iterative approach:** Given the strategic importance of eCommerce investments, senior leadership teams tend to be understandably eager to see results from these endeavors. Hane and her team often dissuade customers from tackling everything in one fell swoop. Instead, they advocate more of a minimal viable product (MVP) approach in which key functionality is implemented in an iterative manner so the company sees quick wins and can swiftly respond to feedback. “You can then prioritize subsequent implementation activities based on what kind of return you think you’ll gain from additional capabilities,” Hane notes.
- **Select partners with deep B2B skills and experience:** Many, if not most, B2B companies are fairly new to eCommerce. In many cases, their primary areas of sales and IT expertise tend to occupy completely different areas. “B2B eCommerce is a highly unique domain,” Hane says. “Choosing external partners with significant B2B experience to assist with the implementation and help guide the project is absolutely crucial in many cases.”

## Final Thought: Team Play Drives Success

“eCommerce has come a long way in the last twenty years,” according to a recent Guidance post, “but the pace of progress is only accelerating.”

This quickening progress may qualify as either a threat or an opportunity to newly eCommerce ready B2B organizations.

For these companies, one of the biggest threats lies in selecting the wrong solution. That risk can be minimized via a collaborative approach to selecting technology and implementation partners, which includes customers and key internal stakeholders in the selection and implementation of a new solution. On this count, some impressive leaders across many realms agree: the key ingredient to success is teamwork.

## 3 Selecting and Implementation Pitfalls to Sidestep

1. Moving too quickly: “One of the most frequent pitfalls we see companies succumb to,” says Beck, “is failing to invest the upfront time and effort needed to follow a careful selection and implementation process...Before you even begin to look for a new solution, it’s important to document requirements and then use them as a basis for a selection.”
2. Underestimating the magnitude of related process changes: B2B companies that perform near-perfect selection steps and technology-implementation practices can still see their eCommerce investments suffer when they fail to manage the people and process changes that also need to occur. “Getting your people on board with the new technology, defining how processes should change and getting people trained to support these new channels is not trivial,” says Hane. “You really need to build that into your plan right from the beginning.” That is especially the case for salespeople whose processes are often the most affected by a new eCommerce system.
3. Increasing tax audit risks: Given how quickly and dramatically U.S. sales tax requirements are changing following the U.S. Supreme Court’s Wayfair decision concerning cross-state eCommerce transactions, it is crucial for project teams to contain sufficient tax expertise. “Any significant mistakes regarding tax management can intensify the risk of an audit,” Sieczkowski notes.

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### End Notes

<sup>1</sup>Bruno, John. Measuring Up: Benchmarking Your B2B eCommerce Performance. Forrester, Dec. 18, 2018.

<sup>2</sup>The Role of Commerce Service Providers and Changing Client Expectations in eCommerce, Guidance: <https://www.guidance.com/about/newsroom/blog/roleCommerce-service-providers-and-changing-client-expectations-eCommerce>.



Magento, an Adobe company, is a leading provider of cloud commerce innovation to merchants and brands across B2C and B2B industries and was recently named a leader in the 2018 Gartner Magic Quadrant for Digital Commerce. In addition to its flagship digital commerce platform, Magento boasts a strong portfolio of cloud-based omnichannel solutions that empower merchants to successfully integrate digital and physical shopping experiences. Magento is supported by a vast global network of solution and technology partners, a highly active global developer community and the largest eCommerce marketplace for extensions available for download on the [\*\*Magento Marketplace\*\*](#). Learn more about Magento on [\*\*Magento.com\*\*](#).



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