



CASE STUDY

Whether to Build or Buy in B2B eCommerce: A Leading Beverage Distributor's Perspective

Why one of the largest alcoholic beverage distributors in the U.S. chose Handshake's off-the-shelf platform instead of a custom B2B eCommerce portal.



Handshake's B2B eCommerce platform supports the complexities of wholesale alcohol distribution.

The prevalence of Software-as-a-Service (SaaS) solutions in the B2B marketplace begs an important question for today's tech-savvy suppliers: "When it comes to B2B eCommerce software, is it better to build or buy?" As distributors and manufacturers across all industries are in the midst of bringing B2B ordering online, the answer to this question has become more important than ever.

Large companies with complex business rules and external factors influencing their selling models may often find themselves tempted to build a custom B2B eCommerce solution in-house. Despite the significant resources involved in building a from-scratch custom solution, past suppliers have reasoned that a home-grown solution would better represent their selling workflows, support the specifics of their industry, and hopefully lead to better adoption of their portal. What they are finding instead, however, is that these custom solutions lack a clear, intuitive user experience, they are not built by vendors that have a core expertise in B2B eCommerce, and, most importantly, are cost-prohibitive to maintain and update over time. They quickly feel outdated in a landscape of rapidly changing buyer expectations, and unfortunately end up going unused.

Today's SaaS B2B eCommerce solutions are increasingly chosen as an alternative to custom solutions, with functionality that rivals—and often trumps—the capabilities that can be achieved by an in-house development team. Built from the data and feedback from thousands of companies that sell wholesale, they have proven to be more capable of scaling with business growth and handling tough challenges faced by some of the most complex industries, all at a fraction of the price and headache of launching and maintaining custom-built solutions.

Johnson Brothers, one of the largest wholesale distributors of wine, beer and spirits in the U.S., is an example of a company with experience on both sides of the *build vs. buy* software debate. Their decision to *buy* rather than *build* was based on a lesson they learned the hard way, years ago from an early attempt to custom-build a B2B ordering website that went south.

The Johnson Brothers Backstory



1953

Founded by Lynn Johnson



1993

Chief Information Officer Haseen Alam joins company



1999

Attempted to custom-build a B2B ordering website



2018

Successfully launched B2B eCommerce with Handshake

Johnson Brothers has realized the importance of online B2B ordering for two decades.

This case study details the reasons why Haseen Alam, Chief Information Officer at Johnson Brothers from 1993 to 2018, believes that establishing a partnership with an off-the-shelf B2B eCommerce vendor like Handshake is key to unlocking customer ordering and managing the complexities of B2B sales.

Johnson Brothers: A Success Story Built on Customer Service and Innovation

Johnson Brothers' late founder Lynn Johnson built an impressive beverage distribution business from humble beginnings—a one man, one truck operation in 1953. Since then, the company has grown to a team of more than 1,000 sales reps selling liquor to customers of all shapes and sizes across 22 states in the U.S.

From the very beginning, Johnson was committed to providing buyers with an unrivaled customer service experience. “Our sales reps are not just order takers,” Alam explains. “They offer a consultative, value-added experience to our customers, at no extra charge.” Johnson Brothers sales reps assist their restaurant and retail buyers with menu curation, pairing suggestions, product selection, pricing and merchandising decisions.

Throughout their history, the company has consistently embraced innovative technology to enhance the relationships between sales reps and their accounts. Decades ago, the company made it possible for their sales reps to transmit orders via a device that hooked up to a payphone, while they were on the go. They were also early adopters of mobile technology to make their reps more productive in the field. Recognizing the growing prevalence of the internet in the 90s, Johnson Brothers saw an opportunity to offer their B2B customers an online ordering website.



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Johnson Brothers reps sell strategically by...

- Developing menu selections
- Suggesting pairing options
- Influencing the product mix
- Setting retail prices
- Creating product displays

Building a custom B2B portal from scratch proved to be the wrong choice for Johnson Brothers.

An Early Attempt at B2B eCommerce

In 1999, Johnson Brothers sales reps were extremely busy—at times calling in upward of 50 customer orders per day. To continue to offer the best customer service possible, Johnson Brothers looked to find a way to offload ordering from their sales reps to their customers. Thinking toward the future, the company decided to implement a novel solution: a B2B online ordering website called EasyBev.com. In those days, SaaS solutions were few and far between, so Johnson Brothers sought to build a custom solution from scratch.

Inevitably, Johnson Brothers hit a wall and for several reasons decided to halt the project. In 1999, Johnson Brothers' customers were not ready to embrace the internet for online ordering, mainly because many of them didn't even have access to a computer or the internet. The company also found it difficult to build a system that could digitally represent their complex selling rules, state-specific pricing and product offerings, as well as navigate industry-specific laws restricting the sale of alcoholic beverages to specific companies.

Beyond these technological hurdles, Johnson Brothers had trouble getting their sales reps on board with the idea of self-service ordering. This early B2B eCommerce attempt did not integrate well with in-person sales rep processes or their existing multi-rep, complex commission structures, so there was no incentive for reps to get customers using the new portal. As a result, Johnson Brothers reps remained the contact for all orders, leaving their workloads unchanged.

“We were just too far ahead of our time,” says Alam. Frustrated, the company went back to the drawing board.

Custom B2B eCommerce Challenges in 1999



Limited vendor options



Low buyer technology adoption



Too much industry complexity



Lack of sales rep buy-in

Johnson Brothers recognized Handshake as the B2B eCommerce vendor that could meet their needs.

The Need for B2B eCommerce Continues to Grow

In the years since EasyBev.com, Johnson Brothers continued to grow their business into new territories, hiring thousands more employees to manage the ever-growing demand for their products. Perhaps no one felt these growing pains more than Johnson Brothers' sales reps, continually bogged down by workflows that they hoped would one day become obsolete. With 30-50% of their on-premise customers—bars and restaurants—placing orders through email, text messages and voicemail, manual order entry was still a large part of sales reps' everyday lives.

Johnson Brothers reps also found themselves spending too much time chasing down payments from their customers. Since the sale of alcoholic beverages is restricted to companies with good accounts receivable (A/R) statuses, "sales reps spend 10% of their time just collecting checks," according to Alam.

As time wasted by their sales reps continued to hinder their ability to keep up with their service standards and increase sales on their accounts, Alam led the company on a new search for a B2B sales solution. This time, they were careful to avoid their previous mistake. Rather than custom-build a solution, they sought out a SaaS B2B eCommerce provider with strong core eCommerce technology, but with a non-negotiable requirement: a mobile-ready solution that could be customized for their industry.

A Partnership with Handshake to Meet their B2B eCommerce Needs

In order to successfully implement B2B eCommerce, Alam knew they needed to partner with a vendor that could handle the complexities of B2B and support workflows specific to their industry. Hindsight from their early attempt to custom-build made it clear that they needed an off-the-shelf SaaS solution that could flex to their needs, with key functionality baked into the product itself. As Alam researched options, Handshake's intuitive platform struck him as a solution that would reinforce the company's commitment to its customers.

B2B eCommerce Goals:



Simplify reorder process



Handle business complexities



Save time for sales reps



Increase customer interaction



Increase sales and revenue

A strong SaaS partnership helped Johnson Brothers support the ordering complexities of their industry.

In partnering with Handshake, Alam explains, “Our goal was to improve customer experience and engagement by providing a simple, easy-to-use B2B portal for reordering products, viewing purchase history and making payments.” The Handshake platform promised to accomplish two key objectives for Johnson Brothers:

1. Save time for their sales reps while keeping them engaged in the customer reordering process and giving them time back to provide more strategic services, drive larger orders, and see more customers per day.
2. Simplify customer ordering so their accounts wouldn't have to worry about business rules, regulations, and pack size logistics when placing orders—it would all be available for them, upon login.

Alam and his team worked closely with Handshake's onboarding and professional services teams to ensure these requirements were reflected properly in their portal.

Navigating Regulations in Wine, Beer and Spirits Distribution

To ensure that Johnson Brothers does not violate the regulations set around their industry, they had to be certain that Handshake could handle their selling complexities. Since they distribute products across 22 states, Johnson Brothers must be careful to adhere to federal as well as local and state laws. This involves rules around distributing across state lines and not selling in dry counties.

Johnson Brothers must also be careful who they sell to. Perhaps most importantly, the company cannot sell liquor to customers without a valid liquor license. As previously mentioned, Johnson Brothers also cannot sell to customers that are not in good standing with their A/R. By setting up various product catalogs and managing customer data, including liquor license lists from various states, Johnson Brothers is able to set up Handshake to restrict which products are available where and to whom.



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With Handshake, Johnson Brothers is able to handle several business rules within their B2B eCommerce platform.

Additionally, Johnson Brothers is working with Handshake to tweak their buying interface to ensure a clear A/R status is displayed in each account record. This will allow Johnson Brothers to give sales reps access to important information in the field as well as maintain compliance with industry-specific regulations.

Implementing Complex Business Rules and Preferences

Johnson Brothers required other key functionality that they needed to make sure Handshake could accommodate. In step with their focus on customer experience, they wanted their B2B eCommerce solution to be as user-friendly as possible. Since Johnson Brothers sells in both variants of cases and individual bottles, it was important that they simplify this workflow for their customers. For instance, if a customer orders 16 bottles that come in a case of 12, their order will automatically adjust to *1 case and 4 bottles* in Handshake.

It was also very important to Johnson Brothers that payment collection could be streamlined within their B2B eCommerce system. Previously, sales reps would have to waste several hours per week collecting checks from their accounts to ensure that they were in adherence with A/R laws. Combating this challenge, Handshake will display helpful A/R status information to buyers and reps in the field, and will also allow Johnson Brothers to collect and process payments directly within the platform.

Sales Rep Technology Integration

Johnson Brothers chose Handshake because of the platform's intuitive design and streamlined reordering capabilities, with solutions that include both their sales reps and their customers. "We are emphasizing with our customers that Handshake is a reorder system," says Alam. "When reordering shifts to our customers, it frees up our sales reps' time to offer more value-added services, talk about new products and promotions, and see more customers."

Industry-Specific Handshake Customizations

- Ability to reference state liquor license lists
- Automatic bottle to case adjustments
- A/R status on each customer record
- Order email notifications mapped to respective sales reps

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Johnson Brothers' SaaS B2B eCommerce software investment promises some impressive returns.

Since Johnson Brothers carries a diverse set of products, some of their larger accounts are serviced by 4-7 reps, each managing separate product catalogs. On one hand, Johnson Brothers wanted their customers to be able to order all types of products in a single B2B eCommerce order, but on the other hand, the company needed to make sure the proper reps could easily review their portion of the order. To meet this need, Handshake is able to produce separate order confirmations for each rep's products included on a given order.

In addition, reps are now able to work more closely with customers to drive larger orders and increase product discoverability. For instance, sales reps can now review and modify customer orders in Handshake—giving them the chance to upsell and suggest new items.

Realizing B2B eCommerce ROI

Freeing up sales reps' time by empowering customers to reorder on their own through Handshake has revenue potential that far outweighs costs. "Some of our reps see more than 100 customers and order several thousand products each month. If we can just save 1-2% of their time, they can potentially order 10 more cases and see 1 new customer per month," Alam explains.

Considering the scope of their sales operation, Johnson Brothers estimates that this increase in sales rep productivity could result in upward of 120,000 more cases of product being ordered each year. "These numbers are very conservative for us," continues Alam. "We do not have to move the needle too much to be successful with this project."

Beyond potential revenue increases, Johnson Brothers sales reps are starting to see early customer experience improvements from their new B2B eCommerce system. Originally, Johnson Brothers had planned to pilot Handshake with 12 key accounts, but after initial results, sales reps were so excited that they asked to add 30 more customers to the rollout. Alam reports, "I am very happy to say that every one of our buyers are enjoying the ease of use and simplicity of Handshake, and each of our reps have noticed time savings in the first few weeks."

The Handshake Revenue Opportunity



Johnson Brothers estimated that Handshake could help them sell at least 120K more cases a year.

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SaaS B2B eCommerce platforms can meet business needs that custom-built solutions simply cannot.

Build or Buy? The Answer is Clear for Johnson Brothers

When faced with the choice to build or buy, Johnson Brothers knew from experience that purchasing an off-the-shelf solution from a flexible SaaS B2B eCommerce vendor would be their greatest chance at success. Today's best SaaS B2B eCommerce solutions give you the best of both worlds: strong off-the-shelf functionality with the option to make customizations for your particular business needs. And ultimately, your buyers will be more likely to use a robust B2B eCommerce portal that makes their lives easier by strengthening their relationships with your sales reps, than a custom-built solution with functionality gaps.

“Partnering with the right B2B eCommerce vendor was important for us,” says Alam. “We were looking for a provider who would work closely with us to implement industry-specific customizations and give us the best of both worlds—an *almost* custom SaaS solution.” Johnson Brothers’ partnership with Handshake gives proof to the SaaS model for deploying comprehensive technology solutions that have far reaching operational effects. Custom-built solutions are not only much more expensive to implement, they are simply a thing of the past.

If you are considering custom B2B eCommerce software because you haven't yet found an SaaS vendor that can customize their technology to your needs, Handshake can help. [Sign up for a 10-minute call](#) with one of our B2B eCommerce experts—let them hear your challenges and decide together whether Handshake is the right choice for your business.

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