



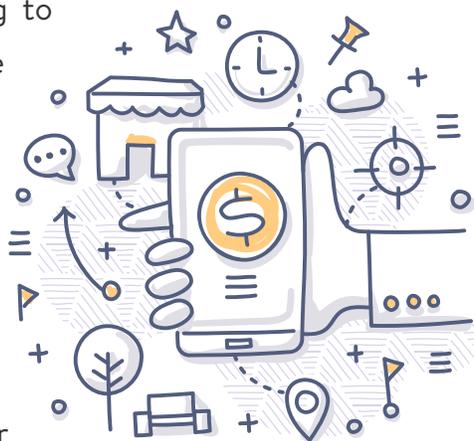
# INTRODUCTION

Manufacturers and distributors today must contend with a new kind of buyer—one with much higher benchmarks for convenience and speed. Rapid advancements in the B2C space are making their way into the world of B2B commerce, including the demand for “anytime, anywhere” ordering and more personalized, streamlined buying experiences across both new online channels and traditional in-person sales conversations.

Change is happening, and it’s happening quickly. Technology investment has shifted from back office functions to improving sales processes on the front lines, and to stay ahead of competitors, manufacturers and distributors across all industries are looking to replace paper order forms, phone calls, and other manual sales and ordering methods with digital solutions. **Three key areas of investment include:**

- B2B eCommerce
- Mobile commerce
- Mobile order writing

Companies are now faced with important decisions on how to implement these new solutions. Some are looking to modules or add-ons within their existing Enterprise Resource Planning (ERP) systems—long perceived as “all-in-one” platforms, only to find that their ERP simply cannot meet many of these needs. In this white paper, we’ll take a look at why many manufacturers and distributors are choosing to invest in third party “best-of-breed” software platforms that were purpose-built for customer-facing functions like order writing and eCommerce.



# ERP Falling Short in the On-Demand Economy

In today's "on-demand" economy, buyer expectations have never been higher. Over the last decade, the B2C environment has set new bars for purchasing ease and delivery speed, and these expectations are quickly spilling over into B2B. According to [Forrester](#), by 2017, 56% of B2B buyers will place at least half of their business purchases online. Indeed, B2B eCommerce is projected to grow to over \$1 trillion in the US alone by 2020. People are also making more purchases from their mobile devices, and mobile commerce is outpacing eCommerce growth by three to one. According to [Paypal](#), US mobile commerce is expected to grow from \$54.6 million in 2014 to \$96.3 million by the end of 2016.

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These statistics reflect the "anytime, anywhere" habits of today's buyers, and manufacturers and distributors are scrambling to keep up by investing in mobile order writing solutions for their sales teams and B2B eCommerce portals and mobile commerce applications for their customers.

The ERP--once considered an "all-in-one" solution for everything from payroll to order management--is falling short of the needs dictated by the on-demand economy. While some ERP systems may offer modules or add-ons for sales order management and eCommerce, they fail to provide the functionality and user experience needed to meet demands for convenience, speed, and efficiency. Let's take a closer look at the primary limitations of ERP software, and why, when it comes to commerce technology, manufacturers and distributors are deciding to invest in best-of-breed solutions instead.

# 1 ERPs are not designed for sales and commerce.

At a high level, an ERP is essentially a collection of recorded facts—a complex ledger keeping track of when a customer placed an order, how much stock was received in a warehouse, or when an invoice was settled. The ERP system is actually an expanded, evolved version of what’s called “Material Requirements Planning” (MRP), a business process that emerged in the 1960s and 1970s as a way to improve how manufacturers ordered the materials they needed to make their products. Over time, Material Requirements Planning evolved into “Manufacturing Resource Planning,” or “MRP II,” which added more forecasting abilities, financial planning, and operations planning. Eventually, these systems grew into the ERPs that we know today.



What this boils down to is the fact that ERPs were designed to help businesses automate their processes in the back office. It was not designed for use by sales reps, and ultimately, it is not robust or tailored enough to meet the demands of the complex, evolving sales conversations that lead to a sales order. With best-of-breed commerce applications, on the other hand, features like high-resolution digital catalogs, dynamic pricing, and order duplication make it possible for sales reps and customers to place orders quickly and easily.

# 2 ERPs have not prioritized mobile technology.

As outlined earlier in this white paper, mobile technology is becoming key to both field sales operations and customer ordering.



Giving reps the ability to place orders digitally on a mobile device eliminates the need for paper order forms and catalogs, manual order submission, and data entry. Reps are also able to build orders much more quickly, giving them more time during sales appointments to upsell new products and play a more strategic, consultative role with customers.

Giving customers the ability to place orders on a mobile device allows them to place orders anytime, anywhere at the moment of purchase intent (rather than waiting to call in an order during business hours). Mobile commerce is also giving manufacturers and distributors a direct line of communication with customers through push notifications for order confirmations, shipping notifications, reorder reminders, product updates, and promotions.

An important distinction when it comes to mobile is the difference between a native mobile application (designed specifically for use on smartphones and tablets; works offline) and a “mobile-optimized” website (originally designed for desktop computers, but shrunk down to fit on a smaller screen; does not work offline). While some ERP systems may have developed tools for web-based eCommerce, they simply do not offer the ability to place orders on a mobile device, let alone native mobile ordering applications.

**WHILE SOME ERP SYSTEMS MAY HAVE DEVELOPED TOOLS FOR WEB-BASED ECOMMERCE, THEY SIMPLY DO NOT OFFER THE ABILITY TO PLACE ORDERS ON A MOBILE DEVICE, LET ALONE NATIVE MOBILE ORDERING APPLICATIONS.**

If your ERP provider claims to have mobile device support, it typically means that your reps or customers must access an ordering portal from their mobile web-browser, which is a user experience completely subject to Internet connectivity.

### **3 ERP vendors cannot offer a comprehensive omnichannel commerce platform.**

When it comes to doing business in the B2B space today, it’s impossible not to talk about omnichannel, an approach to sales that aims to provide a seamless customer experience across multiple touch points, whether they are making purchases in person or online from a desktop computer or mobile device. In a [survey](#) conducted



by Accenture and Forrester research, 72% of respondents agreed that omnichannel customers are substantially more valuable than single channel customers, with 51% also saying that these customers have a higher lifetime value. Omnichannel is here, and it is soon going to be simple table stakes for success.

This is why many manufacturers and distributors are looking to best-of-breed software vendors who are committed to this omnichannel vision and **offer a complete platform that includes:**

- ✓ Web B2B eCommerce
- ✓ Native mobile commerce
- ✓ Mobile order writing applications for field sales teams

The platform centralizes all orders submitted to the back office--from customers and the field sales team--as part of one common backend. Even for companies that choose not to invest in all of these solutions at once, it gives them the required flexibility to roll it out over time to create a consistent, unified customer experience across all channels, including the fast-growing mobile segment.

**THE PLATFORM-BASED APPROACH IS ONE OF THE BIGGEST REASONS WHY MANUFACTURERS AND DISTRIBUTORS ARE GOING IN THE BEST-OF-BREED DIRECTION.**

The platform-based approach is one of the biggest reasons why manufacturers and distributors are going in the best-of-breed direction. ERP systems simply do not offer the mobile piece of the puzzle--both on the sales rep and customer ordering sides. By investing in a best-of-breed commerce platform that can then be integrated with their ERP system, companies are future-proofing their businesses and ensuring that they will have all the tools they need to compete in the on-demand economy.

## 4 ERPs do not have the UX DNA needed to encourage adoption.

ERPs are not commerce platforms, and they do not feature the seller-driven and customer-driven user experience (UX) needed to encourage adoption. Because ERP vendors typically face a completely different set of stakeholders--accountants, operations professionals and other back office staff--they simply do not have the domain knowledge necessary to develop intuitive applications for reps and customers.



Furthermore, ERP vendors are providing a category of software in which usage is generally mandated--they simply do not have to prioritize user experience. For software vendors designing B2B eCommerce and mobile order writing solutions for sales reps and customers in the field, however, encouraging adoption is paramount, and making the software as intuitive and easy to use as possible is critical.

## 5 Investing solely in one ERP vendor increases long-term risk and cost.

Finally, buying too far into the “all-in-one” mentality surrounding ERP vendors can create a lot of unnecessary risk and cost down the line. By relying on an ERP for your back office functions as well as your front-line sales, you are essentially putting all of your eggs in one basket.

**MANY MANUFACTURERS AND DISTRIBUTORS ARE CHOOSING TO MITIGATE VENDOR RISK BY INVESTING BEYOND THEIR ERP VENDOR FOR COMMERCE SOFTWARE.**

If, for instance, you are unhappy with your ERP’s commerce functionality for any of the reasons listed above (poor user experience and adoption, lack of mobile capabilities, etc.), it will be extremely difficult--or at the very least, extremely costly--to pivot away from that ERP vendor in the future. With little leverage, it will also be difficult to renegotiate contracts and pricing with the ERP vendor down the line.

Many manufacturers and distributors are choosing to mitigate vendor risk by investing beyond their ERP vendor for commerce software. Best-of-breed solutions can help businesses keep costs down in the long run and maintain agility in the market.



# Enterprise Technology & The Best-of-Breed Transition

For many manufacturers and distributors, the results of these ERP limitations are all too clear. Remnants of an analog world still cling to the pivotal front-end process of capturing and submitting an order--carbon paper order forms, fax machines, data entry, order submission delays, and fulfillment errors.

This has made ample room for other categories of software to enter the market--solutions that were designed specifically for sales reps and customers to easily adopt. While manufacturers and wholesale distributors won't be eliminating their ERP systems anytime soon, they are integrating them with these best-of-breed solutions for sales and ordering to balance the needs of both back office operations and front-line sales.



## Now, there are a few questions businesses must answer:

- What categories of best-of-breed software are most important to our business in the short term? In the long-term?
- How can we build an omnichannel ordering experience that will meet customer expectations, including the growing desire for mobile commerce capabilities?
- Who are the market leaders, and which solution will be able to best meet our needs?

This is a challenging new time for businesses, but these off-the-shelf best-of-breed tools can play a huge part in improving sales productivity and increasing overall efficiency. While the discovery process is still being explored, it is an exciting time for manufacturers and distributors who are taking a new look at their existing processes and seeking ways to become more agile in an increasingly competitive market.

# About Handshake

Handshake provides the B2B Commerce platform for manufacturers and distributors that powers standout ordering experiences both in-person and online.

Companies using Handshake transform their sales effectiveness and drive operational efficiency, delighting customers and growing lasting relationships.

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