MAKE MUSIC, NOT NOISE

ACHIEVE CONNECTED GROWTH WITH ECOSYSTEM ORCHESTRATION

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CUSTOMER EXPECTATIONS FOR PERSONALIZED EXPERIENCES AND END-TO-END SOLUTIONS ARE SIGNIFICANTLY HIGHER THAN THEY WERE JUST A FEW YEARS AGO ACCORDING TO 73 PERCENT OF BUSINESS-TO-BUSINESS (B2B) EXECUTIVES.¹

Digital disruption, the rise of consumerism, and the proliferation of as-a-service and outcome-based solution offers have all played a role. These factors have also introduced a new B2B customer experience (CX) paradigm—one that has reshaped the customer buying process and is straining traditional marketing, distribution, service and sales strategies.
MANY B2B LEADERS RECOGNIZE THAT CONNECTED GROWTH—THE GROWTH COMPANIES CAN ACHIEVE BY CONNECTING INSIGHTS, ANTICIPATING BEHAVIORS, AND EXTENDING CUSTOMER EXPERIENCES TO AN ECOSYSTEM OF PARTNERS BOTH INTERNAL AND EXTERNAL—IS AN OPPORTUNITY HIDING IN PLAIN SIGHT.

Accordingly, they have grown their indirect sales networks and engaged new types of channel partners to expand selling opportunities and offer more integrated, outcome-based solutions. Unfortunately, B2B companies report limited insight, influence, and collaboration within this extended channel. That makes the climb to a friction-free B2B customer experience that much steeper.

It is becoming increasingly clear that the urgency to grow the indirect channel and monetize customer experiences is disconnected from today’s operational reality. A new approach is required to bridge the gap. Leading B2B companies are catching on. They’re ditching the benign neglect of traditional channel management in favor of an orchestrated CX strategy. It’s an approach that engenders trust and enables partners to pursue a connected growth agenda that boosts revenue across the sales ecosystem. It’s an approach that turns discordant sounds into a harmonious arrangement.
THE COST OF COMPLEXITY

B2B leaders know that customer experience is the gateway to growth. Ninety percent of them believe CX is crucial to their companies’ strategic priorities. And 75 percent believe CX will be even more important in the next two years. Acknowledging the importance of CX is one thing. Delivering experiences that produce more B2B sales is another.

Selling in the digital age has become more complex than many B2B leaders had anticipated. Buyers are demanding more and different solutions and forms of engagement. They are more fickle and less loyal. And there are more of them. The average number of customers that participate in a B2B buying decision now stands at seven.

OPPORTUNITY KNOCKS

The opportunity cost of under-delivering CX is substantial. A leading technology manufacturer boosted sales 4.9 percent by orchestrating customer retention, contract renewal, product refresh, and cross/up-sell efforts, while reducing unproductive administrative time for channel sales teams.

Further, we’ve found that companies with effective partner lead generation and coaching are 63 percent more likely to exceed their indirect channel revenue goals.

Source: Accenture customer experience and Accenture Strategy 2016 CSO Insights Channel Performance Study.
Complicating matters is the fact that customers don’t engage with sales channels as they used to. Sales environments are becoming more digital and less human. And opportunities to sell are coming from less traditional places. B2B customers are:

**INCREASINGLY SELF-RELIANT.**
Most customers are 57 percent through the buying process before the first meeting with a company representative.4

**INCREASINGLY SOCIAL.**
61 percent of all B2B transactions now start online. And 58 percent use social media as a research channel.5

**INCREASINGLY CAUTIOUS.**
More than 90 percent of decision makers never respond to cold outreach.6

**INCREASINGLY DEMANDING.**
B2B customers want the same level of hyper-personalized service as they receive in B2C channels.

These evolving customer behaviors and sentiments have huge implications for a B2B company’s CX strategy—and its bottom line. Without the right CX capabilities, B2B companies can’t build relationships with loyal customers who spend more, stay longer and are more forgiving. They miss out on growth opportunities that reside outside the traditional sales cycle. And they incur huge opportunity costs by failing to capture renewals.
Indirect channels are critical conduits to B2B sales. More than 60 percent of executives we surveyed noted that external parties influenced more than 25 percent of their company’s yearly revenue. To deliver the convenience and the outcomes-based experiences customers now demand, B2B leaders are becoming more reliant on select key partners. They are also:

- **Engaging New Types of Partners.** 63 percent have collaborated with new types of partners such as start-ups and digital ventures.
- **Increasing Channel Investments.** 66 percent plan to increase the size of their channel networks.
- **Expecting More.** 91 percent believe that channel partners will have more responsibility in driving CX in the next two years.

Growing their partner networks to drive more sales makes sense. At least in theory. In reality, B2B companies have little more control over their sales networks than they do over their customers’ experience. Only 21 percent admit to having total control over their sales networks. That relative lack of control is due largely to a lack of trust and insight, evidenced by the fact that 84 percent of B2B leaders do not have clear visibility into their partners’ pipelines.

Traditionally, B2B companies have considered efforts to improve CX and effectively develop indirect channels as largely unrelated. They are, in fact, intrinsically linked. B2B companies will never gain control of one without gaining control of the other.

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**84% of B2B Companies Do Not Have Clear Visibility Into Their Partners’ Opportunity Pipelines.**

Source: Accenture Strategy 2016 CSO Insights Channel Sales Optimization Study.
In the digital age, where customer expectations are evolving at breakneck speed, B2B companies must replace their traditional models of indirect channel management with new models of ecosystem orchestration (see page 9).

At its core, ecosystem orchestration is about conducting information, resources, processes and services to produce a winning score. Orchestrators take time to understand their partners’ businesses as well as they understand their own. Successful ecosystem orchestrators also target their investments in two areas: Sharing customer insights and driving partners’ sales performance. We’ve found that companies with effective partner lead generation and coaching are 63 percent more likely to exceed their indirect channel revenue goals.¹³

There are encouraging signs that B2B companies are ready to pick up the baton. Three-quarters (74 percent) of CEOs acknowledge they want to get better at leveraging ecosystems to deliver superior CX.¹⁴ Unfortunately, for many of these companies, this is little more than lip service.
Many B2B companies are largely blind to the CX needs of their indirect channel partners. They are less inclined than their B2C peers to use technology to capture customer feedback (see Figure 1). And they invest billions in programs and solutions aimed at boosting sales, with little consideration to what channel partners would actually find of value. Accenture Strategy has found that, in many cases, one in three dollars available for channel investments goes unutilized. This benign neglect—characterized by significant, but haphazard, investments—takes its toll on trust and visibility. For example, 74 percent of B2B companies that invest in comprehensive Partner Relationship Management (PRM) solutions report that they have visibility into their partners’ opportunity pipelines. Unfortunately, only half (53 percent) of B2B companies are investing in PRM at all.

**FIGURE 1** B2B companies lag their B2C counterparts when it comes to capturing “the voice of the customer” to inform and improve CX-related decision making. Source: Accenture and Medallia research, March 2017

**THERE IS PLENTY OF OPPORTUNITY FOR B2B COMPANIES TO APPLY FEEDBACK-MANAGEMENT CAPABILITIES TO:**

- Collect customer feedback: 61% B2B, 41% B2C
- Document customer problems & follow ups: 54% B2B, 43% B2C
- Identify opportunities for innovation that can provide new value to customers: 48% B2B, 38% B2C
- Capture and share learning from customer feedback: 50% B2B, 40% B2C
- Route customer problems to the right decision makers: 49% B2B, 40% B2C
When managing traditional indirect sales channels, B2B companies often typecast their partners as “dealers,” “distributors,” “resellers” or “service providers” and give them the freedom to carry out their roles as they see fit. In the digital age—where every customer touch point must be aligned and, if possible, monetized—these labels and disconnected approaches hold diminishing value.

What’s needed today is a sales ecosystem that enables trusted relationships with select partners. These key partners don’t just pass along a product or service to customers. They create value together. They share resources and insights to deliver better CX. Above all, they consistently demonstrate a commitment to connected growth.

GOODBYE, CHANNELS
HELLO, ECOSYSTEMS
In the digital age, B2B companies have the opportunity to orchestrate indirect channel growth and CX improvement as movements of a single symphony. To conduct sales success, B2B leaders must:

**PIVOT FROM PARTNER MANAGEMENT TO ECOSYSTEM ORCHESTRATION.** To regain visibility and control over CX, B2B companies need to consider their indirect partners as extensions of their own business and critical enablers of new business models and CX strategies. An ecosystem mindset looks beyond the interactions and transactions that have characterized indirect channel models of the past. The new focus is not on ensuring territory coverage or sales volume, but on co-creating value by delivering exceptional customer experiences. Ecosystem orchestrators don’t apply a standard approach to partner selection and management. They intentionally team with a select network of partners that can extend and improve CX. Equally important, they tailor their partner experiences to ensure their partners are aligned and appropriately supported.

**MIND THEIR PARTNERS’ (AND CUSTOMERS’) BUSINESS.** In an indirect channel ecosystem, understanding the needs and preferences of end customers takes priority. Delivering the best customer experiences requires connected insights. Feedback mechanisms and data sharing are essential for building trust among all parties and understanding what they need in order to improve CX and sales. Providing partners something they value—such as leads, customer events and sales coaching—will encourage them to share customer insights. Aggregating, enriching and sharing appropriate customer insights among select ecosystem participants allow the indirect channel to operate as an engine for connected growth. And aligning measures of success around consistency of outcomes helps to ensure an optimized experience for all customers.
ADOPT A NEW CURRENCY FOR CONNECTED GROWTH.

Seventy percent of B2B executives state that partners that are more digitally engaged are typically more valuable to the business.¹⁸ Currently, B2B companies lag their B2C counterparts in using technologies to understand the customers and devise strategies for delivering better experiences. The good news is that there is plenty of opportunity for them to catch up. Better customer data management (cited by 68 percent of our survey respondents) and insightful analytics (67 percent) have the potential to be the currency that drives ecosystem growth in the future.¹⁹ Social listening also holds particular potential for B2B companies. Our research found that integrating social data with core CX capabilities such as closed-loop feedback is the leading predictor of not only CX performance, but also CX improvement over time.¹⁷
THE SWEET SOUND OF GROWTH

B2B companies are struggling with a loss of control over CX today. As they grow their indirect channels, this issue will only get worse. With their future growth prospects at stake, B2B executives must determine how to improve CX—while ceding more of the experience to their partners. The answer lies in adopting an ecosystem mindset, providing partners the tools they need to grow their businesses, and orchestrating a trusting environment that encourages the right partners to deliver the right experiences that will drive connected growth.
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FOOTNOTES

2. Ibid.
4. Ibid.
8. Ibid.
11. Ibid.
13. Ibid.
19. Ibid.

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