Winning the race
to go digital
in B2B

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Digital is the New Differentiator

Changing buyer preferences, ever-growing competitive threats, and new technologies are upending B2B industries, forcing companies to completely rethink the way they go to market and engage with their customers.

Without the ability to rely on their historical pricing, product, or operational advantages, B2B companies are now turning to highly personalized and seamless experiences to stand out from the crowd.

B2B leaders see digital commerce as key to crafting winning experiences and achieving their strategic goals in this new business environment. In fact, nearly half of B2B leaders say that they are looking to address their most critical corporate priorities, like increasing overall revenue and improving overall customer satisfaction, with their digital commerce efforts.[1]
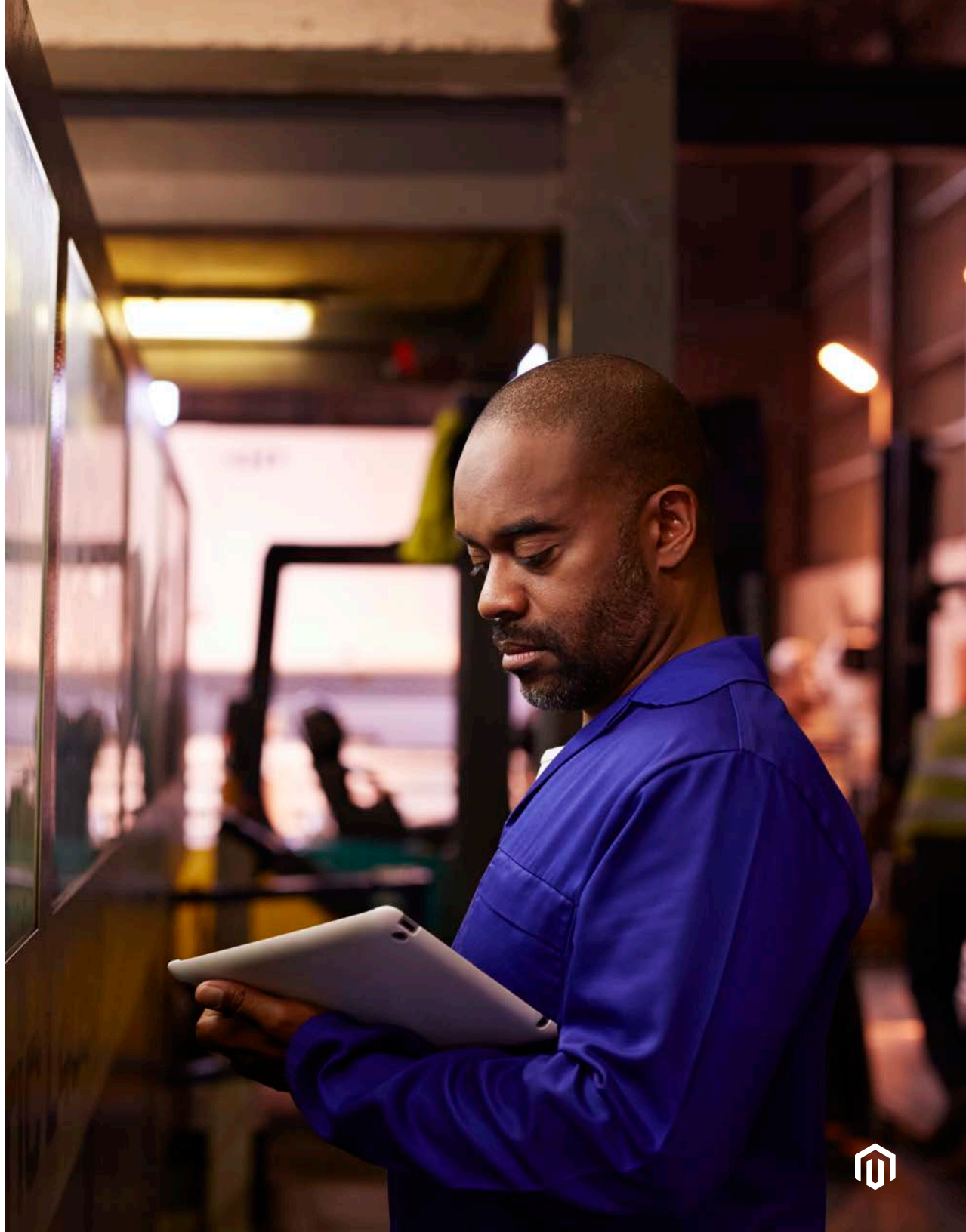
To deliver against such ambitious goals, B2B companies require a next generation commerce solution that addresses current needs and customers, but also one that will grow and evolve as market dynamics continue to change. This need for immediate functionality and long-term flexibility is apparent in a commissioned study conducted by Forrester Consulting on behalf of Magento. The data demonstrates that B2B leaders want solutions that offer comprehensive capabilities and performance combined with the ability to serve multiple audiences, easy customization, and seamless integration across business systems.

Which of the following were the most important criteria when your organization initially selected its current B2B eCommerce tool/technology set?
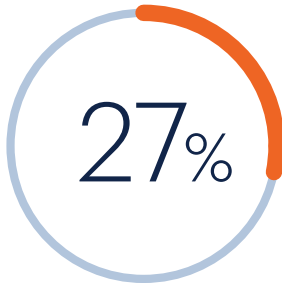
27%
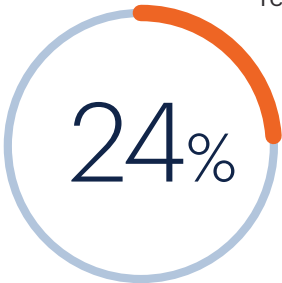Had high site performance and reliability

25%
Completeness of solution

24%
The solutions support both B2B and B2C commerce requirements

24%
Integrated easily with existing business systems

24%
Ease of customization to meet my needs

[1] Commissioned study conducted by Forrester Consulting on behalf of Magento, March 2018

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Flexibility is where Magento stands out. As the leading global platform for both B2B and B2C commerce, it empowers companies with an open, extensible platform and robust capabilities to create unique experiences that drive differentiation, long-term growth, and loyalty.

Magento's rich feature set and vast ecosystem of partners and solutions accelerate time to market, helping B2B companies achieve their vision sooner. No other platform brings such speed and agility to B2B digital transformation. That's why Magento is the trusted platform for both the Internet Retailer 1000 and Internet Retailer B2B 300.

Discover how Magento is uniquely positioned to meet the commerce needs of B2B companies in these changing times. This paper provides a comprehensive review of core Magento features and capabilities and describes how they enable B2B companies to transform the way they engage with their customers.

You'll learn about:

✓ Using built-in B2B functionality to boost sales and loyalty

✓ Creating content-rich, personalized experiences

✓ Delivering omnichannel ordering and fulfillment

✓ Empowering intelligent, data-driven decision making

✓ Maximizing flexibility in a cloud environment

✓ Assembling a winning team for rapid digital transformation

Using Built-in B2B Functionality to Boost Sales and Loyalty

Magento Commerce was designed to fully support both B2B and B2C commerce, giving companies the power to efficiently serve all types of customers and venture into new business models, like direct-to-consumer, from a single platform. It includes the commerce capabilities you'd expect, plus a comprehensive set of B2B functionality out of the box to ensure companies can meet their unique requirements with minimal development. With features like full company account management, flexible payment options, custom pricing, and fast ordering and quoting, Magento has everything needed to get to market quickly with powerful B2B or hybrid B2B/B2C experiences.

Company Account Management

Magento provides a full suite of tools for B2B companies and their buyers to easily manage company accounts.

To get started, B2B sellers can connect Magento to customer data in existing business systems using APIs or manually enter account information.

Each account is assigned a sales rep, product catalog and price list, credit terms, and a **"Super User"** who will manage the account for the buyer. B2B companies can also accept new customer applications through their site, making it easier to acquire and onboard prospects.

B2B buyers are empowered with easy-to-use account management tools. Super Users can add and remove buyers from their company account and drag-and-drop them into a hierarchy that matches their business structure. Supervisors in this hierarchy can view the activities of their subordinates. **(Figure 1.1)**
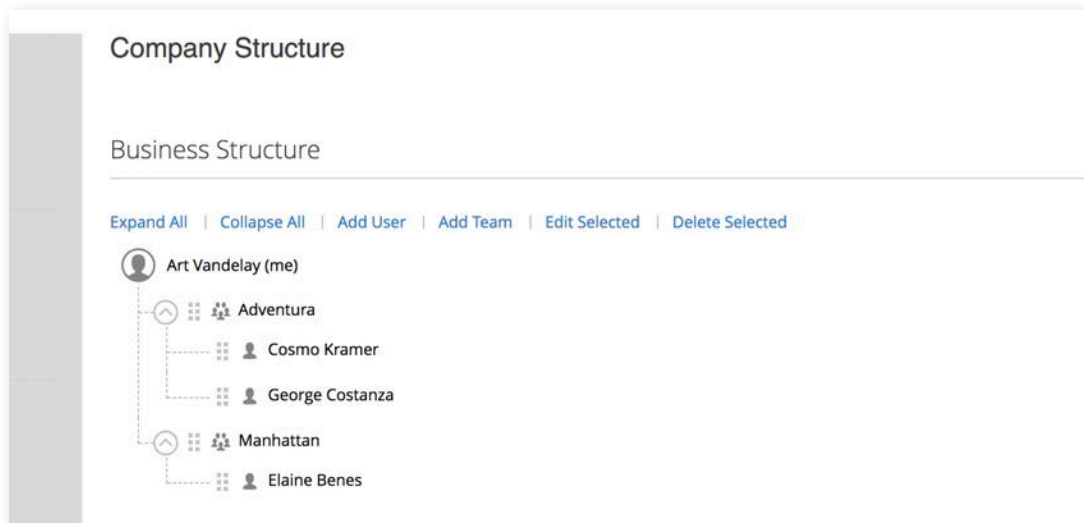
FIGURE 1.1 Buyer view of company structure

Super Users can also define specific roles and permissions to control how individual buyers interact with the site.

For example, they can determine if a buyer can:

View or place quotes and orders

Purchase on credit

View or edit the company profile

View or manage buyer roles and permissions

Additional roles and permissions can be added or customized to meet unique business needs.

(Figure 1.2)

FIGURE 1.2 Buyer view of roles and permissions

Buyers value these self-service capabilities because they can manage their accounts on their own, at their convenience, without having to wait on the phone for a call center rep. They are fully in control of their experience.

Flexible Payment Options

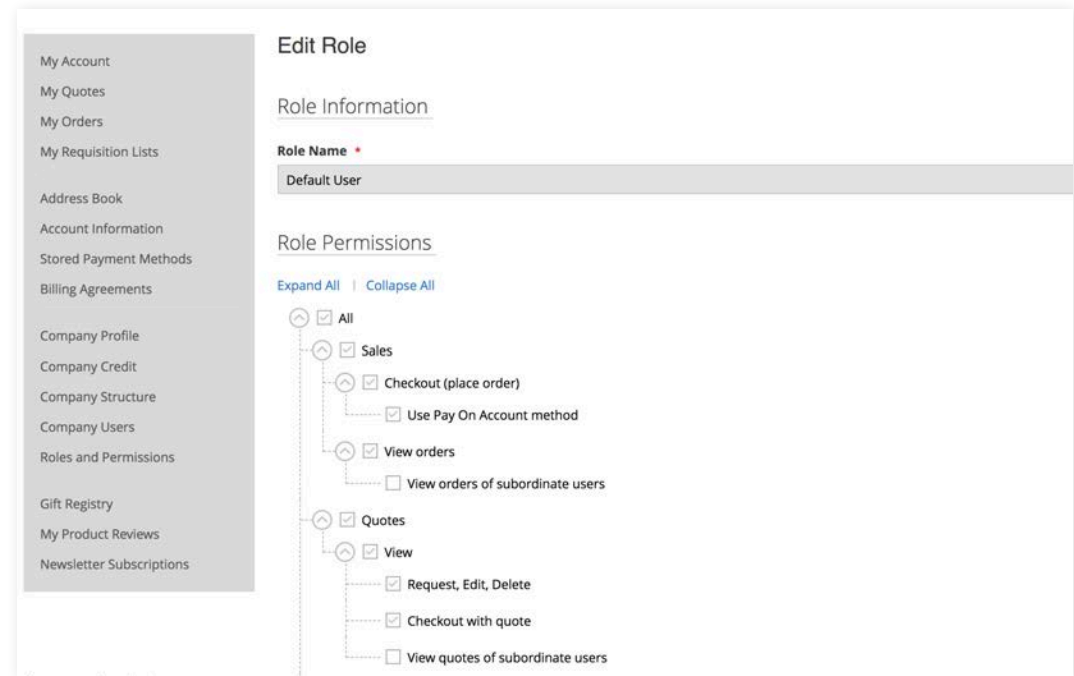Beyond providing efficient self-service capabilities to enable individual buyers, it is also critical to support all the ways buyers want to pay.

The most common practice is for B2B customers to pay on credit terms. This makes purchasing more convenient, encourages increased spending, and builds loyalty. Magento natively includes support for payments on account so that B2B companies can extend credit to their buyers.

Company Credit

Outstanding Balance:	**Available Credit:**	**Credit Limit:**
-$7,579.40	$47,420.60	$55,000.00

Filters · Columns · Default View

1 records found · 20 per page · 1 of 1

Date ↑	Operation	Amount	Outstanding Balance	Available Credit	Credit Limit	Updated By	Purchase Order	Comment	Action
Nov 19, 2018	Purchased	-$7,579.40	-$7,579.40	$47,420.60	$55,000.00	Art Vandelay	275412	Order # 000000041	

Credit Currency: US Dollar

Credit Limit: $ 55,000.00

Allow To Exceed Credit Limit: No

FIGURE 1.3 Magento Admin company credit management view

Within Magento, B2B companies can enable or disable the payment on account feature for each of their websites, control which countries are eligible to use it, and set minimum and maximum order amounts for credit purchases.

For each customer, they can set:

A credit limit
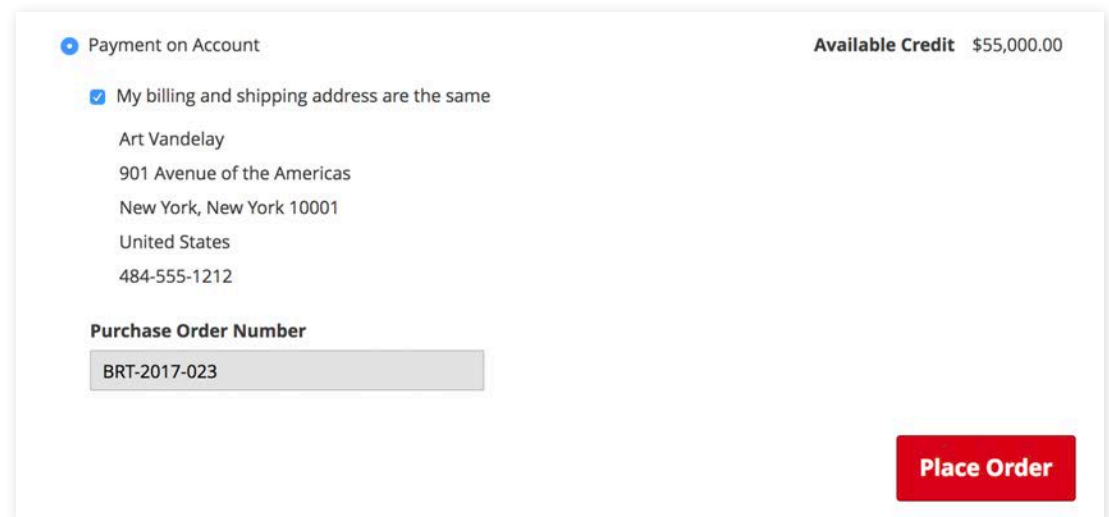
Determine if they can exceed the limit

Track their credit transactions, balance, and available credit

(Figure 1.3)

Magento's payment on account feature seamlessly integrates with existing credit management systems to reflect all customer credit purchases and payments. B2B companies can also manually reimburse the credit balance through the Magento Admin panel by entering the amount and purchase order number it should be applied to.

Buyers have full visibility into their credit status. When checking out, they can always see their available credit before placing an order and they can monitor their outstanding balance, available credit, and transactions against their credit line using self-service tools in their company account. **(Figure 1.4)**

FIGURE 1.4 Buyer view showing the payment on account option and available credit

In addition to supporting payments on account, Magento also enables credit card purchasing, which is now used by up to 88% of B2B buyers.[2] Magento integrates out-of-the-box with multiple payment gateways including Authorize.net, Braintree, CyberSource, eWay, PayPal, and WorldPay. Additional gateway extensions are available through the Magento Marketplace. With these integrations, credit card information is passed directly from the client's browser to the payment gateway to ease PCI compliance.

[2] Building the B2B Omni-Channel Commerce Platform of the Future, Forrester Consulting, August 2014.

Magento also integrates with automated fraud protection tools, like Signifyd, to evaluate each transaction in real time and cover any shipping or chargeback fees incurred on approved transactions.

This protection gives merchants greater peace of mind, particularly if they are venturing into direct to consumer sales for the first time.

Magento supports alternative payment options like Amazon Pay, Klarna, and PayPal Express Checkout, which offer even faster checkout experiences. Direct bank transfers and other options are also available to create a seamless payment experience, no matter the use case.

Custom Catalogs and Price Lists

To ensure that each buyer has a personalized experience, Magento also enables B2B companies to create customized catalogs and price lists and assign them to individual companies or groups of companies.

This allows them to honor negotiated contracts when their buyers shop online and ensure a seamless online/offline purchasing experience.

To set up a catalog, B2B companies can select which product categories they wish to include from a master category tree and add or remove specific products within each category by toggling an on/off switch. Companies can filter and search to find specific products to include or exclude and can duplicate an existing catalog as a fast way to get started. **(Figure 1.5)**

Merchants who master catalog data in an ERP system can use robust Magento APIs to import and update price and category data, ensuring customers always view the correct price and systems remain in sync.
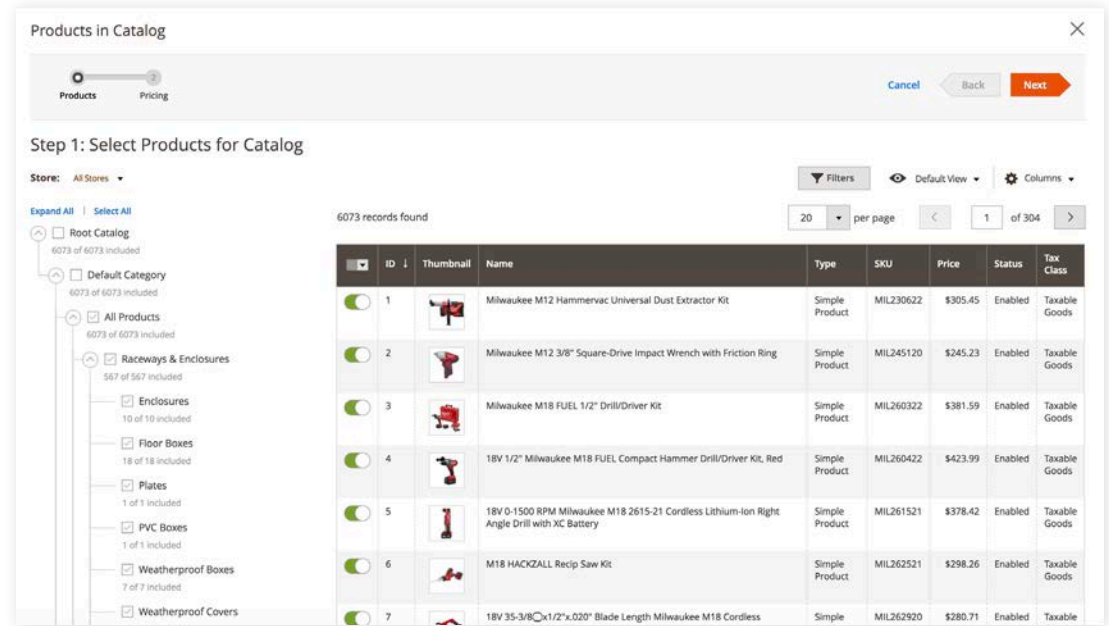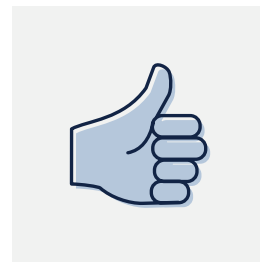

FIGURE 1.5 Merchant Admin shared product catalog setup

The products and categories included in the catalog control the following:

Buyer's shopping experience

(including which products appear in search results)

The site navigation content
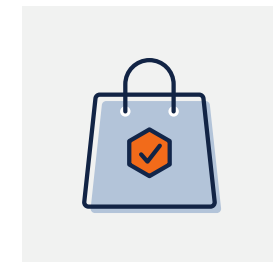
Products they are eligible to purchase

After B2B companies have selected the categories and products for a catalog, the next step is to define custom pricing.

Magento supports fixed pricing, where a final product price is specified, or dynamic pricing, where a percentage discount is applied to a product's base price. Companies can also implement tiered pricing to offer quantity discounts on products.

Prices can be set individually or for multiple products at once for greater efficiency. **(Figure 1.6)**

FIGURE 1.6 Merchant Admin shared catalog pricing configuration

Once a custom catalog has been created, a B2B company can assign it to an individual company or multiple companies (for example, if they have a tiered customer strategy) to ensure each buyer has the right online experience.

They can also create a default "public" catalog that can be displayed to site visitors without an assigned catalog. This is a great way to ensure products are found by search engines and that prospective customers can access enough product information to prompt them to open an account. Many companies show "prices starting at…" to pull prospects in. **(Figure 1.7)**
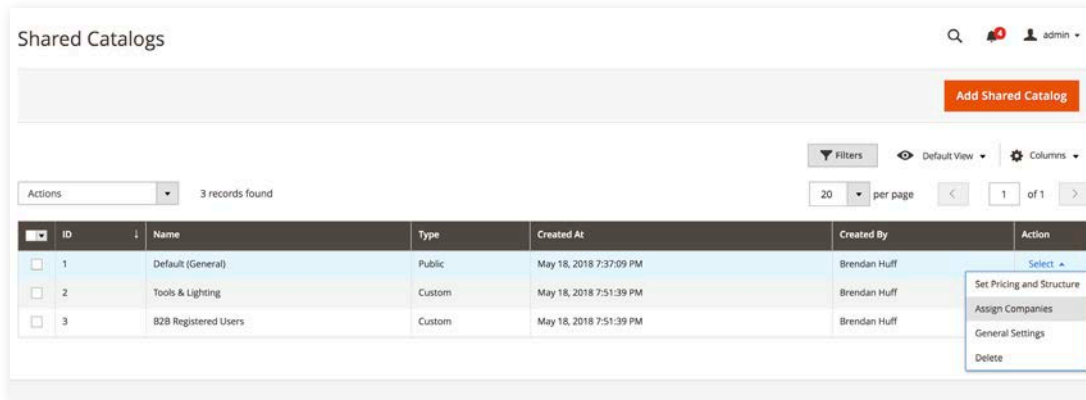
FIGURE 1.7 Magento Admin interface for assigning shared catalogs to companies

Magento also ensures that changes to custom catalogs are efficiently processed in the background, so that B2B company employees can stay productive when making catalog updates. An employee can submit a batch of catalog changes and then continue to work on other tasks in the Admin while the catalog is being updated, with no productivity slow down. When the process is finished, they receive an alert in the Admin Panel Notification Center.

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Fast, Frictionless Buying

B2B buyers are shifting their work purchases online for the added convenience it offers.

According to the Forrester/Internet Retailer B2B Buy-Side Online Survey, the ability to purchase 24x7 using a faster process is motivating their move online.

This means that B2B companies must deliver on this promise by offering fast, friction-free ways for their customers to buy online. Overly complex or confusing processes or ones that are not designed for mobile devices favored by field-based workers and millennials will cause buyers to look for another vendor.

What is your chief reason for shifting more work purchases online from offline?

38% More convenient since online sales are open 24 hours a day

22% Faster process

14% Save money because get lower prices online

11% Get more and better information about products and...

8% Easier to track purchases for record-keeping purposes

2% Minimize interaction with sales representatives

1% We may have not done this

1% Other

2% Don't know

Base: 183 B2B online buyers

[3] Forrester/Internet Retailer Q1 2017 B2B Buy-Side Online Survey
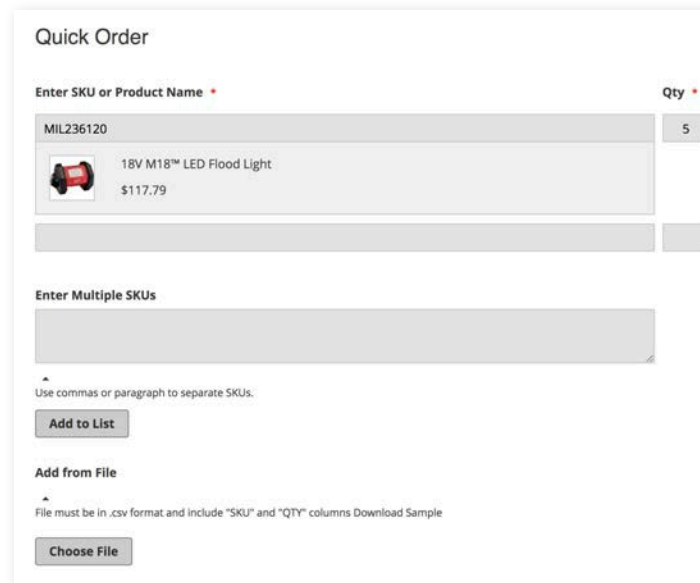
Magento has focused on making the purchase process as fast and convenient as possible and offers several streamlined options that are optimized across devices.

The first is a quick order feature that enables buyers to directly enter products they wish to purchase without having to browse through the site.

Buyers simply enter product names or SKU numbers via a quick order form or upload a CSV file with the SKUs they wish to purchase. Magento validates that the SKUs are in the buyer's assigned catalog, ensures they are available in inventory, and displays product information (including a thumbnail picture and price) so the buyer can confirm the correct SKUs have been entered.

All the buyer has to do is enter quantities and hit "add to cart" to checkout or request a quote. **(Figure 1.8)**

FIGURE 1.8 Buyer view of Magento quick order form

Buyers can also create requisition lists. Requisition lists function as saved shopping lists containing frequently purchased products and quantities for fast and easy restocking.

Multiple lists can be created by each buyer to support different purchasing needs or projects.

Setting up requisition lists is fast. Buyers can add products to them by entering SKUs, copying previous orders, or selecting "Add to Requisition List" from product and category pages. To place an order from a requisition list, buyers simply:

1. Select the products they wish to purchase

2. Review and adjust the quantities if needed

3. Click **"Add to Cart"** to start the ordering process.

(Figure 1.9)
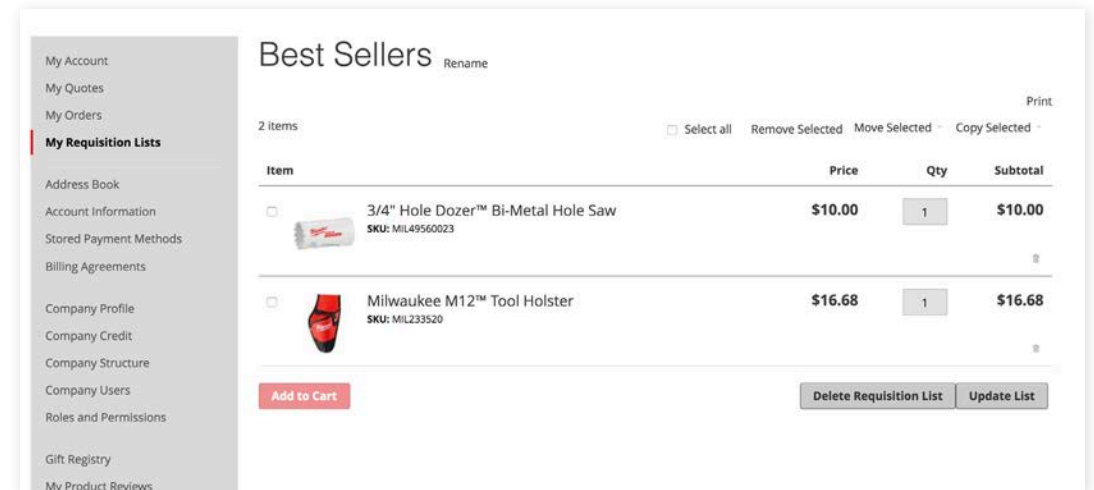
FIGURE 1.9 Buyer view of a requisition list

Magento also makes reordering fast by utilizing detailed information from previous orders. Reorders carry over line items and quantities, shipping and billing addresses, shipping methods, and payment methods from previous orders, saving buyers considerable time and effort. But rest assured, all carried over information can be edited to offer buyers the ease of experience they've come to expect.

Assisted Selling

Adding a digital channel doesn't mean that B2B companies can eliminate in-person, white glove service.

Buyers expect a continuum of assistance that runs from self-service to full-service. Choosing the right eCommerce solution can make it easier to provide buyers with a range of service options, for a seamless and differentiated buying experience.

Magento supports full-service purchasing with an assisted selling capability. Through the Magento Admin, sales or customer service reps can:

✓ **Create orders on behalf of buyers**

✓ **Edit or troubleshoot existing orders**

✓ **Make intelligent product recommendations based on the buyer's behavior and purchasing history**

(Figure 1.10)

FIGURE 1.10 Magento Admin assisted selling interface
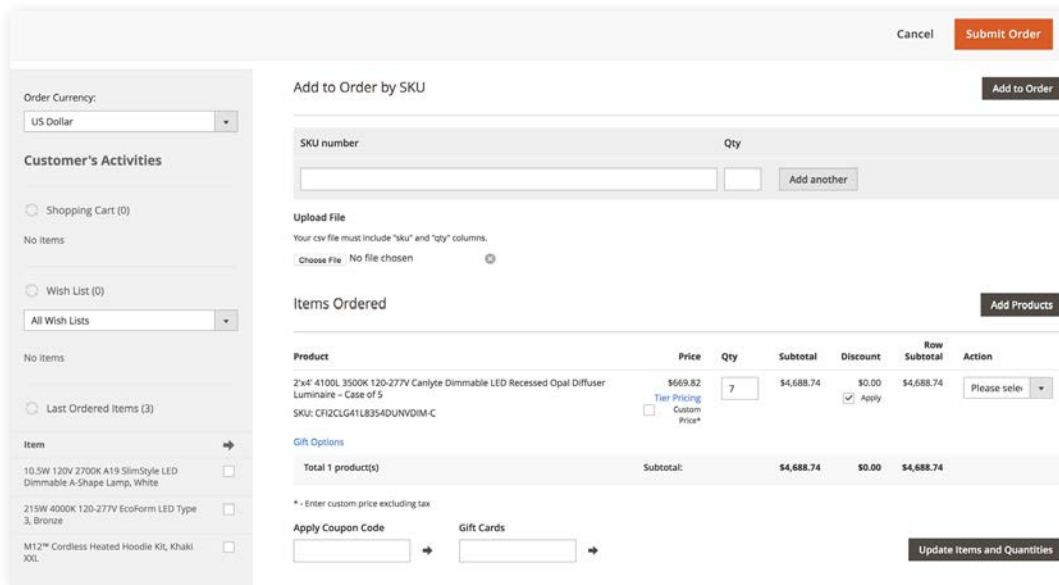
For example, they can tune their product recommendations based on:

What is in the buyer's cart

Their last ordered items

Recently viewed and compared products

Such insightful suggestions combined with the convenience of a ready-to-go order is a sure way to build loyalty with customers who value service.

Furthermore, Magento's responsive design themes mean that B2B sales reps have their entire product catalog at their fingertips whenever they are visiting a client or prospect.

They can easily use the responsive Magento site on their phone or tablet to answer any question with up-to-date product information, share video content, check product specifications and more – so that they can close the deal on-the-spot.

They can even place the order online while with the buyer, so there are no delays or data entry errors when inputting orders back at the office.

Request for Quotes

Online selling needs to conform to normal B2B business practices to create truly efficient experiences buyers will adopt and love.

Quote requests are quite common in B2B purchasing, as buyers often need competitive bids or simple cost estimates to gain approval for purchases. Magento supports this buying behavior with a robust online workflow for managing quotes from the initial request, through negotiations, to the final order.

The workflow can be configured to meet individual B2B company needs, for example:

✓ **Controlling which buyers are eligible for quoting**

✓ **Setting minimum order values**

✓ **Customizing the email communications used to guide buyers through the process**

There are also built-in safeguards to prevent conflicting updates to quotes as they are processed.

Requesting a quote is easy for buyers. They can start a quote from the shopping cart by selecting the **"Request a Quote"** button or can initiate one from a previous quote or order.

The buyer can include comments and attach documents to support their request.
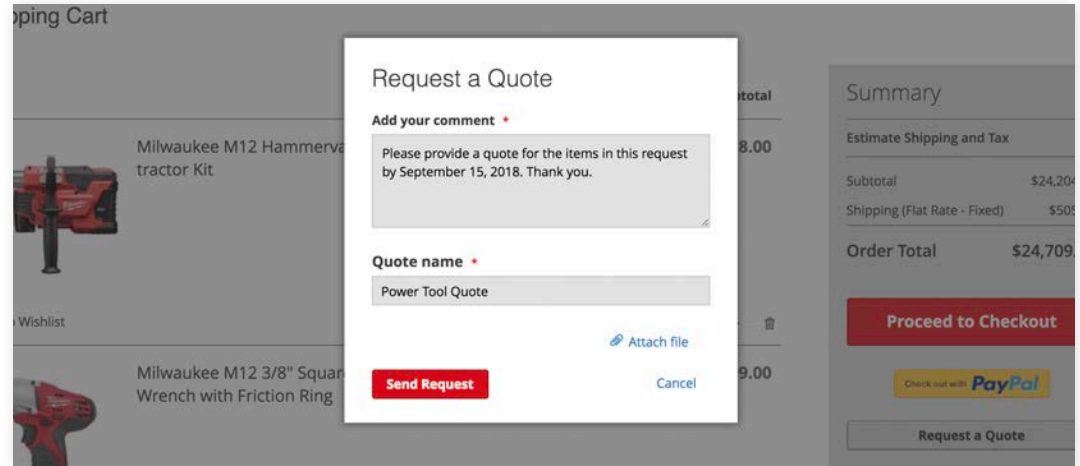

FIGURE 1.11   Buyer view of the quote request form

Once submitted, the buyer can see the status of their quote and can correspond with the merchant as needed in the **"My Quotes"** management interface in their company account. **(Figure 1.11)**

Magento provides B2B companies with a full set of tools to improve their responsiveness to quote requests and effectively negotiate deals.

In the Magento Admin, sales reps can see quote details and documents in an easy-to-use quote management interface. From there, they can:

✓ **Set quote expiration dates to drive action**

✓ **Suggest additional SKUs to increase AOV**

✓ **Make substitutions to handle out-of-stock products**

✓ **Adjust the quote in other ways to ensure it matches the buyers' needs**

Sales reps can save drafts of quote proposals until they are ready to send, allowing them to research pricing and reach out for internal approvals before submitting the proposal. **(Figure 1.12)**

B2B companies also have a range of tools to help them negotiate with buyers to boost their bottom line. For example, they can see total cost data and can quickly calculate a percentage or dollar off discount, or a target final price that supports their margin goals.

They can also negotiate both product and shipping prices to meet customer demands and they can include comments with their quotes to explain their proposals.

All updates to the quote, including communications with the buyer, are logged in the quote history tab for full insight into each proposal. **(Figure 1.13)**
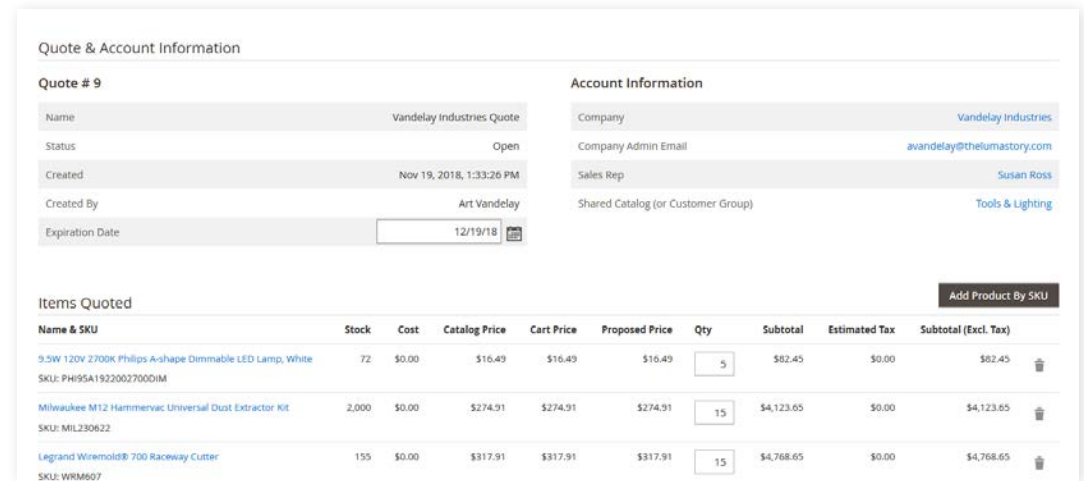
FIGURE 1.12 Magento Admin quote management tool
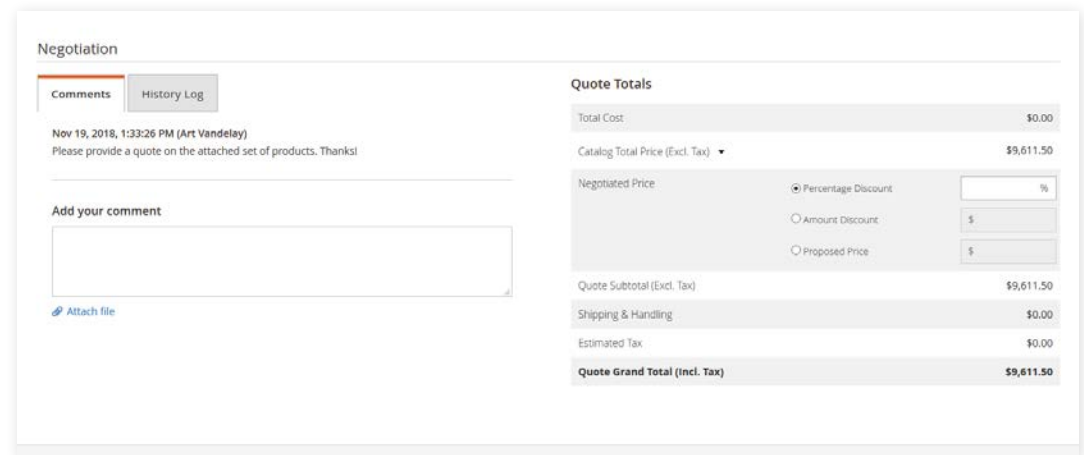
FIGURE 1.13 Magento Admin quote management tool

Buyers can also manage quotes and view quote details from their company account. On the quote detail page, they can immediately see:

Quote status

Items included in the quote

Seller comments

History log

Once a B2B company has sent a proposal to their quote request, the buyer can easily accept it and proceed to checkout. All this happens without the buyer ever having to call a sales rep, saving both parties considerable time. **(Figure 1.14)**

FIGURE 1.14 Buyer view of a "My Quotes" page

> The Magento platform is ready to meet the needs of nearly any B2B use case or customer with a comprehensive set of built-in B2B features. Its combination of self-service account management, flexible payment options, custom pricing, and fast ordering and quoting provides a powerful foundation to create personalized and differentiated experiences that wow B2B buyers.

Creating Content-rich, Personalized Experiences

B2B buyer expectations have never been higher. While offering contract pricing online was once the definition of personalization, B2B companies are now expected to deeply understand their customers' needs and provide them with custom-tailored content, offers, and product recommendations. Furthermore, B2B buyers are increasingly focusing their research efforts online, only reaching out to suppliers after 57% of the purchase process is complete.[3] These online researchers want everything – inspirational content, how-to videos, inventory availability, product specs, and user reviews – to be just a click away.

[3] CEB Marketing Leadership Council, 2013

B2B companies need a solution that can keep pace with this changing definition of commerce and deliver the content-rich, bespoke experiences buyers are demanding. Magento does this by providing:

Comprehensive content management

Merchandising

Personalization tools

Customer Segmentation and Targeting

To deliver personalized experiences, B2B businesses must be able to first segment their customers and site visitors into distinct groups.

Magento empowers B2B companies to segment both registered customers and visitors based on a range of attributes. Registered customers can be targeted using their location, gender, order history, lifetime purchase value, wish list items, preferred products or brands, and much more.

Unknown site visitors can be targeted based on their online behavior, products viewed, or the items in their cart. Multiple attributes can be combined to create highly refined target groups. **(Figure 2.1)**
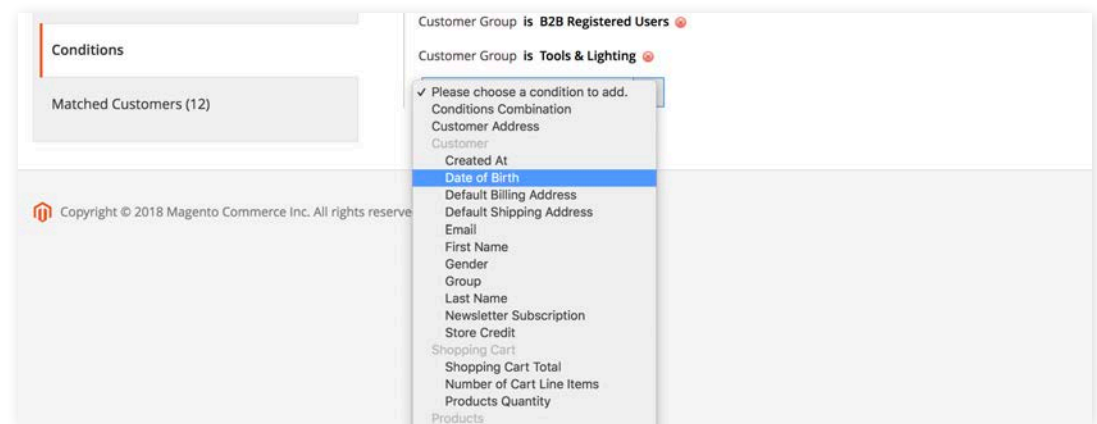
FIGURE 2.1 Magento Admin customer segmentation tool

Once segments are defined, they can be used to direct relevant on-site experiences to buyers with just-right content, product recommendations, and promotions.

Solutions in the Magento Marketplace take these capabilities even further with machine learning and AI-powered personalization. Exporting segment lists to marketing automation tools enables targeted off-site campaigns, creating a 360-degree experience that is personalized for the buyer.

Promotions

The Magento promotion engine is powerful with the ability to create over 100 different types of offers.

B2B businesses can attract new customers and drive incremental sales with free shipping, percentage and fixed price discounts, volume-based discounts, buy X get Y free offers, coupons, and more.

But, what makes Magento really stand out is its ability to customize how promotions are applied. B2B companies can create precise promotions that are built around a combination of:

- ✓ **Product categories (all power tools)**
- ✓ **Regions**
- ✓ **Product attributes (price or brand)**
- ✓ **Quantities**
- ✓ **Purchase value**
- ✓ **And other conditions**

Promotions are prioritized against each other, targeted to specific segments, and highlighted via on-site banners. Companies can also create single and multiple-use coupons in batches to drive customer loyalty and repurchasing.

This wide array of promotional firepower ensures B2B companies can deliver highly-personalized and relevant offers that compel action. **(Figure 2.2, 2.3)**
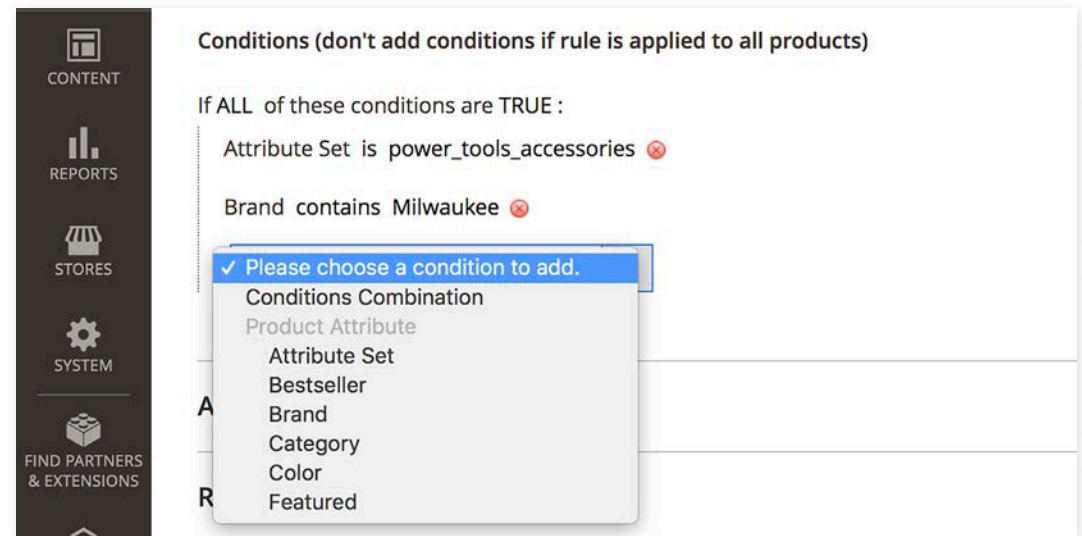
FIGURE 2.2 Magento Admin tools for setting promotion conditions and actions
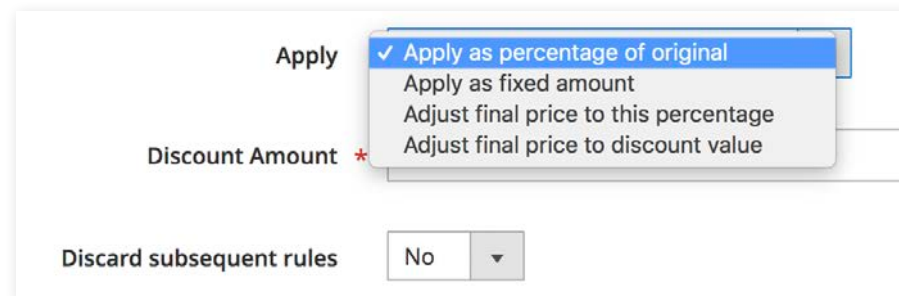
FIGURE 2.3 Magento Admin tools for setting promotion conditions and actions

Loyalty Programs

Beyond promotions, Magento also includes a reward points system, giving B2B companies the ability to implement programs that drive customer engagement and loyalty.

Points can be awarded for transactions as well as a wide range of customer activities, and B2B companies can control how many points are allotted per activity and when they expire.

Buyers can redeem points toward purchases, based on the conversion rate established by the B2B company. Magento also can integrate with reward systems already in use.

Creating Content-rich, Personalized Experiences
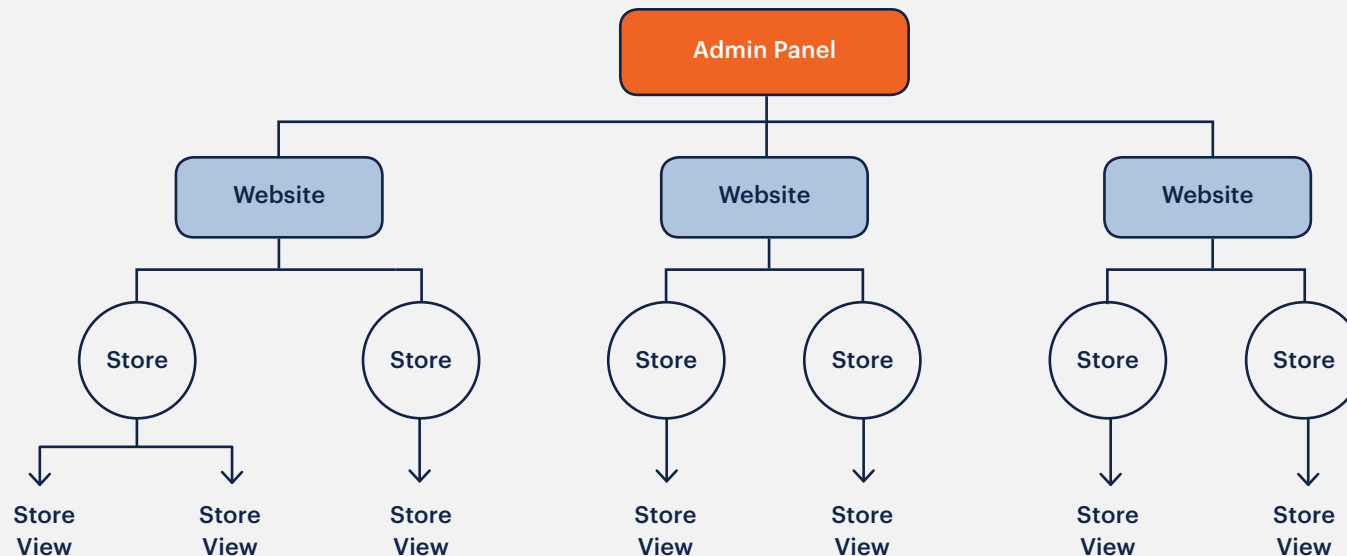
Multi-site Management

Personalization goes beyond highlighting the right promotions and product recommendations. It often involves creating multiple sites to serve distinct customer segments or business goals.

For example, many B2B companies include multiple brands that require separate sites. They may also need to create unique storefronts to serve channel partners, marquee customers, or different regions.

Or, they may be venturing into direct-to-consumer sales and require a B2C site. Magento's multi-site architecture makes it straightforward to manage each of these use cases with a single solution.

It offers the benefits of centralized data management and administration with the flexibility to handle:

✓ **Different payment and shipping options**

✓ **Currencies**

✓ **Product catalogs**

✓ **Visual themes**

✓ **Languages across sites**

This combination simplifies ongoing maintenance and reduces technical overhead for B2B companies, enabling a faster time to market for these focused site experiences.
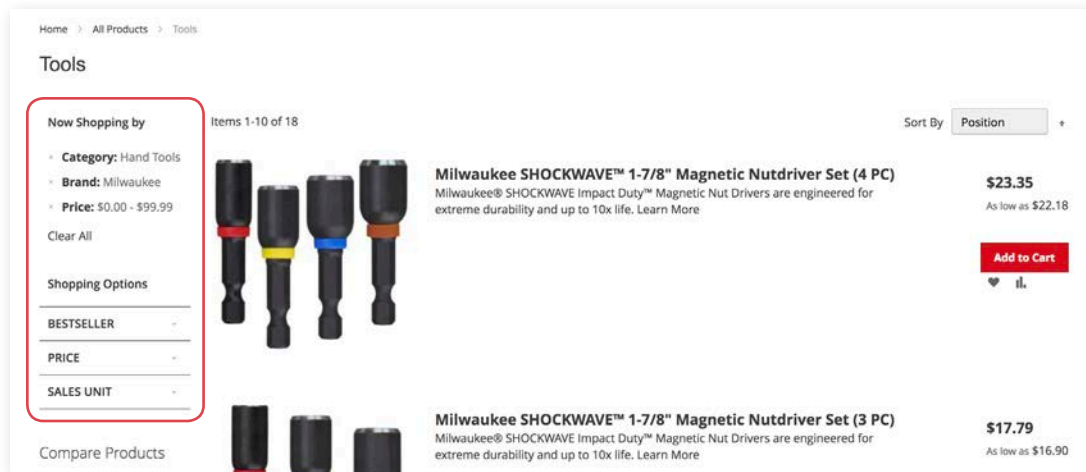
Product Research and Discovery

Serving today's buyers also means making the research and discovery experience fast and easy.

Sites need to intelligently surface the right products and information to all the different stakeholders involved in researching a given purchase. And they need to do it fast, thanks to ever-increasing workloads and shrinking attention spans.

Magento empowers B2B companies to efficiently match buyers to products. It starts with robust search capabilities built on Elasticsearch, a powerful and highly scalable distributed search engine that is used by such high-volume sites as eBay, Wikipedia, and GitHub.

Elasticsearch improves search result relevancy and conversions with support for stop words, attribute weighting, and synonym management. Magento also enables buyers to narrow in on the right products with layered navigation that filters search results by categories and key product attributes. **(Figure 2.4)**

FIGURE 2.4 Layered navigation filtering

Another way B2B companies can influence product discovery and selection is with site-based related product, cross-sell, and upsell promotions.

Automated rules personalize these product suggestions to efficiently drive results. Merchandisers can also arrange their category pages to optimize sales with drag-and-drop visual merchandising and automated sorting tools that order products to highlight new, special-offer, low-price, or low-stock items. **(Figure 2.5, 2.6)**
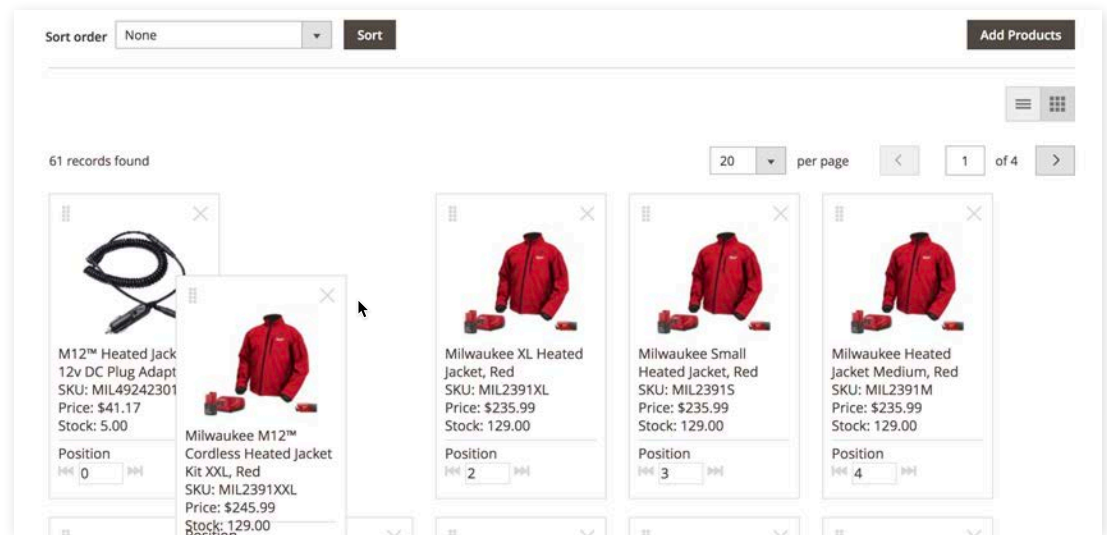
FIGURE 2.5 Magento Admin category drag-and-drop visual merchandising
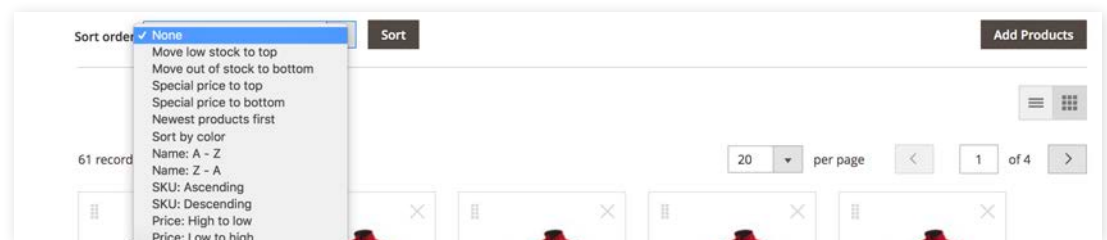
FIGURE 2.6 Magento Admin automated category sorting options

Product Merchandising

Once buyers find a potential product match, the product detail page must close the deal by providing the right mix of information and inspiration.

With Magento, B2B companies can create a compelling case for their products with powerful visual imagery. They can present buyers with:
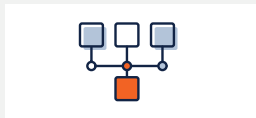
Multiple product images

Ability to zoom in on images

Swatches with color or material options

Videos from YouTube or Vimeo

They can also provide:

✓ **Detailed product specs**

✓ **PDF files**

✓ **Rich product descriptions**

✓ **And more to optimize their position in search results and meet the needs of demanding buyers**
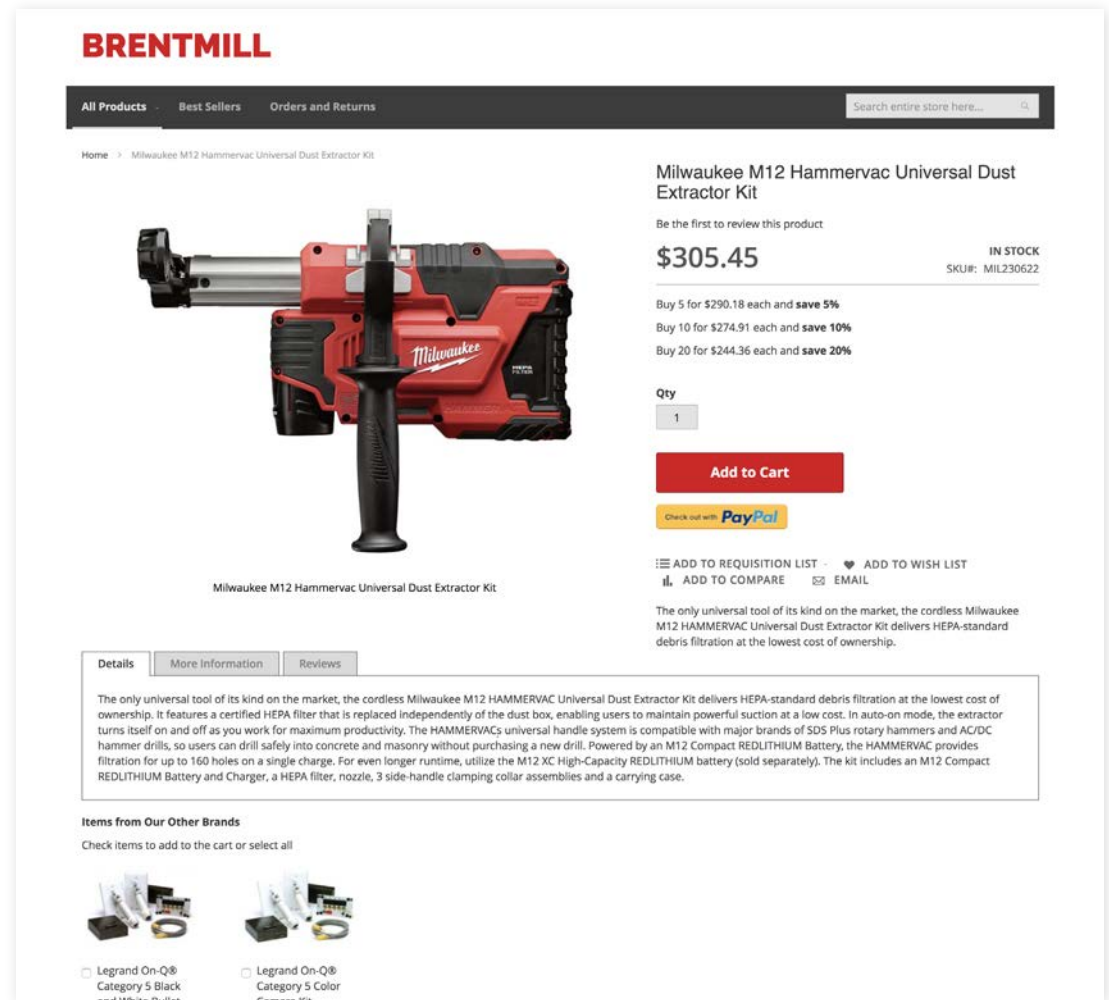
FIGURE 2.7 Product detail page with video links, reviews, and more

Buyers also want to know what peers have to say about products and services. Magento includes rating and reviews functionality out-of-the-box so B2B companies can leverage user-generated content to build credibility and sales. **(Figure 2.7)**

Content Creation, Scheduling, Staging, and Preview

Crafting these rich experiences is easy using Magento's drag-and-drop content management tools.

Non-technical team members can easily develop new page content by simply dragging elements onto the page. They can combine text, images, video, sliders, promotional banners, and more in a flexible grid system that supports complex layouts. Content editing happens in-line and users can easily preview changes before publishing.

Once content changes, promotions, or new products are created, B2B companies can schedule their go live dates. A timeline dashboard provides an overview of all upcoming changes to ensure campaigns are coordinated. **(Figure 2.8)**

Changes can be previewed by date or store view to ensure flawless experiences, and links to staged content can be shared with other team members to facilitate reviews and approvals. Updates are automatically published and removed at scheduled times, allowing for a dynamic site with minimal administrative burden. **(Figure 2.9)**

> With such powerful personalization and content management tools, Magento frees B2B marketers to create rich, tailored experiences for their customers without having to rely on engineering or outside agencies for help. Easy-to-use tools and workflows enable continuous testing of new ideas and greater customer engagement. This combination of control, creativity, and time-to-market is unique to Magento.
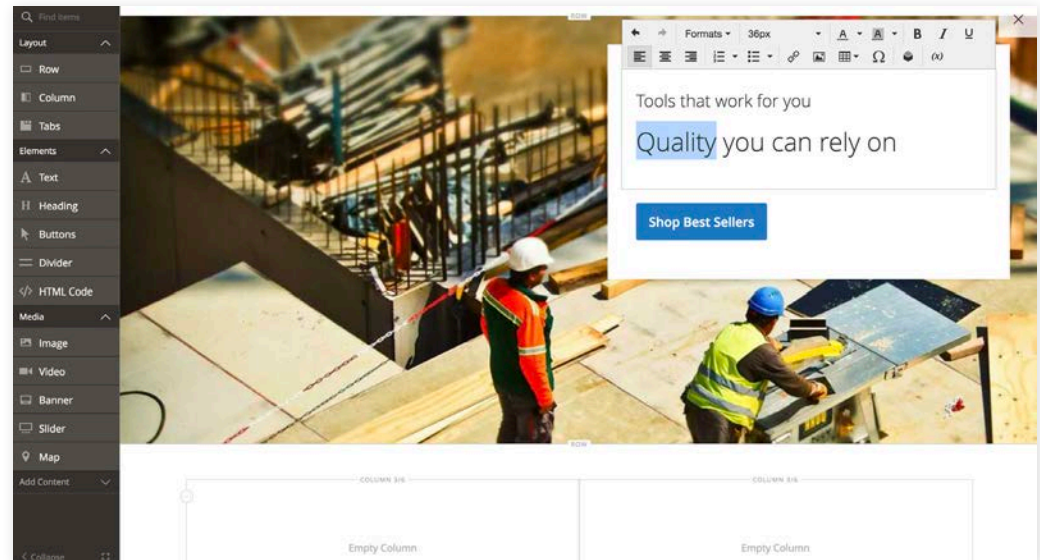
FIGURE 2.8 Editing using Magento Page Builder
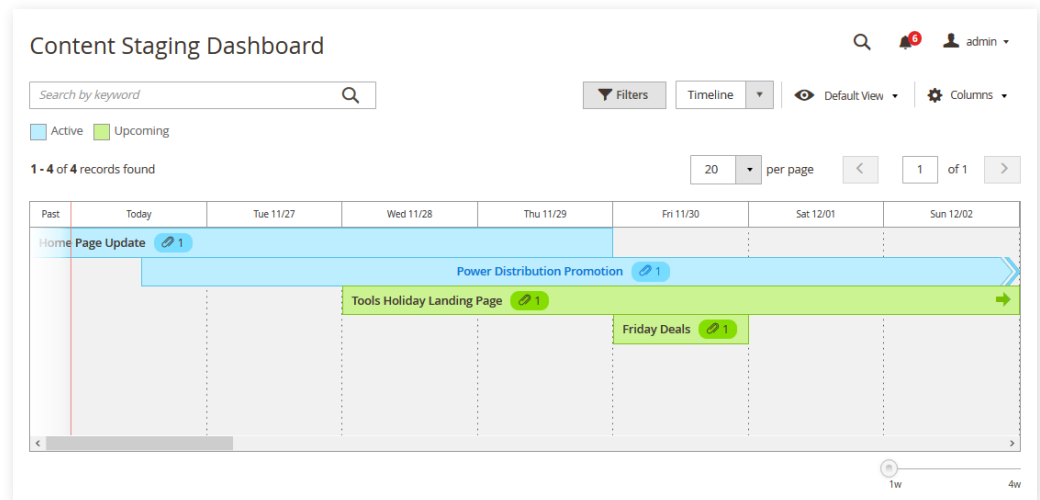
FIGURE 2.9 Magento content preview by date interface

Delivering Omnichannel Ordering and Fulfillment

It bears repeating that buyer expectations have radically changed. We've entered a "buy my way" era, where companies expect to be able to purchase seamlessly across channels and receive products how, where, and when they want. Delivering this experience requires more than a pretty website or Amazon feed. It demands an intelligent orchestration of orders, inventory sources, fulfillment methods, and more to provide a customer-centric experience.
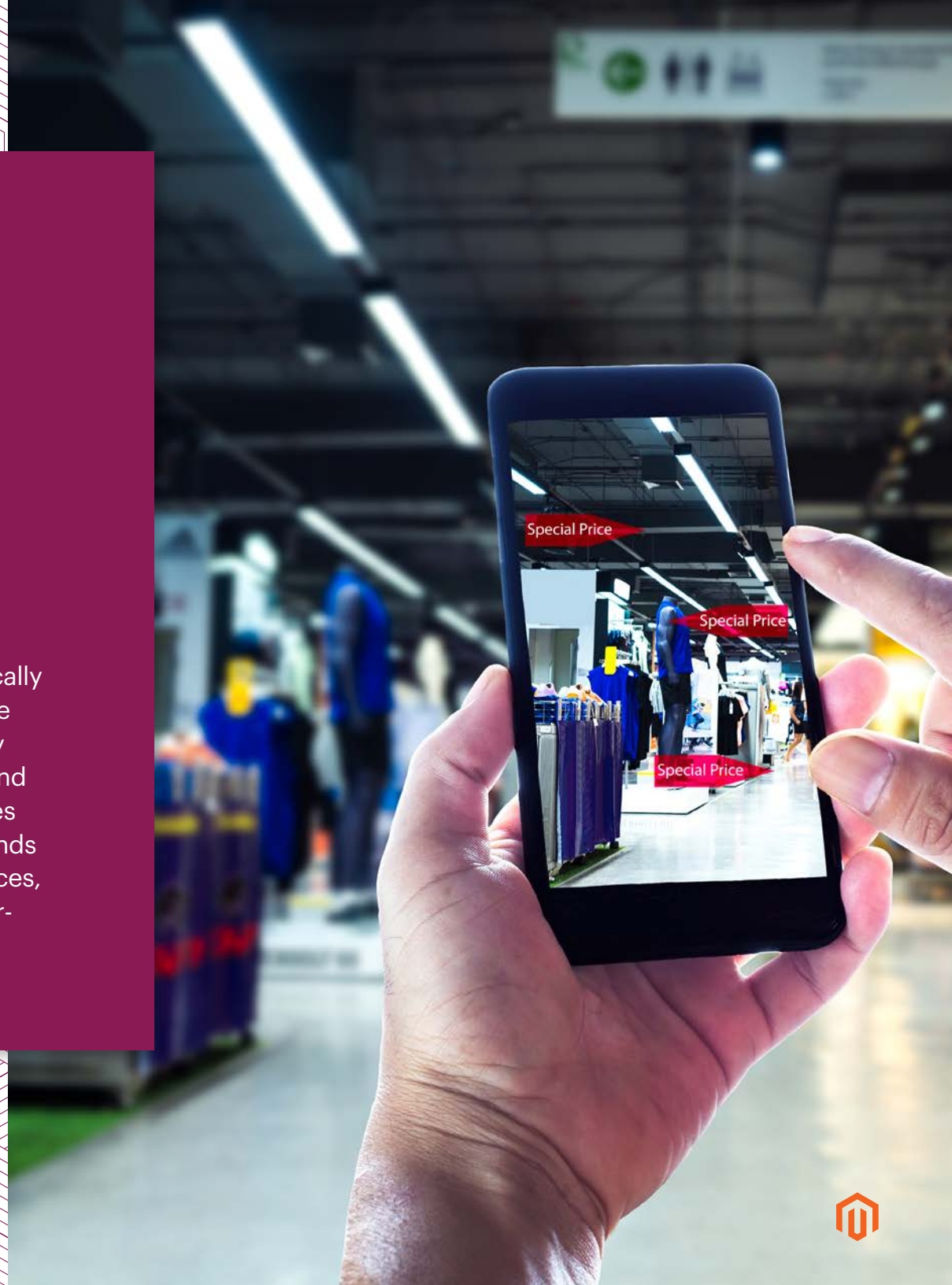
To handle this complexity, Magento Order Management operates as air traffic control for all commerce activities. It manages orders coming in across channels and uses business logic to match them with the best supply chain and fulfillment options to meet customer expectations and profitability goals.

It handles the challenges of order management and inventory allocation, and it enables B2B companies to truly differentiate their customer experience with:

Full inventory transparency

Endless aisle shopping

Buy-online, pickup in branch or ship-from-branch options

Order Orchestration

With an ever-growing number of sales channels and markets to support, B2B companies need a way to efficiently and consistently manage orders so buyers have seamless experiences no matter where they place an order.

Magento Order Management provides a central system for handling orders from all channels, including multiple brand or market websites, call centers, kiosks, marketplaces, and mobile devices to enable intelligent orchestration and routing of each order.

It also handles complex pre-sales, back orders, and returns, while also tracking order status and managing partial shipments and order splitting. Together, these capabilities provide B2B companies the control needed to deliver a true omnichannel experience.

Inventory Visibility and Control

Magento Order Management also directs the inventory and fulfillment side of the equation.

It aggregates inventory currently stored across multiple sources like warehouses, branch locations, and drop shippers into a single view that can be allocated to specific channels for sale, ensuring that the most critical channels and buyers always have the products they need.

Allocations consider in-flight orders and allows companies to set safety stock buffers to ensure they can meet commitments.

Additionally, having this single, accurate source of truth for what is "available to sell" in each channel allows B2B companies to provide complete inventory visibility to their buyers, building confidence in their ability to fulfill orders.

Smart Sourcing

Beyond creating a unified view of inventory, Magento Order Management also empowers B2B companies to define and optimize how products are sourced for each order.

Companies can set business rules that allow them to deliver on customer expectations, while at the same time driving down supply chain and fulfillment costs.

For example, they can select inventory sources that limit time in transit to meet tight delivery SLAs or minimize the number of shipments and split orders to control costs. Multiple sourcing rules are available out-of-the-box, and rules and weighting can be easily configured to support unique priorities and use cases.

A sourcing simulator allows B2B companies to see the impact of different configurations on past order batches to further optimize their operations. **(Figure 3.1)**
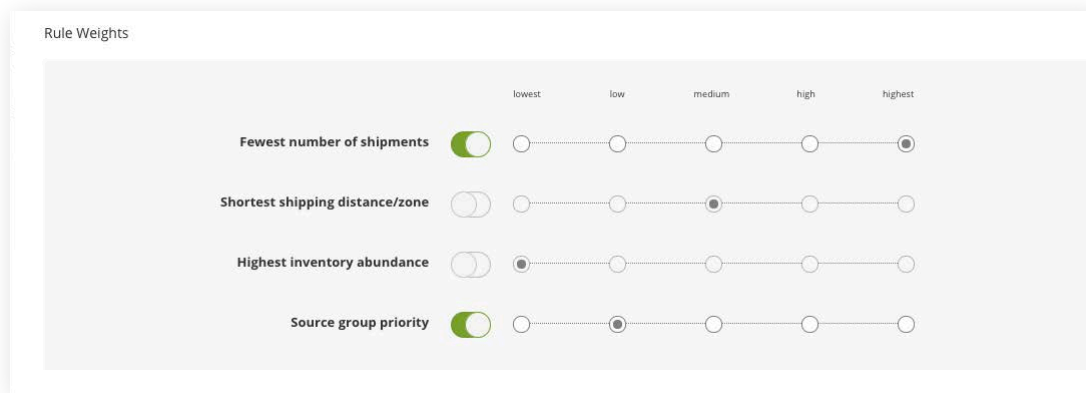
FIGURE 3.1 Magento Order Management sourcing rules and weights
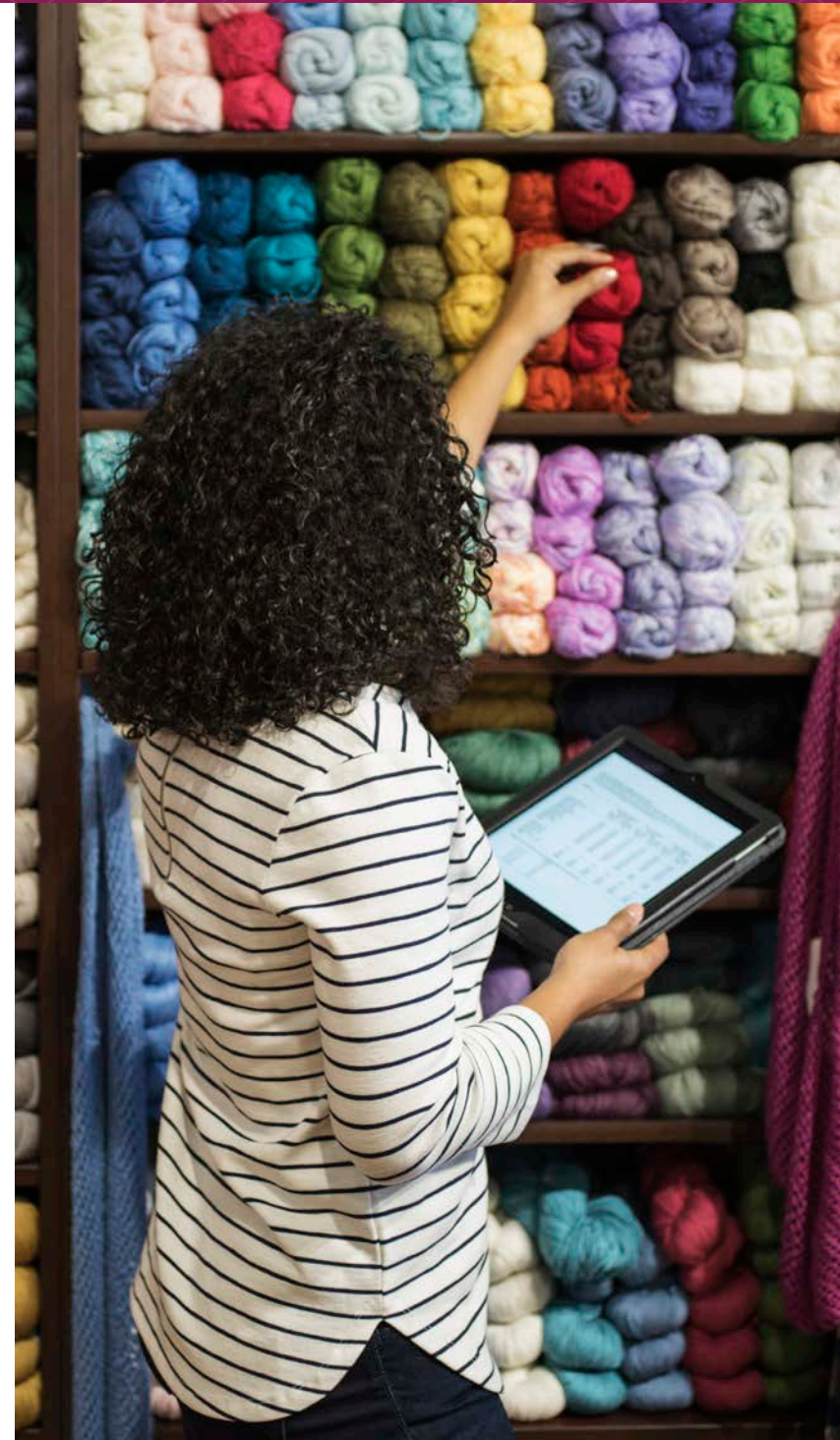
Sample Sourcing Rules

Prioritize and assign inventory sources by:

1. Stock availability

2. Distance

3. Number of splits for a single order or bundle

4. Order size

5. Order age

6. Required shipping method

7. Product category

8. Maximum number of orders to be sourced from a given location

9. Client-specific weighting and rules

10. Combination of rules

Endless Aisle and Flexible Fulfillment

For B2B companies with branch locations, Magento Order Management also provides many delivery and pickup options that further serve "buy my way" demands.

To start, ship-from-store technology turns any branch location into a mini distribution center. B2B companies can source and ship online orders from a nearby branch for faster and more cost-effective delivery, rather than having to always fulfill from a central warehouse.

(Figure 3.2)
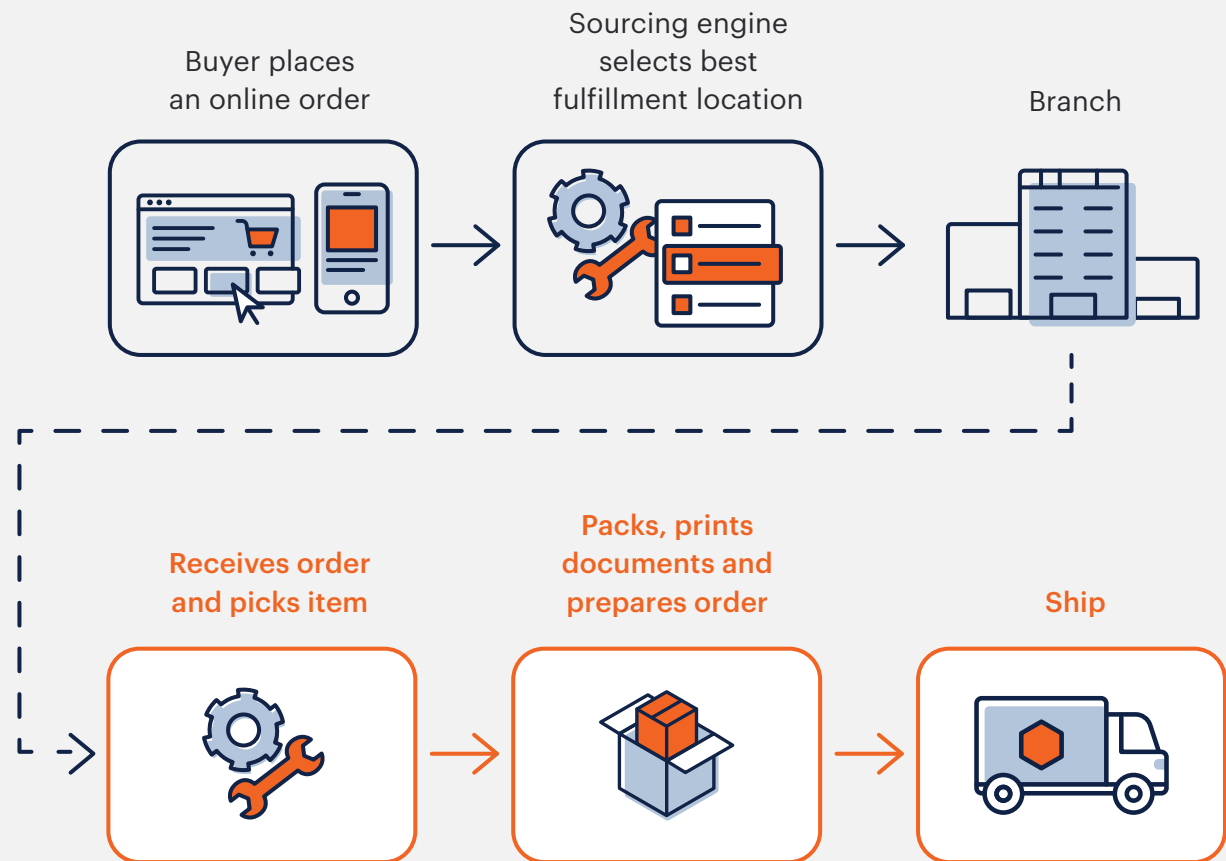
FIGURE 3.2 Ship-from-store process with Magento Order Management

Buyer searches branch inventory online

Selects most convenient branch location

Picks Branch 3

Order Placed Picklist Created

Branch 3

Associate receives order and picks item

Customer picks up order

Happy buyer
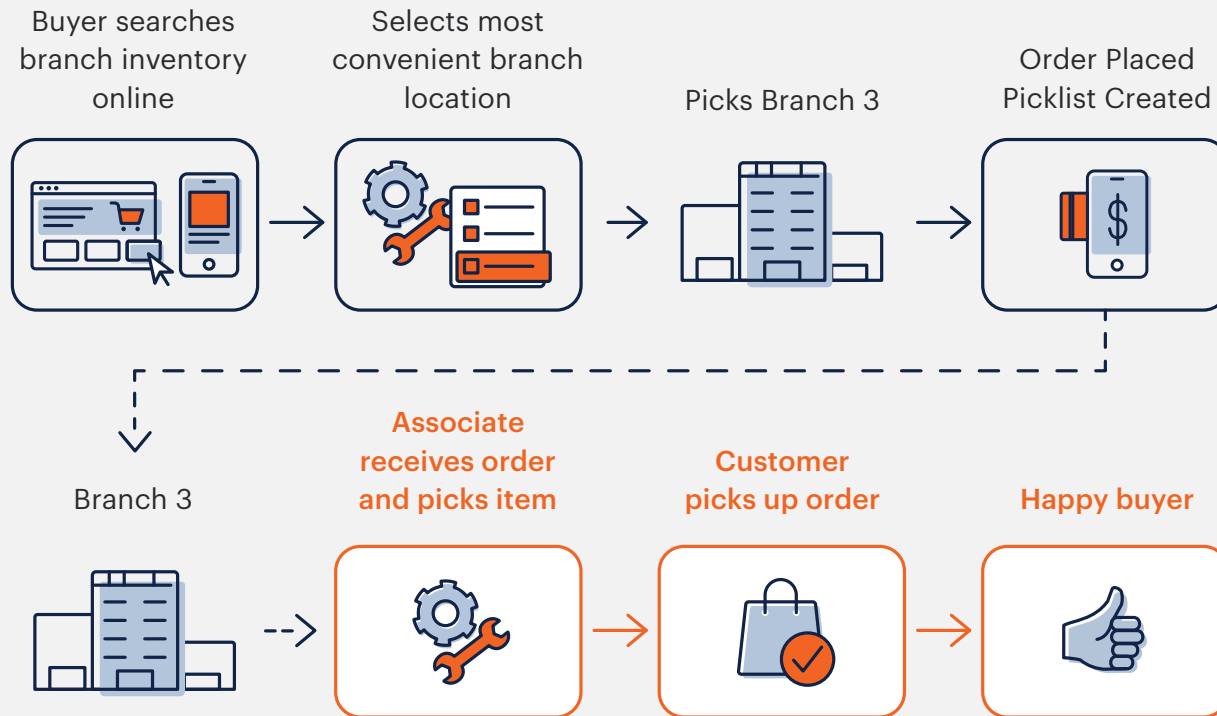
FIGURE 3.3 Buy online, pickup in store process with Magento Order Management

Magento Order Management also includes buy online, pickup in store technology.

This provides buyers both the convenience of ordering online and the immediate gratification of being able to pick up the product at a local branch to meet tight timelines – a true competitive advantage.

With this capability, B2B companies also benefit from increased foot traffic in their branches. When buyers go to the branch to pick up their orders, they typically spend 10 percent more.[4]

(Figure 3.3)

Magento Order Management also helps B2B companies to avoid lost sales by empowering branch associates with endless aisle capabilities.

Using a mobile Point of Sale (PoS) system on a tablet, an associate can search across all inventory sources for a specific product that may be out-of-stock in their location, place the order, and send their buyers on their way with the assurance that their product will arrive quickly.

Associates can also collect buyer preferences, access account information, and view purchasing history on the tablet to help personalize the in-branch experience and deliver better service.

> With comprehensive order management for all channels, powerful inventory aggregation and allocations capabilities, and smart sourcing of inventory to fulfill orders, Magento provides the intelligence needed to operate a profitable omnichannel business. Beyond that, its rich endless aisle and flexible fulfillment tools open new, more personalized ways of servicing buyers that are true game changers. Now, B2B companies have all the tools needed to create the customer-centric, "buy my way" experience today's market demands.

Empowering Intelligent, Data-Driven Decision Making

While the right B2B purchasing, merchandising, and order management capabilities are critical to digital commerce success, gaining deep insight into online sales and operations is equally important. Being able to quickly access and share this information across teams is essential to fueling continuous innovation and growth. According to a commissioned study by Forrester Consulting, data activation leaders – those with more mature use of data in their organizations – report meaningful differences over laggards in marketing, sales, and customer loyalty outcomes.[5]

[5] The B2B Data Activation Priority, Forrester Consulting, May 2018.

Impact of Data Activation Maturity

As a commerce engine, Magento is in a unique position to captures enormously important data about customers, products, sales, site visits, and more.

Connections with third party data sources – like ERP, shipping, paid search, or email marketing solutions – automate the consolidation of even more data.

Once gathered, Magento's cloud-based business intelligence tools deliver everything necessary to transform this rich data into actionable insights.

Over 100 pre-defined reports, custom report-building tools, and state-of-the-art visualization capabilities turn what is often an underutilized asset into the catalyst for growth.

"Please indicate how these outcomes have changed, comparing your most recent fiscal year to the previous fiscal year." **(Percent reporting an increase)**

■ Leaders   ■ Laggards

	Leaders	Laggards
Sales conversion rate	77%	49%
Customer retention/loyalty	77%	55%
Customer lifetime value	75%	45%
Sales cycle speed	73%	33%
Average deal size	73%	42%
Return on marketing spend	73%	47%

The B2B Data Activation Priority, Forrester Consulting, May 2018.

Empowering Intelligent, Data-Driven Decision Making
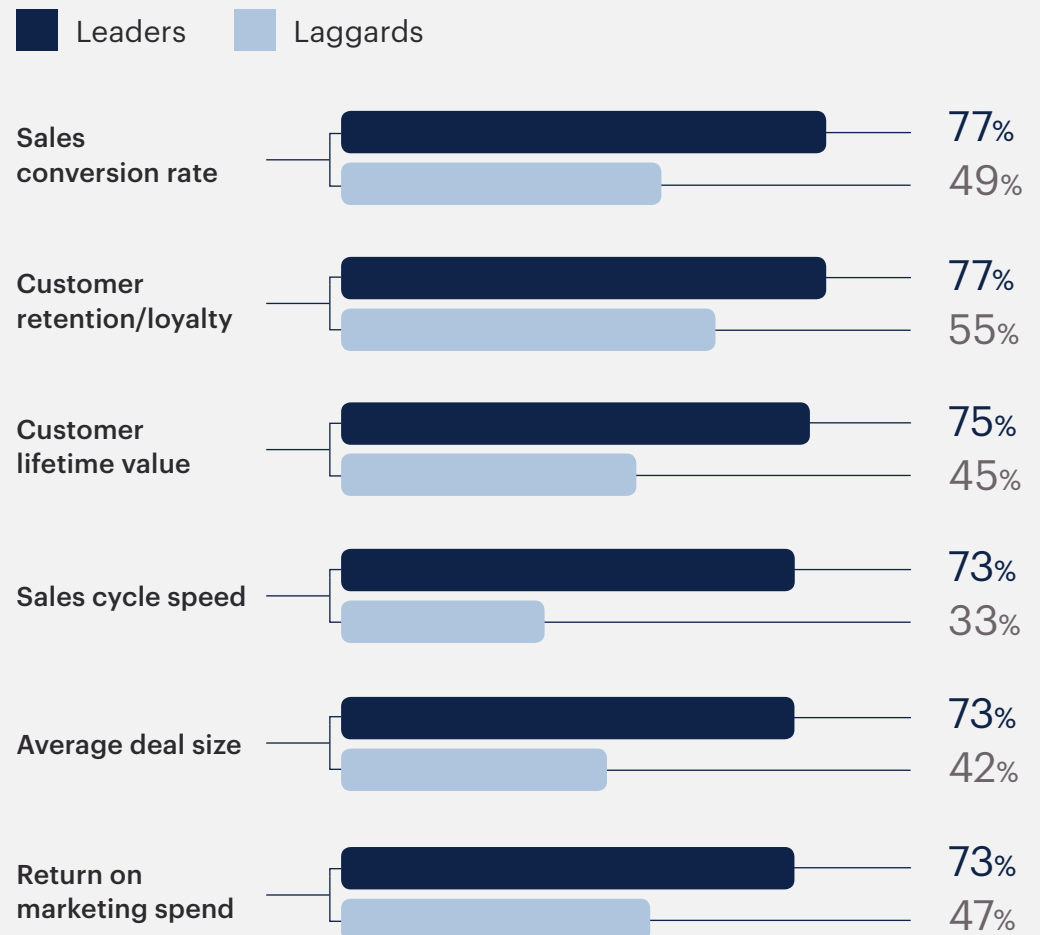
Magento includes the type of reporting you'd expect with dashboards detailing revenue, orders, new customers, best-selling products, and site traffic metrics.

But, it also takes analysis to the next level with the ability to draw correlations across data sets and uncover true business drivers. For example, B2B companies can:

✓ **Bring together customer acquisition channel, cost, and customer lifetime revenue data to understand their true channel ROI.**

✓ **Combine customer support contact and purchasing data to learn how support interactions impact purchase frequency and lifetime customer value.**

✓ **Segment order and shipping cost data by destination, weight, and method, to ensure shipping methods and policies maximize profitability.**

Sample Magento Reports

- AdWords cost, clicks and impressions
- Average customer lifetime revenue
- Average order value
- Average products in order
- Average session length
- Best sellers by volume and revenue
- Biggest coupon users
- Bounce rate
- Cart abandonment
- Click through rate by campaign
- First time vs. repeat orders and revenue
- Keywords driving traffic
- New customers
- Orders
- Page views
- Products ordered
- Repeat order probability
- Revenue
- Registered accounts
- Social network traffic
- Time between orders
- Unique users

Magento Commerce also includes four dashboards and 25 reports specifically designed to serve the unique needs of B2B companies. These reports delve into company-level metrics, the quote-to-order process, sales rep KPIs, and catalog performance.

Company Metrics

With multiple buyers per account and potentially hundreds or thousands of individual purchases, it is important for B2B companies to have a consolidated view of overall account health for each customer.

Magento provides account-level key performance indicators (KPIs) and profiling information across all buyers that includes time since last order, lifetime revenue and orders, products purchased, and credit balances. Regular monitoring of this information can help B2B companies identify their best customers and quickly spot potential issues, such as companies exceeding their credit limits or making less frequent purchases. **(Figure 4.1)**
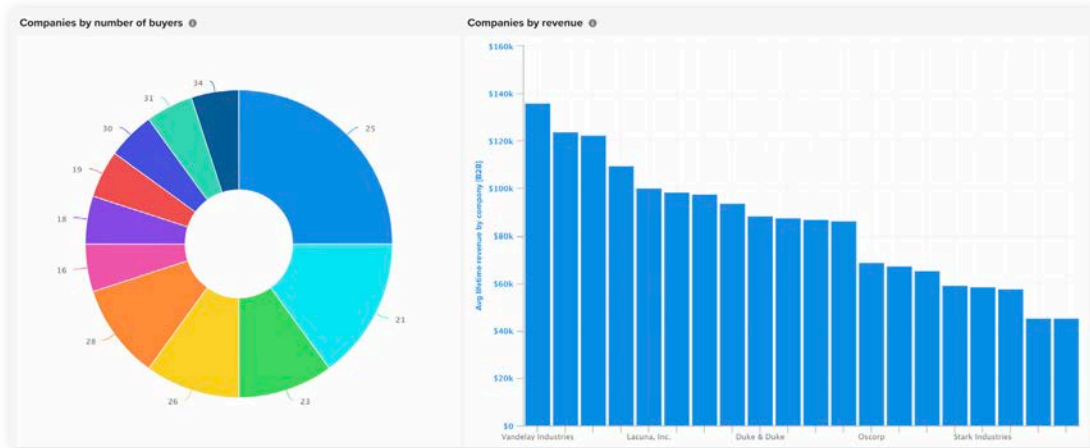
FIGURE 4.1 Company KPIs dashboard
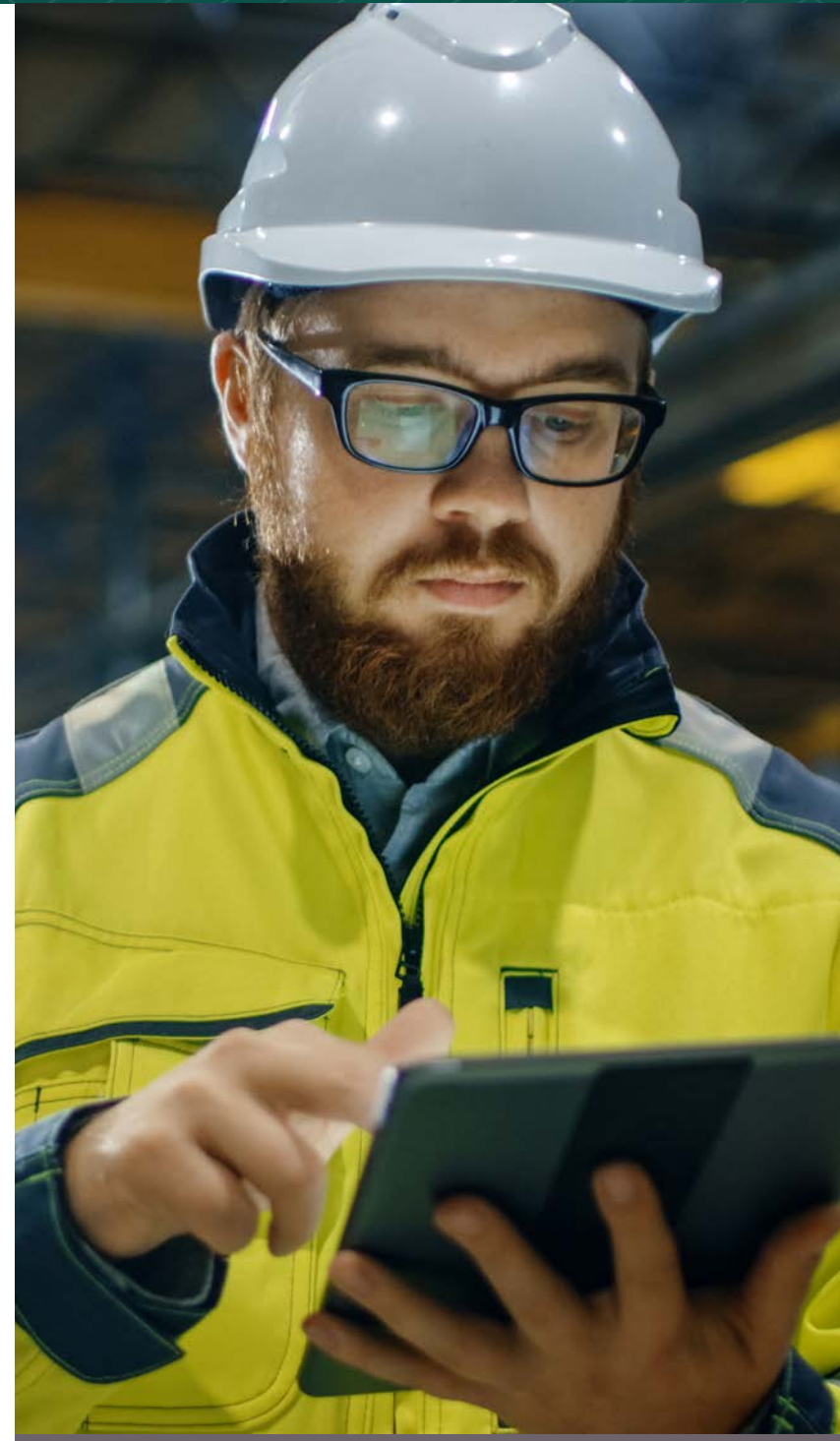
Quote-to-Order Process

Since quoting is such a common practice in B2B commerce, it is important for businesses to have insight into how efficiently they are managing these transactions and converting them to sales.

Magento provides key metrics around the quoting process including conversion rates, average negotiated change, median negotiation time, and percentage of carts negotiated.

These metrics enable businesses to identify and head-off potential challenges, such as lengthening negotiation times and ballooning discount levels. **(Figure 4.2)**

FIGURE 4.2 Quote-to-order dashboards

Sales Rep KPIs

Magento also provides KPIs for sales leaders to manage team efficiency and performance.

They can easily identify their high and low performers by tracking revenue, orders, and quote negotiation success rates per sales rep.

They can also see which reps are most responsive to quote requests and who may be giving aggressive discounts with reports showing the median length of negotiations and average negotiated price change.

They also can identify which quotes are expiring and require immediate attention. **(Figure 4.3)**

FIGURE 4.3 Sales Rep KPIs dashboard

Catalog Performance

Finally, Magento provides insight into the performance of catalogs created to serve the specialized pricing and product assortment needs of each B2B buyer.

Reports detail product revenue, best-selling products, and actual products ordered per catalog. Armed with this information, B2B companies can adjust their assortment and pricing strategies to reflect learnings across their different customers.

Collectively, the Magento Business Intelligence capabilities put powerful insights into the hands of marketers, merchandisers, business managers, and sales leaders, providing them with the autonomy to ask questions and get answers without having to rely on other resources. They remove the burden that comes with using data effectively, opening the possibility of smarter and faster decision making and accelerated growth.

Maximizing Flexibility in a Cloud Environment

Magento Commerce Cloud

Underpinning the Magento Commerce platform is a powerful cloud infrastructure that enables B2B companies to focus their resources on executing their commerce strategy and driving growth, rather than building and maintaining infrastructure.

The Magento Commerce Cloud consists of Magento Commerce software, a managed cloud infrastructure, deployment and configuration tools, 24x7 support, and technical account management.

Similar to SaaS providers, the Magento Cloud features integrated services that provide companies with security, performance monitoring and optimization, and managed infrastructure – all without sacrificing the flexibility that makes Magento unique. This infrastructure is designed to support operational efficiency, reduce complexity, and is specifically-built and tuned for Magento Commerce.

The Magento Commerce Cloud comes pre-integrated with:

- **AWS** for reliable, global, high-availability architecture, and elastic scale.

- **Fastly** for performance tools such as a varnish-based Content Delivery Network and Image Optimizer, as well as security tools to keep malicious traffic out.

- **New Relic and Blackfire** for real-time performance monitoring.

It also comes with tools to easily develop and deploy to the Magento Cloud. Cloud (ECE) Tools enable agile and rapid development and testing, encourage good deployment practices, and streamline the build and deploy process for all environments.
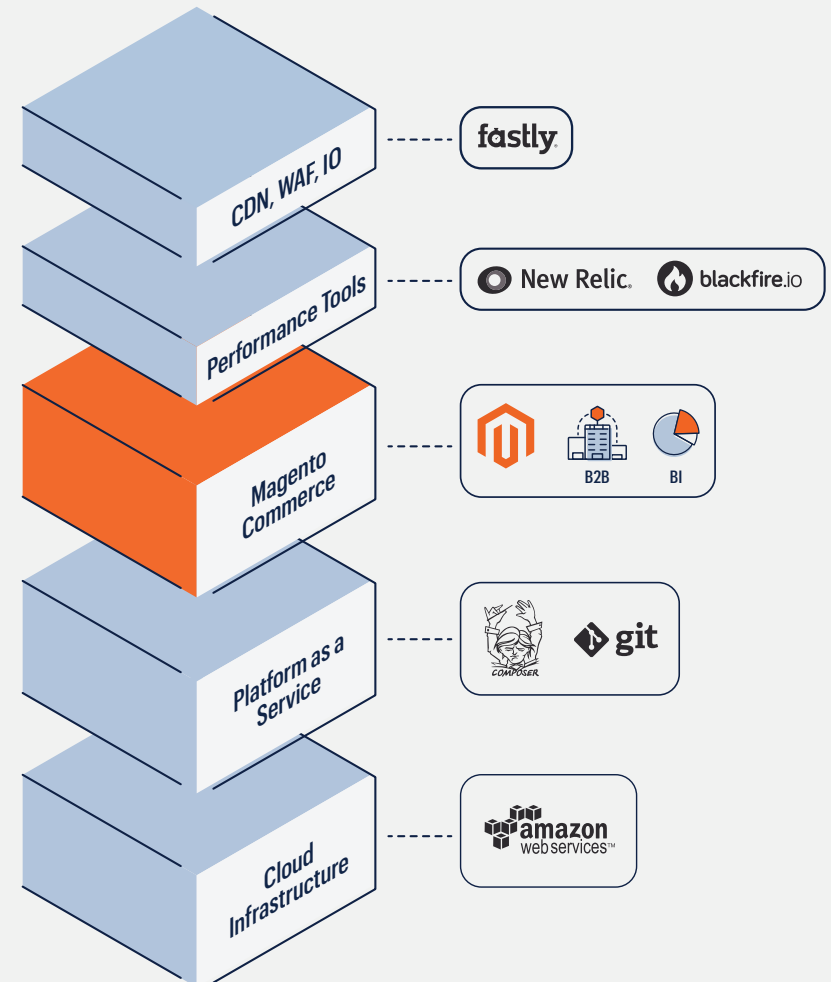
All Magento Cloud customers are paired with a technical account manager who serves as the primary point of contact for the B2B company's implementation team.

Technical account managers are charged with coordinating account provisioning and launch and answering questions relating to the Cloud.

Full 24x7 Technical Support to address infrastructure and software issues is also provided.

Additionally, cloud best practices, documentation, and other resources are available from Magento help to speed time-to-launch.

Open and Flexible Architecture

Another key advantage Magento brings to B2B companies is its open, flexible architecture.

With full access to source code and a platform designed for easy customization, developers are never blocked from creating the innovative experiences their companies and customers desire. And, with one of the most active development communities in the world, product advances happen daily and opportunities for collaboration and learning are limitless.
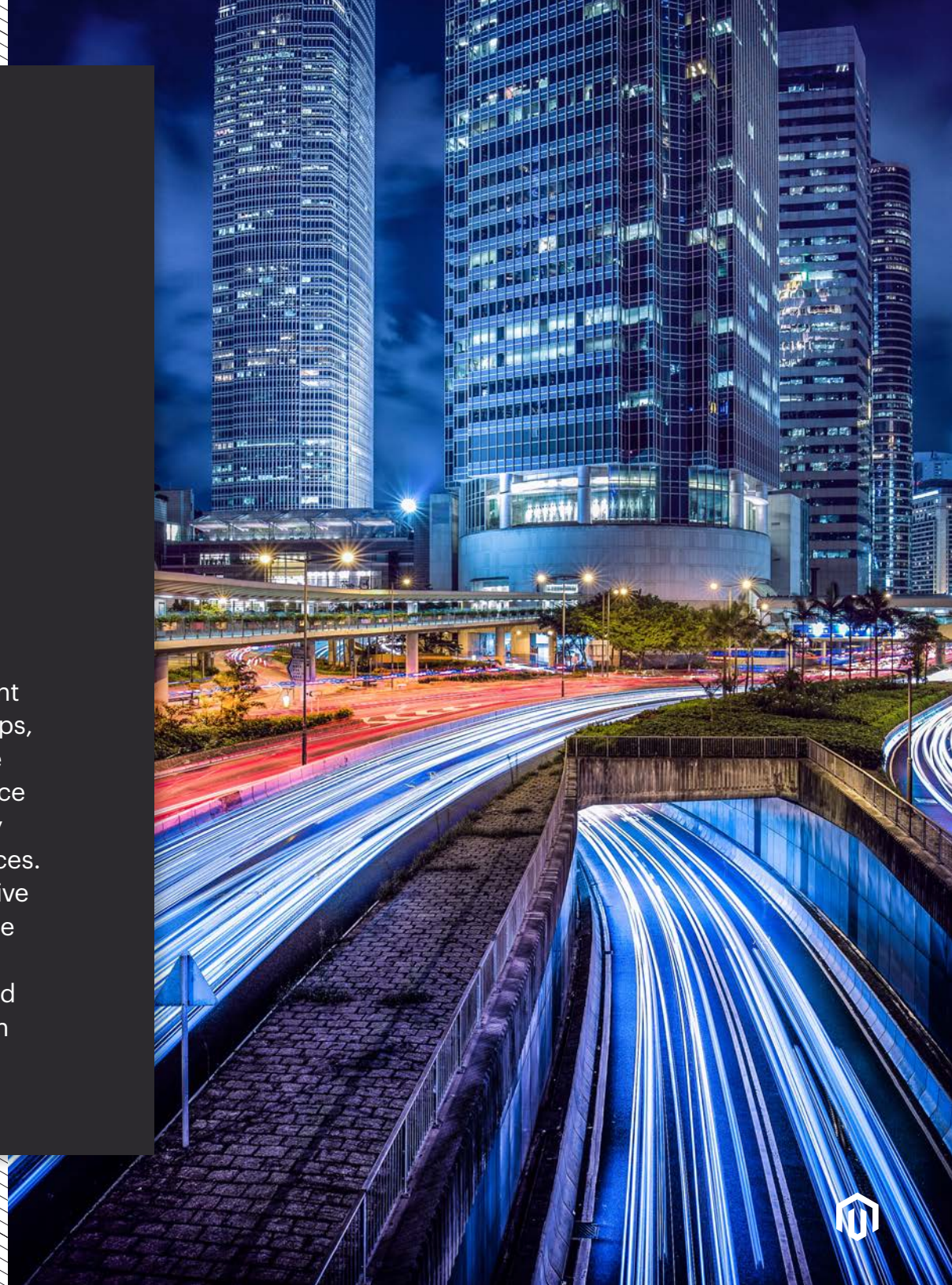
To support the significant integration and customization needs of B2B companies, Magento Commerce also provides rich SOAP and REST API coverage out-of-the-box, as well as the ability to create custom services that can be exposed as web APIs. Magento APIs cover all B2B capabilities and provide several authentication mechanisms and granular resource permissions. Message queues enable high throughput and scalability, and development is facilitated by complete and automated documentation provided by Swagger.

Magento is adding support for GraphQL, a data query language developed by Facebook that is gaining support in technical communities as an alternative to REST and SOAP APIs. It is seen as a more flexible and performant option that enables companies to accomplish more with a single API call. GraphQL also ensures that calls deliver exactly (and only) the data needed. Companies are using GraphQL to enable highly-efficient "headless" and mobile commerce solutions.

> B2B companies are uniquely able to benefit from Magento's openness, flexibility, and easy customization; a combination that is not available with other cloud-based solutions. Faced with complex legacy system integrations and unique business requirements and practices, B2B companies need a platform that is designed to change and adjust, to meet fast digital transformation timelines and urgent customer demands. Magento's open-DNA provides just that and ensures B2B companies can continue to grow and adapt as the vision for digital commerce evolves over time.

Assembling a Winning Team for Digital Transformation

Flexibility and choice don't stop with the Magento Commerce software. They are vital components of the entire ecosystem that supports the Magento platform. No other solution has such a global footprint of developers, system integrators, community groups, or technology partners as Magento. The immense community ensures that B2B companies have a choice of skilled developers in every market and industry segment, representing a range of practices and prices. Furthermore, Magento Solution Partners bring extensive B2B skills to the table. They have years of experience guiding companies through digital transformations and are well-versed in addressing both technical and organizational challenges frequently encountered in B2B projects.

Magento
An Adobe Company

3,300+
Extensions

340K+
Forum Members

1,300+
Technology
Partners

#1
Platform
in B2B & B2C

3,900+
Firms
Supporting
Magento

350+
Solution
Partners

310K+
Developers

Extensive Marketplace

While Magento is designed for customization, many B2B companies don't have to undertake bespoke development due to off-the-shelf extensions available through the Magento Marketplace.

The Marketplace is home to thousands of high quality extensions from third party technology partners that extend the functionality of the Magento platform. Extensions span 34 categories and offer everything from ERP system connectors to themes to integrations with payment gateways, email marketing, tax, personalization, configure/price/quote, and other solutions. The choices are boundless and free B2B companies to get to market faster and at a lower cost.

Continual Innovation

The Magento ecosystem is looking to the future, too. Magento's Innovations Lab program highlights leading-edge concepts and solutions from the developer and partner community.

These innovators are building the next generation of commerce – including virtual and augmented reality, chatbot, shop-by-voice, visual search, and machine learning solutions – on the Magento platform to enable B2B companies to solve business needs and deliver outstanding customer experiences. They are also contributing back to the platform through the Magento Community Engineering program, which allows developers to contribute new features and product quality enhancements.

Take the Next Step

B2B commerce is a complex and challenging endeavor, but having the right solution and team backing a project can help ensure its success. Magento brings the most powerful, flexible, and comprehensive cloud-based B2B commerce solution to the table. It's backed by the largest, most diverse, and most engaged ecosystem in the industry. No other platform can match the power of this combination to deliver the transformative experiences needed to compete in this new age of B2B business.

Find out how Magento can power your business:

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Latin America & Asia: +52 800 1239537
North America: 1-877-574-5093

About Magento Commerce

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 the #1 provider to the Internet Retailer Top 1000, the B2B 300 and the Top 500 Guides for Europe and Latin America. 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. More information can be found at **www.magento.com.**

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