GUIDEBOOK

APTTUS E-COMMERCE

PROGRAM: MARKETING AUTOMATION
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THE BOTTOM LINE

With rapidly changing buying habits, there is an increasing need for business-to-business (B2B) companies to develop omni-channel selling strategies. Apttus' intelligent e-commerce capabilities enable companies to support customers as they traverse multiple channels, on and offline. In analyzing the experience of Apttus customers, Nucleus found that deploying Apttus E-Commerce as part of the Apttus Quote-to-Cash (QTC) solution – for an integrated "Cart-to-Cash" experience – delivers benefits beyond core customer relationship management (CRM) and QTC software, shortening the sales cycle by decreasing time to quote by an additional 30.5 percentage points, and enabling buyers to complete transactions entirely through self-service e-commerce, without relying on sales. In addition, Apttus customers benefited from cost savings, increased product suite visibility, improved employee effectiveness, and improved customer experiences.

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THE SITUATION

Buying habits are no longer what they used to be, even in the business-to-business space. Decision-makers no longer rely on a salesperson and word of mouth to make their purchases – they rely on a variety of channels, both on and offline. Companies need to evolve to accommodate the modern buyer's purchasing habits. Enabling customers to purchase online is essential for any company that wishes to scale, increase sales, and reach customers they have not reached before. In fact, businesses without an e-commerce platform risk losing customers, as Nucleus found that nearly 30 percent of buyers prefer to make high value purchases online (Nucleus Research, *q160 – Shop and ship is the future of retail,* August 2016). With online shopping becoming increasingly customary in our personal lives, it is influencing professional, business to business (B2B) buying habits as well, with more B2B purchases – even complex, configurable ones – being made online.

However, companies need more than an online storefront to connect with the modern buyer – they need an intelligent, easy-to-use, scalable, end-to-end commerce platform that leverages quote-to-cash (QTC) applications, such as configure price quote (CPQ). B2B firms need to be able to support self-service, direct sales and partner sales models in ways that streamline the sales cycle, boost revenue and increase repeat business. When backed by analytics, the solution can deliver product performance feedback, enabling companies to optimize factors like

product placement and pricing, and make intelligent recommendations to end customers, partners, and sales teams, improving sales and customer satisfaction.

THE SOLUTION

Apttus is a Quote-to-Cash provider that supports multi-channel selling, including a self-service e-commerce experience. Its suite of applications is delivered on the Apttus Intelligent Cloud as software-as-a-service, and connects to any customer relationship management (CRM) platform. The Apttus Intelligent Cloud is built on Salesforce App Cloud and Microsoft Azure, and combines QTC functionality, e-commerce, machine learning, and Max, an intelligent agent, to optimize QTC and e-commerce operations and increase effectiveness across the sales cycle. Apttus describes this tightly integrated e-commerce and QTC solution built on the same platform, as a "Cart-to-Cash" suite. Apttus' QTC process automation applications include CPQ, contract lifecycle management (CLM), billing, deal management, order management, and e-commerce.

B2B E-commerce on Apttus Intelligent Cloud enables companies to drive omni-channel sales for all of their products on one platform, ensuring that product, pricing, and promotional information is up-to-date, tailored to the customer, and consistent across all sales channels. Capabilities include clicks-not-code storefront administration and catalog management, product information management, self-service portals, promotions, rebates, and Partner Commerce, which enables companies to strengthen partner relationships by allowing partners to sell through their sites. Real-time analytics recommend relevant products for customers, and help users analyze performance and maximize sales. With the solution's Responsive Design and Angular JS technology, the user interface (UI) is optimized for viewing and purchasing from any device, including smart phones and tablets.

Customers can leverage QTC process automation applications like Apttus E-Commerce to experience benefits beyond the core capabilities of their CRM systems. Nucleus found that edge applications – applications that work alongside CRM software to manage end-to-end business processes like QTC applications – deliver 4.2 times the return on investment (ROI) of core CRM implementations, on average (Nucleus Research, *q103 – Edge CRM Delivers 4.2 times more ROI,* June 2016). When e-commerce is deployed in conjunction with other QTC applications – such as CPQ, Contracts, Ordering, and Billing – companies are likely to experience additional quantifiable benefits by more effectively supporting their omni-channel strategy, and by taking their e-commerce presence beyond just a storefront.

WHY APTTUS E-COMMERCE

Nucleus analyzed the experience of Apttus customers – both those who have already implemented Apttus E-Commerce and those who are in the process of implementing it – in order to understand why they chose Apttus over other e-commerce solutions. Nucleus found that, ultimately, customers selected Apttus due to its platform, scalability, and strong business partnership.

PLATFORM

Nucleus found that the most frequently cited reasons for selecting Apttus are the platform's Cart-to-Cash capabilities and native, third-party integrations. Apttus offers a suite of QTC applications, like Apttus E-Commerce, that helps customers get more value from their CRM systems. For one customer, this Cart-to-Cash experience was the primary motivation for selecting Apttus. The customer said, *"Apttus' CPQ functionality could handle our complex pricing rules and will support our business needs across units in the future."* Apttus Intelligent Cloud is built on both the Salesforce platform and the Microsoft Azure platform, enabling it to leverage Azure's machine learning, advanced search, and the Microsoft Bot Framework, and integrate with Salesforce CRM and Microsoft Dynamics. It is also highly configurable and user-friendly. One hundred percent of the customers with whom Nucleus spoke used Salesforce or Microsoft for CRM, and wanted a partner solution to avoid integration challenges. One customer said, *"We chose Apttus because we didn't have to integrate a completely different set of master data with our CRM, and didn't have to hire a set of people just to manage our e-commerce solution. We wanted a system that is directly integrated into our CRM."*

SCALABILITY

All of the customers with whom Nucleus spoke are undergoing rapid growth and transformation. To meet their growing needs, many considered hiring additional employees. However, after a certain point, adding more employees is likely to render diminishing returns. Implementing Apttus E-Commerce provided customers with the scalability they needed, without requiring them to hire any additional employees. Seventy-five percent of the customers Nucleus interviewed say Apttus E-Commerce has, or will, enable them to scale without limitation. One reason for this is the usability of the product for system administrators. With the solution's clicks-not-code technology, updates can be made in near real-time and replicated across multiple sites.

"From a scalability standpoint, Apttus E-Commerce will be key to our success."

Also affecting scalability are Apttus E-Commerce's self-service capabilities. With brandable self-service portals available on desktop or mobile, much of the quoting and purchasing process – which is often a bottle-neck in the sales cycle – is put in the hands of the customer. Increasingly, purchases are being completed through a 100 percent self-service, online process, even for complex configurable products. One customer said, *"We are in the process of scaling up, so we needed to give people all of the self-service capabilities that we could. From a scalability standpoint, Apttus E-Commerce will be key to our success."*

PARTNERSHIP

Another reason customers chose Apttus as their e-commerce provider is the strength of their pre-existing business relationship with Apttus. Most of the customers Nucleus interviewed were Apttus QTC customers prior to implementing e-commerce, and had such positive experiences that they preferred to work with the Apttus team again over any other vendor and stay within the Apttus ecosystem. Customers said:

- *"With Apttus, their portfolio of products is very comprehensive and aligned with our vision. When we did proof of concept with them, they really understood our problem. The working relationship was great right off the bat – they almost feel like a part of our company."*
- *"Apttus' VP of Product Engineering for the e-commerce solution has been very personally involved in our implementation. We have had a good partnership, because they really seem to understand what we need and respond to it."*

KEY BENEFITS

Nucleus spoke with Apttus customers to determine the benefits they experienced, or expect to experience, after deploying Apttus E-Commerce. Benefits included cost savings, shortened sales cycles, increased product suite visibility, improved effectiveness of sales, and improved customer experiences.

COST SAVINGS

Apttus E-Commerce led to cost savings for the customers with whom Nucleus spoke by reducing licensing costs and enabling companies to avoid hiring additional employees. One company eliminated significant licensing costs by decommissioning a legacy e-commerce solution and taking advantage of Apttus E-Commerce's API-based architecture, which allowed the company to integrate an existing customer portal with Apttus' solutions, cutting costs and maximizing the ROI of existing investments. Other companies were able to avoid hiring additional employees. On average, the companies with whom Nucleus spoke saved $384,000

annually in avoided e-commerce developers, and $424,000 in avoided sales and marketing staff, circumventing the need to expand their staff by 3 to 5 percent.

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SHORTENED SALES CYCLE

For the customers with whom Nucleus spoke, Apttus E-Commerce helped streamline the sales process, shortening the sales cycle overall with its product catalog and merchandising capabilities, self-service quoting and purchasing portals, and personalized product recommendations. With the ability to better organize products and services on their e-commerce sites, companies are able to more systematically introduce and inform prospects of a wide range of products. Customers are doing more research on their own before purchasing, so putting more information in customers' hands increases the likelihood of a sale and the speed with which customers make their decision to buy.

Apttus E-Commerce delivers benefits beyond implementing QTC software alone, decreasing the average time to quote by an additional 30.5 percentage points.

Self-service quoting and purchasing portals eliminate wait-time for receiving proposals, which can be one of the most time-consuming stages of the sales cycle, improving the ease of doing business with an organization. Many companies Nucleus interviewed had manual quoting and ordering processes which involved many departments and could take days. Apttus E-Commerce enabled them to implement a system where their customers could secure a quote and complete a transaction from the shopping cart, entirely through self-service e-commerce, without sales involvement. Apttus E-Commerce, on average, took the process of developing quotes from 48 hours to just minutes – an over 99 percent decrease. Earlier this year, Nucleus found that Apttus QTC software, when implemented without Apttus E-Commerce, decreased time to quote by an average of 68.5 percent (Nucleus Research, *q186 – Guidebook – Apttus quote to cash,* October 2016). Therefore, Nucleus concluded that Apttus E-Commerce delivers benefits beyond implementing QTC software without e-commerce, decreasing the average time to quote by at least an additional 30.5 percentage points, and recommends

implementing an end-to-end Apttus solution to maximize the benefits of an integrated Cart-to-Cash process.

The ability to deliver personalized product recommendations through Apttus' analytic capabilities also speeds up the sales cycle, as companies can selectively show customers relevent products and services, and offer them promotions and rebates that close the deal faster. Providing customers with organized product information and enabling them to find out exactly how much products and services will cost on their own also shortens the sales cycle significantly.

INCREASED VISIBILITY

Apttus E-Commerce customers also benefitted from gaining visibility into the product catalogs of less well-known products and services. With the ability to systematically introduce and inform prospects of their products, companies can influence purchasing decisions and expose new, lesser known, or emerging product lines and promotions, significantly improving sales in targeted areas. One company with whom Nucleus spoke, which is in the process of implementing Apttus E-Commerce, is known for its hardware.

> **One company will improve visibility for nearly 17 percent of the product set that was dormant from limited customer awareness.**

Very few of its customers know about its software offerings, which comprise nearly 17 percent of its offerings. Once the company implements Apttus E-Commerce, it plans to showcase its software, improving visibility for nearly 17 percent of the product set that was inactive due to limited customer awareness.

IMPROVED EMPLOYEE EFFECTIVENESS

Apttus E-Commerce customers found that the solution enabled internal teams to re-focus efforts on aspects of their roles that added more value to the company. Some customers were able to downsize their sales departments after implementing Apttus E-Commerce, but most decided to refocus sales on landing larger, more strategic accounts. For the customers with whom Nucleus spoke that have already implemented the solution, this has led to an increase in the average deal size and revenue per account.

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Other Apttus E-Commerce customers found that they were able to improve the effectiveness of their customer service departments. One company handled 70 percent of its orders internally due to the complexity of its catalog and legacy system, with most of that burden falling on customer service. Apttus E-Commerce enabled the company to streamline the order process, making it more intuitive so that it could transfer more ordering responsibility onto the customer. Now, that company is able to retarget their customer service team's efforts on providing better customer service experiences to its customers.

IMPROVED CUSTOMER EXPERIENCE

One hundred percent of the companies with whom Nucleus spoke said Apttus E-Commerce improves customer experiences. The solution has enabled them to gain more visibility into their customers' behaviors and buying habits, with real-time analytics surfacing relevant products and delivering more personalized experiences. Companies say their customers appreciate the up-to-date and organized nature of the products through Apttus E-Commerce, as well as their greater consistency across online and assisted sales experiences.

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For many customers with whom Nucleus spoke, improving customer experiences has also encouraged more repeat business and increased the frequency of transactions with existing customers. One Apttus customer said, *"Delivering a more frictionless, positive e-commerce experience for our customers has, without a doubt, encouraged more re-orders. Our customers e-mail us saying how happy they are that our legacy system is decommissioned."*

BEST PRACTICES

Just as Nucleus found with Apttus QTC implementations, the greatest challenge B2B E-commerce projects face when implementing the solution is change management. One company Nucleus interviewed, with 13,000 employees globally, stated, *"For us, the greatest challenges have been internal so far. Obviously, the need for e-commerce is well understood. However, we have employees who are used to doing things the way they've always done them. It's not so much about tech barriers – it's more about creating a culture that's more accepting of change."*

A best practice is to take a phased approach to implementation. With a phased approach, companies can introduce the solution to a test group prior to launching it across the organization, starting with the core capabilities that will deliver value quickly. Introducing the solution to a test group also enables companies to address pain points early in the deployment. Nucleus also recommends thorough training, as educating employees increases the likelihood of adoption.

CONCLUSION

Nucleus found that Apttus E-Commerce brings significant benefits to companies that implement it, beyond deploying a QTC solution that does not include e-commerce. As buying habits change, companies must look to e-commerce solutions that support business across multiple channels, with integrated Cart-to-Cash experiences for self-service, partner, and direct sales models. Failure to do so can cause companies to fall behind. Nucleus found that Apttus delivers a compelling solution that helps companies cut costs, shorten their sales cycles, increase visibility for lesser-known products within their product portfolios, improve the effectiveness of their sales teams, and deliver a more personalized experience for their customers across all sales channels.