

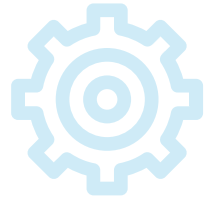
The Manufacturer's Guide

salesforce

Modernize Commercial Operations



It's time to reimagine your selling and revenue management processes



Margin erosion. Revenue leakage. Lost profits.

Other than production downtime, nothing frustrates manufacturers more than these three nearly universal problems. And, there are many factors that chip away at bottom line performance.



There is a common link – disconnected data and fragmented business processes. Data that supports the selling process like pricing and available inventory is often locked away in systems such as Enterprise Resource Planning (ERP) that sellers rarely access. Manufacturers frequently have multiple ERP systems, making it very difficult to compile a single view of customer information. Volume agreements negotiated with customers and channel partners may not be reviewed again until it is time for a new agreement. This leaves the manufacturer asking, “Did I get all the business promised in those agreements?”

Other disconnected processes come from pricing and discounting strategies mapped out in standalone price optimization systems or even in spreadsheets. Rebate programs are commonly developed and tracked using point solutions or spreadsheets. This information is seldom updated, and is often locked away in the finance department where neither sellers nor customers have visibility. Finally, today's volatile supply chain and dynamic demand patterns make it difficult to keep the right mix of products available to meet customer demand.

Is anyone surprised that revenue and margin leakage are a problem for the typical manufacturer?



How to Jumpstart Your Transformation

Modernizing how a business generates and captures revenue requires bringing together customer data and business processes. It starts by unifying all customer data into a Customer Relationship Management system (CRM) that can serve as a single source of truth across the business. This provides the foundation for upgrading selling processes and integrating revenue management.

In this guide, we share a three-phased approach to modernizing commercial operations.

85%

of CEOs reported that their organizations accelerated digital transformation during the pandemic

Source: "2021 Fortune/Deloitte CEO Survey," Deloitte and Fortune, September 2021

1 Phase One

The first phase is unifying customer data on one platform. This establishes the digital foundation for a new way of working.

2 Phase Two

The second phase is modernizing the selling processes. Add analytics, artificial intelligence (AI), and workflow automation to improve seller performance while reducing revenue and margin leakage in the sales process.

3 Phase Three

The third phase integrates revenue management information and processes within the platform. You should migrate spreadsheet-based or point solution systems and associated processes onto one platform for universal data visibility and process connectivity. Then, to keep the integration process moving forward, provide data visibility on the platform for systems which can't be migrated.

Read on to understand more about each phase of modernizing commercial operations.



Phase One

Unify Customer Data on One Platform

01

Manufacturing customers expect the same connected digital experiences in their business-to-business (B2B) interactions as they have as consumers.

Why is creating a seamless customer experience important? According to the [2020 Achieving Customer Amazement Study](#), 96% of customers will leave a business for poor customer service. And, as the Salesforce [State of the Connected Customer](#) report showed, 76% of customers expect consistent interactions across business departments.

You can create better experiences by unifying customer data from siloed systems across business units, regions, and departments onto a real-time, connected platform.

“For a long time in my world, the commercial organization operated on multiple systems, resulting in what we called ‘swivel chair execution.’ We pivoted back and forth from system to system to find the data we needed,” said Diana Melick, Vice President, Manufacturing Industry Advisor at Salesforce.

Creating a smooth and informed customer experience was difficult and inefficient. “We spent all our time trying to locate information about the customer and the equipment,” said Melick.

A unified customer data platform makes the same data available to every employee, cutting out the inefficiencies that reduced productivity in the past. Bringing together data like inventory, quotes, orders, order status, forecasts, service, parts, warranty and making it viewable in one place is what enables every employee at the company to provide a better experience to customers.

“You want everybody engaging with that system as the single source of truth,” Melick said.

84%

of industrial executives

believe providing the differentiated experiences that customers increasingly expect can boost competitive advantage.

SOURCE: “Industrial Consumerism: Experience the New Normal,” Accenture, 2018

Watch “[Driving Success Across the Manufacturing Value Chain](#)” to learn how Salesforce can help put you on the fastest digital transformation journey.



Diana Melick
Vice President,
Manufacturing Industry
Advisor at Salesforce

Expert Tip — You Need Order Visibility to Improve Customer Care

“A manufacturing company's customer support doesn't end at the sale, it begins. The customer experience evolves to include sales of parts and aftermarket services.

But how do you do that if you don't have every piece of information about each customer? You need to merge data from every touchpoint the business has with its customers. Understanding those experiences will let you provide world-class service.

A CRM designed for manufacturing can support that 360-degree view of your customers. It can collect and connect the data needed for visibility throughout the process.”



Phase Two

Modernize Your Selling Processes

02

Many manufacturers struggle with sales processes that take too long to close. Slow and stalled processes lead to bad experiences for your prospects and makes it easier for a competitor to come in and steal the sale. But now that you have your data foundation in place, you can focus on optimizing your sales process. This will elevate the performance of every seller for larger deals, quicker closes, and better win rates.

How can you do this? By focusing on the areas that bog down your sales processes. With your customer data integrated into one platform, there are a number of ways to make things faster and easier, including:

Adopting a Configure-Price-Quote (CPQ) tool reduces mistakes and revenue leakage by ensuring quotes are built with accurate product configurations and approved pricing. Along with speeding the quoting process, CPQ also facilitates upselling and cross-selling.

Integrating a rebate management tool with your quoting process provides visibility into applicable rebate programs. Sellers can now easily include the right program in the quote.

Automating workflows allows sellers to apply best practices consistently in every stage of the sales process. And, it saves crucial time and makes the process easier for your sales team and your prospects.

Applying analytics and AI to your data provides actionable insights and recommendations that help your sellers maximize every sale. Examples of these insights include:

- Lead and opportunity scoring.
- Personalized next-best actions.
- Customer propensity to buy insights by product.
- “Likelihood to close” predictions.

Once the prospect has accepted the quote, your sales team can automatically capture the terms of the deal (products, prices, quantities, and delivery schedule) in a sales agreement.

With this updated process, your sales team will be more efficient and productive. They'll be able to focus their time on the leads, opportunities, and actions that drive the greatest likelihood of success.

Modernizing your sales process not only improves seller productivity and performance, but sets you up to better manage the order-to-cash and revenue management processes in the next phase. This foundation reduces revenue and margin leakage in the selling process.

Learn how to [Grow Your Manufacturing Sales – the Digital Way](#).





57%

of manufacturers report that they expect sales processes that transformed during the pandemic to be permanently changed.

SOURCE: "Trends in Manufacturing: Insights from 750 leaders on future-proofing their business," Salesforce, 2021

Expert Tip — How AI Can Help Your Sellers

Between the 'Great Resignation' and Baby Boomers retiring, manufacturers are continually bringing in new sellers. Onboarding to get them up to speed quickly is a big challenge. AI can help make them more productive faster, and can benefit your seasoned sellers too.

AI uses the available data to recognize patterns and make predictions. These insights can be made and shared in context, right within the CRM system. Use cases for manufacturing sales teams include:

- **Lead and Opportunity Scoring:** Prioritize the leads and opportunities that will have the greatest impact. Scores are updated in real time and sellers can see what factors contributed.
- **Recommended Next-Best Action:** AI analyzes the sales data to provide the next-best actions for sellers to take to keep the opportunity advancing.
- **Predictive Forecasting:** AI can predict potential pipeline attainment based on deals that are most likely to close.
- **Conversation Insights:** AI can analyze video call transcripts to visualize trending keywords, such as product and competitor mentions.

Using these insights, sellers can maximize their impact and sales managers can better coach their teams. Manufacturers using Salesforce [Einstein AI](#) have experienced increases in sales productivity, average deal size, and win rate. To estimate how AI can benefit your organization, use the Salesforce [AI Impact Calculator](#).



Loring Andersen,

Senior Director of Industry Marketing
Manufacturing & Auto at Salesforce



Phase Three

Integrate Your Revenue Management Processes

03

Once the selling process is complete, the workflow shifts to the order-to-cash process to capture customer orders, fulfill the sale, and collect the payment. A number of revenue management systems and processes support this process, such as sales agreement/contract management, demand forecasting, rebate management, and order management. These processes often happen simultaneously which adds another level of complexity.

Because the revenue management processes are often fragmented and rely on siloed data, it creates many opportunities for revenue and margin leakage. As in phase one, the key steps forward involve integrating data and processes onto the platform for visibility and process connection.

Volume Sales Agreement Management

Manufacturers lose money when customers fail to meet volume commitments. To address this problem, manufacturers can import customer purchase data from the ERP to track compliance with volume sales agreements on an ongoing basis. When actual purchases don't match the baseline agreement, the manufacturer can quickly engage the customer to address the issue.

Demand Forecasting

Poor demand forecasting can lead to products being out-of-stock. This can result in canceled orders or higher payments for expedited shipping costs. Conversely, ordering too much inventory brings higher carrying costs. Visibility helps reduce these uncertainties and costs. When your team can see on-hand inventory across all appropriate fulfillment locations during the order process, they only accept orders they can deliver.

The other side of this process is ensuring there is available inventory when customers need it. This requires accurate forecasting, and is more important than ever given the supply chain challenges that have impacted the industry in the last few years. Your sales or commercial operations team can work collaboratively with customers to create and update demand forecasts based on the original sales agreement's volume requirements as a starting point. They can modify forecasts as needs change, and feed updates into the sales and operations (S&OP) process used to determine production plans.



76%

of manufacturers rate the effectiveness of their order-to-cash process as somewhat or very ineffective.

SOURCE: "Order-to-Cash: Managing for Success in Disruptive Times," APQC and Digital Supply Chain Institute, November 2021



Rebates and Incentive Management

Manufacturers often track these programs in point solutions or spreadsheets. This approach makes it difficult to keep rebate obligations current and visible to stakeholders (sales, finance, commercial operations, and customers). If rebates and incentives are not tracked properly, you risk paying customers the wrong incentive amount and improperly accounting for rebate obligations on your financial reports.

To remedy this problem, you should adopt a platform-based rebate management system and integrate sales data from your ERP(s) to compute and track rebate obligations in real time. This enables you to provide ongoing rebate status views to stakeholders. And, by coupling rebate information with your B2B commerce tool, you can show customers their status toward their next rebate threshold during the order process. This can motivate them to increase their order, maximizing your rebate program's impact.



Order Management

Today, customers and channel partners submit orders through a variety of channels and systems, and manufacturers fulfill these orders through multiple factories and warehouses, each of which could have different ERP/inventory management systems. This makes getting a complete view of orders and inventory a formidable challenge, not to mention tracking status and making changes. Manufacturers need flexibility that ERPs can't offer.

Again, integrating data and processes on a single platform brings it all together for sellers, service reps, and even customers and channel partners. This enables your teams to view orders from all channels and their fulfillment status. And, you can cancel or reschedule orders, manage invoices, or process product returns. Plus, you have the ability to dynamically route orders to the best fulfillment location to optimize costs and fulfillment rates. Taking it a step further, bringing B2B commerce and order management processes together on the platform allows customers and channel partners to create, view, and manage their orders themselves.



Discover more about the benefits of a unified sales and revenue platform in our on-demand webinar, [“Modernize Commercial Operations by Integrating Selling and Revenue Management.”](#)





Expert Tip — Drive Up Margins by Implementing a Customer-Centric Market Segmentation Strategy

Not all customers value premium support and enhanced service levels. Some only want a low price and basic support, and won't pay more for extras. Providing the same level of support to most customers increases costs and pricing for all. How do you make sure you offer the right package of products and services at the right price to the right customer?

To address this challenge, many manufacturers create customer segmentation strategies. However, they typically only segment based on how much a customer buys and the customer's industry. To create more meaningful segmentation, manufacturers need to address the behavioral aspects of the customer, such as how they use the product, what services they value, their willingness to pay, and their past experiences with your brand.

Even with better segments, you need to integrate them into your customer data to monetize your strategy. Build them into your operations so you reflect your segmentation strategy in the product and service offerings and pricing that you offer to your customers. Over time, analytics and AI can help you refine your segmentation strategy with more effective recommendations, resulting in happy customers, higher margins, predictable revenue, and lower costs.



Andrew Witherspoon

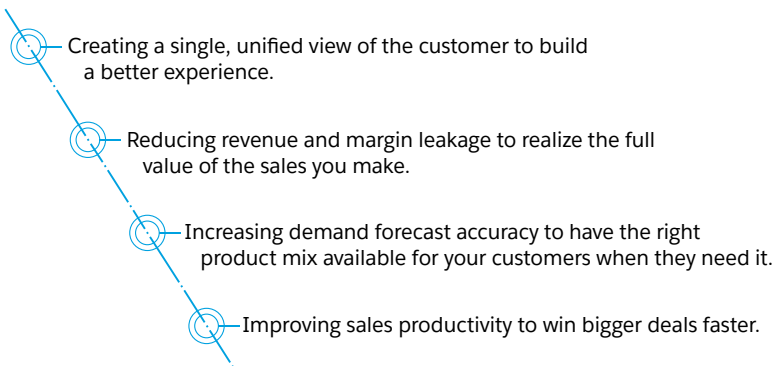
AVP, Manufacturing Industry
Advisor at Salesforce





How do I get started?

Where do you begin your journey to modernize commercial operations? Each team faces unique challenges. While you can follow the path outlined here, our phased approach is meant to be flexible based on your business needs. Start by asking yourself where you need to prioritize your time and resources to solve your biggest pains. It may be one of the following:



Whatever you need to address first, we recommend you start small and build on quick successes rather than overwhelm your business by doing too much at once. Take the wins from these smaller projects to fuel your next investment, and use this guide as your transformation journey roadmap. No matter where you begin, the most important thing is just to get started. Whether you're at the beginning stages or ready to take your transformation further, Salesforce can help you. [Contact us](#) to learn more about how to modernize your commercial operations.

Through this guide, we've described how unifying your data to one source can help in your day-to-day manufacturing commercial operations. [Watch this demo](#) to see it in action.

By the numbers

Manufacturers who have adopted Salesforce solutions are experiencing these results on average*:

24%

Increase in sales revenue.

25%

Faster deal closure.

25%

Increase in sales productivity.

27%

Faster response time to customers, prospects, employees, and partners.

23%

Increase in cross-sell and upsell success.

*Statistics sourced from Salesforce's global FY22 Customer Success Metrics Survey and Industry Highlights, an annual study that measures the success and value customers achieved from using our products. 4,781 customers surveyed in Australia, Brazil, Canada, France, Germany, India, Japan, Singapore, UK, USA from May 1, 2021 to June 15, 2021 including 646 customers surveyed in the Manufacturing Industry.



