TOTAL COMMERCE:
DELIVERING BEYOND QUOTE TO CASH

QUOTE-TO-CASH IS JUST THE BEGINNING

When implemented correctly, the quote-to-cash (Q2C) business process is one of the most impactful when it comes to ROI. There are tangible business benefits that positively impact revenue, margin, net retention, and enable organizations to more easily comply with new accounting and revenue recognition rules.

A study by the Aberdeen Group highlights the magnitude a Quote-to-Cash transformation can have on a business:

- 105% larger deal sizes
- 49% higher proposal volume
- 28% shorter sales cycle
- 17% higher conversion rate

Companies have many different reasons to structure Q2C processes, and there are many ways you can improve and refine these as your company grows. Customer experience, sales efficiency, reduction in errors, time of quoting, data visibility, order fulfillment and finance execution are often top of mind for C-Suites when optimizing Q2C processes.

An improved Q2C process not only results in increased revenue and decreased costs, but also in a better customer experience, which can lead to repeat business—and, Business 101, it's much less expensive to keep a customer than to acquire a new one.

In addition to streamlining the Q2C business process, perhaps your organization has also invested in a configure, price, quote (CPQ) solution to streamline the quoting process for your sales team. But what about other selling tools for your organization? Do you have an end-to-end set of solutions for internal and external sales teams, channel partners, and customers? What if your organization delivered a Total Commerce experience?

This whitepaper will provide an in-depth view of what Pierce Washington calls the Total Commerce experience. It will discuss what Total Commerce entails, the benefits it can provide to your organization, and present a Total Commerce Maturity Model that can help your organization identify current state and develop a roadmap to mature your capabilities in this critical domain.

WHAT IS TOTAL COMMERCE?

Total Commerce is a set of data and process improvements and a suite of applications that enable organizations to better serve their customers. These components must work hand in glove to achieve the goal of better serving your customers.

Total Commerce—Data and Process Improvements

Without doing the data and process work, implementing applications will fall short of intended business outcomes. According to a study by McKinsey, nearly one-quarter of value loss occurs during the target-setting phase, suggesting that the full potential of a company's transformation might be compromised before they even get started.

While Anything as a Software (XaaS) and recurring revenue selling models provide a number of benefits, they also come with an entirely new set of internal process challenges.

Evaluating your current processes can help you determine where you are lacking. For instance, does your organization:

- Have a strategy for cleaning up product data and defining product bundles?
- Have a good understanding of how XaaS selling will impact your contracting process?
- Have a strategy for transitioning customers from the "old" way of contracting to new models?
- Have the ability to support the billing requirements inherent to subscription selling?
- Understand the revenue recognition implications of XaaS selling? Can you define an SSP for each product? Will you be able to comply with ASC-606 and other accounting regulations?

Once you've completed the data and process work, you'll need a suite of applications that enable your customers and channel partners to more easily work with your organization.

Total Commerce—Applications That Enable Quote-to-Cash

Beyond the process components that support new selling models, Total Commerce is also about meeting the unique needs of your business by intelligently combining direct-, partner-, and self-service channels. It's about providing more and better self-service experiences for your customers.

Traditionally, CPQ solutions have focused on providing sales reps with the tools to more efficiently quote products that are technically and commercially valid. But Total Commerce extends this capability to end customers—to put together highly configurable products, to become better educated about a company's products and services before engaging with the sales team.

In addition, Total Commerce is about offering your customers a self-service portal to order aftermarket parts, check on the status of an order or an invoice, or even place a direct order themselves. Total Commerce enables companies to present information to their customers so those customers can manage their own account relationship—freeing up sales reps and customer service reps to focus on more strategic activities.

Not only do customers want a more omnichannel experience, they expect it—McKinsey's recent B2B Pulse survey showed that given the choice of in-person, remote, and e-commerce channels, purchasers want them all.
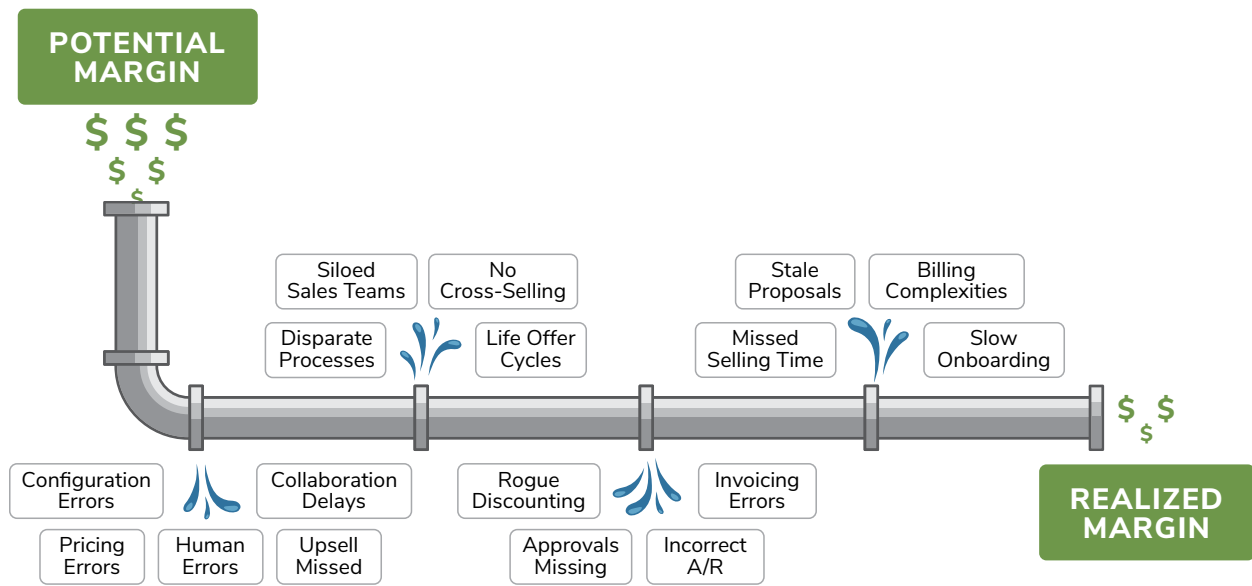
Total Commerce includes support for new selling models and new self-service offerings. By understanding which of your products and services a customer already owns, companies can filter offers based on that information. The power of Total Commerce is that your customer can purchase products and services and modify existing subscriptions and services via self-service.

BENEFITS OF TOTAL COMMERCE

There are significant benefits to Total Commerce. Those benefits include increased revenue across all channels, increased margin of 2-5%, support for new recurring revenue models, increased visibility of self-service channels, trusted pricing, revenue recognition accuracy, and a lower operational cost of sale.

Improve Margins

Margin leakage is an ongoing challenge in any sales environment, particularly when manual processes are in place that lead to pricing errors.

POTENTIAL MARGIN

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| Siloed Sales Teams | No Cross-Selling |
| Disparate Processes | Life Offer Cycles |

| Stale Proposals | Billing Complexities |
| Missed Selling Time | Slow Onboarding |

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| Configuration Errors | | Collaboration Delays |
| Pricing Errors | Human Errors | Upsell Missed |

| Rogue Discounting | Invoicing Errors |
| Approvals Missing | Incorrect A/R |

REALIZED MARGIN

Implementing Pierce Washington's Total Commerce solution helps companies increase margins by eliminating leakage. One of our clients, a global leader in pet healthcare innovation, is one example. Their manual quoting process was creating a "leaky pipe" as a result of incorrect product configurations, inaccurate proposals, and lengthy quote times.

Pierce Washington worked with them to develop a Total Commerce solution that spanned their enterprise and helped them achieve their goals. The result was a simplified and automated purchasing process and improved sales productivity and efficiency that addressed their "leaky pipe."

Increase Revenue

Total Commerce increases your top-line revenue by:

- Increasing the time sales reps focus on finding new customers and making more sales
- Enabling your customers to purchase additional products and services, as needed, by easily logging into their self-service portal.
- Eliminating friction in the buying and subscribing process—customers are more likely to buy and subscribe more than what they would have done with a manual, face-to-face process.

Become 'Easier to Do Business With'

Providing your clients with the Total Commerce self-service experience grants them power to configure their products and services exactly how they need them, buy new products and services, and renew their products and services—all without the assistance of a customer service or a sales rep.

While self-service capabilities take effort, the payoff is significant. According to a study by McKinsey in 2022, "Top-quartile teams can deliver four to five times higher sales growth than bottom-quartile players."

Deliver Trusted Pricing Everywhere

With Total Commerce, accurate pricing is built into the software solution, ensuring that your customers are getting their agreed-upon pricing, reducing pricing errors.

Regardless of sales channel, direct, partner, dealer, e-commerce and self-service, your customers and partners are always working with the right price. Your customers will have confidence they are getting the right price every time.

Enable Compliance and Revenue Recognition Accuracy

Accounting regulations, like ASC-606, continue to evolve and change. When your Total Commerce solution is implemented in support of a newly defined quote-to-cash business process, you can be confident that every transaction will receive the required revenue recognition treatment.

As revenue recognition information flows downstream to accounting, there will be minimal, if any, manual work that needs to be done to ensure that all information being reported is fully compliant. Your accounting team will appreciate not having to spend time and energy ensuring compliance and accuracy.

Lower Operational Cost of Sale

With Total Commerce and the empowerment of your customers to purchase their own products and services through an e-commerce portal, your overall operational costs of a sale will decrease.

A Total Commerce self-service portal reduces the cost of sale by enabling your B2B customers to visit your website, learn about your products, and configure a solution for their particular needs. Total Commerce also identifies upsell opportunities, streamlines contract renewals and amendments, and helps B2B customers purchase additional subscriptions or modify existing ones.

All of this can be done without the assistance of a sales representative, leaving your reps time to focus on new customers and larger, more strategic sales.

PUTTING IT INTO PRACTICE: THE TOTAL COMMERCE MATURITY MODEL

Initial	Defined	Collaborative	Integrated	Managed	Optimized
01	**02**	**03**	**04**	**05**	**06**
• Ad-Hoc Processes • Product data issues • Pricing data issues • Basic CRM, ERP & Excel for most processes • Multiple Sources of Truth • Email approvals • Manual integrations • Email Contract Repository • Website Lead Gen Forms	• Documented Processes • Basic CRM & ERP • CPQ for Internal Reps • Manual Provisioning • Inside Sales XaaS Billing • Manual Integrations • Siloed Sales Channels • Informational Website • Marketing Lead Generation Forms • Basic Case Management • Multiple Sources of Truth	• Channel Specific Processes • Connected CRM, CPQ, Subscription Billing • MDF, Deal Registration & Partner Quoting Portal on top of CRM & CPQ • Siloed Self-Service eCommerce • Manual In-App Account Management • Manual Provisioning • Manual ERP Integrations • Marketing Lead Gen Forms • Service Center Portal • Multiple Sources of Truth	• Centralized Processes • COE Business Team • System-Specific IT Team • Dedicated iPaaS Solution • Integrated Marketing, CRM, CPQ, CLM, Subscription Billing & ERP • Integrated In-App Account Management • Integrated Self-Service eCommerce • MDF, LMS, Loyalty Management, Deal Reg, Quoting, Contract Review, Billing Review via Portal • Automated Lead Scoring • Integrated Service Center & Case Management • Repetitive Sources of Truth	• Monitored & Refined Processes • Introduction of Managed Services Provider • Systems consolidation & maintenance reduction for overall GTM strategy • MDM Strategy & Solution • Centralized Customer Master • Centralized Product & Pricing Configuration • Centralized Order Management • Centralized Install Base • Centralized Entitlement Management • Customer Segmentation, Lead Scoring & Journey Mapping • Data Warehouse • Single Source of Truth	• Optimizing Processes, Data Quality & Maintenance • Integrated end-to-end data and processes • Advanced Customer Segmentation for Marketing, Sales, Pricing, Order Management, Finance & Customer Service/Support • Next Best Product Recommendations & Insights • Automated Dunning & Collections • Automated Chatbot Support & Case Management • Propensity Models • 1:1 Engagement Marketing • Advanced AI/ML Analytics for KPI/OKR Optimization • Single Source of Truth

Total Commerce is a journey, not a destination. Pierce Washington has developed a Total Commerce Maturity Model to help our clients understand where they are on the maturity curve. By identifying an organization's current maturity, Pierce Washington can develop a roadmap to help these organizations envision the path to get from where they are today to their desired future state.

Tailor Each Transformation

An important consideration is that there is no 'right' way to achieve Total Commerce. The only step that we insist any organization start with is the 'Initial' phase. Beyond that the system priorities differ from organization to organization depending on their business model, current system landscape, and business priorities.

PHASE 1 – Initial

- Process definition
- XaaS definition
- Roadmap and Execution

The first phase of any Total Commerce transformation is the Initiation phase. Most customers in this phase are running ad-hoc processes, reps are selling without much structure, marketing is manually managing leads, customer success has a hard time knowing what a customer has already purchased, reps are frustrated with slow operations and finance support and the business lacks a clear picture of their customers. Until now, the focus has been on bringing in revenue with a very basic set of support functions. There is little to no focus on data or process governance.

For Total Commerce to have the desired business outcomes, data and process governance is everything. Well-defined customer, product and pricing data is essential in order to execute systems strategies quickly and provide the desired customer experience. Business processes need to be documented, reviewed and centralized to support this type of transformation. Without a strong foundation, Total Commerce will require rework in the future, impacting the timeline to achieve desired business objectives.

During this initial phase, we get a holistic view of your current state, evaluating things like data issues, business process, or governance issues, or progress on a transition to XaaS selling. From there, we develop an actionable plan to help you get to your desired future state.

The exit criteria of the Initiation phase is a clear understanding of how processes and data are being used within the organization and identify the required change to drive a more structured business process and structured governance of that process.

PHASE 2 – Defined

- Ensure CPQ is structured for internal sales processes
- Automate internal sales and billing

Once the foundation is in place, the next phase is to systematize the documented processes, providing basic commerce, sales, and service. Most customers at this phase are tasking internal teams to project investments to systematize processes.

Processes for different business units might include:

- Sales: CRM enhancements with CPQ tools
- Commerce: websites with integrated marketing
- Service: simple ticket/case management
- Finance: ERP enhancements with subscription billing platforms

It is often at this phase where companies try to integrate processes. However, without a corporate directive and investment, siloed data remains in multiple sources of truth and manual integrations and processes support multiple systems in a complex IT environment.

The exit criteria of this phase is to have systematized your business processes for core functions of the business in a way that is optimal to each business unit. This provides high value for each local department through enhanced data and automation and the experience of systematizing processes will be valuable through next phases of the maturity model.

The Total Commerce framework would suggest centralizing software vendors as an early decision and keep the tech stack lean to avoid integration complications when change occurs in the business.

PHASE 3 - Collaborative

- Cross-functional collaboration
- Partner portals

As you move up to the Collaborative phase, your business is looking to scale the systematized processes that were implemented in the Defined stage.

This typically starts with your business directing cross-team collaboration to align cross-functional processes and systems. These teams might be driving more business through channel partners, or enabling customer success to drive self-service upgrades, or increasing forecast accuracy for SIO planning & procurement, or launching new self-service parts re-ordering.

These are processes that span multiple business units in an attempt to build collaboration between siloed systematized processes. However, customers are still struggling with siloed data at each business unit, most integrations are manual and there's a steep learning curve for all the tools to use.

The exit criteria of this phase is cross-functional collaboration across business units to identify areas to focus on for the next phase of integration. Identifying and aligning cross-functional aspects of marketing, sales, service, customer success, and finance is a critical step to unlocking the value of collaboration in the Total Commerce framework.

PHASE 4 - Integrated

- End-to-end centralized processes
- Integrated applications
- Governance

By this phase,the business has experience systematizing processes within each business unit, enabling collaborative processes with other business units to align and learn what has worked and what has not. This experience is critical to ensuring success through the next steps in the maturity model.

A typical company in the integrated phase would have the following:

- Processes centralized across BUs
- Integrated applications
- Channel partners that are fully integrated into the process
- The ability for customers to configure complex products on-line
- Portals that provide customers and channel partners relevant information to better manage their relationships

But even at the integrated phase, your business may still be managing multiple sources of truth and developing sizable IT teams to staff many resources with knowledge of specific vendor software.

The exit criteria of this phase is to implement end-to-end systematized processes with minimal manual intervention, scale siloed systems from individual business units to an enterprise-wide strategy, and develop a COE governance committee to properly align change to the business. A large value of the Total Commerce framework is to have the proper structures needed to absorb change and execute quickly in the market.

PHASE 5 - Managed

- Vendor consolidation and maintenance reduction
- Centralized data management
- Monitored and refined processes

In the managed phase, companies are working to further streamline IT systems and processes, reducing CAPEX and OPEX spend. A focus on vendor consolidation and maintenance reduction is a key element of the managed phase of Total Commerce.

It is during this phase that companies may toggle between the Managed Phase and the Defined Phase, as vendors are re-evaluated and reimplemented as part of an overall system consolidation. Having a strong IT governance set up in earlier phases will reduce the need for multiple iterations of this consolidation effort.

To drive consolidation, many companies in this phase look to centralize data management into MDM solutions and define specific single sources of truth for each data set. Companies will set up proper reporting, analytics, and feedback to ensure systems and processes are continually monitored and refined. This enables companies to more easily provide one face to their customers across any channel with unified products, pricing, order management, and asset management and incrementally address smaller and smaller customer segmentation.

Exit criteria for the managed phase would be a fully integrated, end-to-end systematized process across the enterprise with centralized data management, governance, and IT support. The business should have spent considerable efforts evaluating IT systems and processes to reduce costs without sacrificing customer or partner experiences.

PHASE 6 - Optimized

- Integrated enterprise
- End-to-end data and processes
- AI and ML for Q2C insights

When companies get to the Optimized phase, they have an integrated enterprise set of processes, tools, and data. Data is aggregated into data warehouses for enterprise-wide analysis and reporting. Methods for managing ongoing-business process improvement and data governance have been established.

Companies at this point may look to continually optimize enterprise systems and processes by leveraging machine learning and artificial intelligence to further automate functions within the business and offer new customer/partner experiences.

This is the last stage of Pierce Washington's Total Commerce Maturity Model and defines a stage for companies that have unlocked unrealized value through systemization, collaboration, data and process governance. Ultimately, these companies have the optimized frameworks to absorb change, align strategic initiatives and adapt quickly in the market with unrivaled customer and partner experiences.

WHY PIERCE WASHINGTON?

Pierce Washington has spent the last 18 years helping companies deliver beyond quote-to-cash. We focus on providing an end-to-end solution that encompasses the required Advisory Services, Technology Implementation Services, and the Change Management required to align the people, process, and tools in your organization with a targeted focus on the quote-to-cash business process.

We specialize in transformation projects. We will help you change the way you do business, and will give you trusted advice before, during, and after delivery.

Total Commerce is not a "one size fits all" solution. Each transformation requires a tailor-fitted solution. And Pierce Washington's number one goal is to intelligently combine direct, partner, and self-service sales channels in order to create a frictionless and seamless Total Commerce solution.

Partnering with Pierce Washington has enabled our customers to reap the benefits of Total Commerce, including revenue growth, margin expansion, and cost savings:

"We were very, very happy with Pierce Washington, not only during the course of the project, but the ultimate deliverables that they were able to provide us. They had very strong project leadership to keep us on track. I'd be very likely to recommend PW to another organization."
— Director, Emerson Electric

Achieve Substantial Revenue Growth

Companies that have worked with Pierce Washington have experienced:

- 117% revenue growth in 18 months
- 400% increase in sales with only 50% increase in sales support
- 50% improvement in product penetration

Margin Expansion

Pierce Washington has helped companies reach impressive goals:

- 2% margin growth
- A $1M increase in quarterly net margin ($1B company)
- $5.5M in contribution margin

"Our order volume has grown more than 50% without adding customer service headcount."
— Amy Morgan, Sr. Director, eBusiness, Goodrich

Cost Savings

Companies who worked with Pierce Washington achieved cost savings that include:

- 9x increase in sales rep self-service quoting with 10x improvement in order accuracy
- A 65% reduction in labor to support the quote process
- A 1-5% reduction in operating costs

Pierce Washington customers have seen unprecedented success in revenue growth, margin expansion, and cost savings by adopting the Total Commerce framework.

CASE STUDY: GOODRICH ENTERPRISE CUSTOMER PORTAL

Goodrich, a Fortune 500 global supplier to the aerospace, defense, and homeland security markets, turned to Pierce Washington to help them unify their customer experience across 14 different business units.

This major undertaking involved the launch of a new Enterprise Customer Portal program. Pierce Washington worked with them to:

- Map out a strategic roadmap with achievable implementation release dates and help Goodrich set internal expectations for success.
- Leveraged our "storyboard" process to gather and synthesize requirements and ensure buy-in from key stakeholders
- Translated business requirements to manageable development tasks to ensure maximum efficiency of our development team.
- Delivered 10 major project releases on time, without issuing a single change order to the fixed price statements of work.

As a result, Goodrich has realized:

- Strategic benefits though increased customer loyalty.
- Operational efficiency: More than 90% of their aftermarket order management moved to an ecommerce channel.
- Cost savings: Their order volume has grown more than 50% without adding customer service headcount.

CONCLUSION

The path to Total Commerce is transformational, and such a transformation requires a partnership with an experienced consulting firm. Pierce Washington has spent the last 17 years providing end-to-end solutions for our customers to help them achieve Total Commerce and deliver beyond quote-to-cash.

If you're ready to experience the success in revenue growth, margin expansion, and cost savings that Total Commerce provides, let Pierce Washington show you the way.

PIERCE WASHINGTON