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2017 United States
B2B eCommerce Platform
New Product Innovation Award

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2017 BEST PRACTICES AWARD

UNITED STATES
B2B ECOMMERCE PLATFORM
NEW PRODUCT INNOVATION AWARD

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Traditional "wine-and-dine" relationships between business-to-business (B2B) organizations and B2B customers such as retail stores, supply warehouses, and digital services are not as feasible in this current time. Budgets are shifting and demanding more space for operational expenditures instead of capital expenditures, including switching from an on-premises system in multiple locations to a software or software-as-a-service (SaaS) based system that can reach many offices from one location. This budgetary need encourages organizations to look for systems that can simplify their existing processes and provide customers with a relationship and experience similar to the traditional scenario. Today, Frost & Sullivan observes how those solutions come from the nascent space of B2B eCommerce platforms.

Pushback from sales representatives and teams in an organization concerning B2B eCommerce platforms is an immediate restraint for this new market. This pushback stems from the fear of replacement or downsizing of the department; the more advanced the B2B eCommerce platform is, the less need there is for a larger team. Executive-level members of a company may be opposed to creating new business models by investing in a seemingly costly B2B eCommerce platform. However, Frost & Sullivan expects that this stance will not restrain market growth for long, as it will be an "adapt or die" type of investment that B2B companies will have to make in order to stay relevant.

Distributors, resellers, and other hands involved in B2B eCommerce transactions (other than the internal sales team) can be involved in the effort to get the goods to end users. There can also be multiple points of contact or authorities involved in the transactions. Moving away from the one-on-one relationship affects the supply chain with more and more complications. Most B2B organizations do not believe that a B2B eCommerce platform can simplify these ecosystems any more than the traditional methods. Others have opted to build out their homegrown solutions to manage their transactions. Keeping these complications intertwined and straight proves quite difficult with traditional B2B commerce models; traditional solutions to these difficulties usually include complex ecosystems with indirect access to the end user, as B2B organizations rely on partners to maintain communication for them.

Multiple systems are involved in B2B eCommerce transactions. For example, a B2B eCommerce Web site must include careful design and online marketing to bring customers to the system. These promotions and advertisements must always stay relevant and cohesive with the B2B eCommerce products and deals as well as the product information stored in the product inventory management (PIM) system, the enterprise resource planning (ERP) system, the content management system (CMS), and the order management system (OMS). When a customer relationship begins, customer data is stored in a space that is easily accessible and available to all those involved in the relationship, i.e., sales teams, customer services representatives, and customers themselves; this is where a customer relationship management (CRM) system shines. All these systems must be updated consistently to reflect current and accurate information

across the organization. Tying systems together is difficult with a B2B eCommerce platform - and nearly impossible without one. However, the same "adapt or die" rules stay in place.

The B2B eCommerce platform market features vendors that have experience and reputations in both the B2B and B2C (business-to-consumer) spaces. One such vendor recently launched a new product that ties together the all-important CRM system with the other systems in a more comprehensive offering. Because of its product depth, deep understanding of the complex nature of B2B eCommerce business, and its uniqueness in the market, Frost & Sullivan recognizes Oro, Inc. with the 2017 New Product Innovation Award.

New Product Attributes and Customer Impact

Frost & Sullivan predicts that the B2B eCommerce sales market will reach $6.7 trillion worldwide, with the United States alone contributing $1.9 trillion by 2020—a green light for B2B eCommerce platform solutions in this explosive space. Frost & Sullivan analysis found that the US B2B eCommerce platform market was valued at approximately $370 million in 2016, and is forecasted to reach $850 million by 2023. Recognizing promising opportunities in this space, Oro, Inc. launched OroCommerce, a strategic combination of its successful product OroCRM and an open-sourced platform that gives customers what they need in order to make the solution their own.

A Purpose-Built Solution with B2B at its Core

Oro found that many organizations are stretching their CRMs to do B2B, which simply will not do everything needed for a successful B2B eCommerce transaction or strong customer relationship. At its core, OroCommerce is a B2B solution, rather than a building of B2B capabilities on top of a B2C system.

Frost & Sullivan appreciates how Oro's executive leaders clearly understood the frustration caused by a B2C stretched to handle B2B through other positions at competing companies and made sure that OroCommerce was purpose-built for B2B. Its other core component, OroCRM, allows better buyer/seller interactions and enables more buyer self-service options. B2B deals can happen anywhere with the amount of connectivity and bandwidth in the world today; if a sales representative is on the road at a convention and strikes a deal with a customer, OroCommerce will allow the depth of communication needed to close a deal - just the same as it would in the office. On the other side, with B2C eCommerce sources such as Alibaba and Amazon, it is not surprising that B2B customers want an experience similar to B2C processes; the self-service enablement found in OroCommerce allows that experience to happen with a customer's own managed workspace and a direct line to the customer's representative.

Open-Sourced and Out-of-the-Box Capabilities

Other B2B eCommerce platform solutions require specific architecture to work and are not as flexible, which limits the number of B2B organizations they can target and puts more pressure on investing in said architecture. By remaining open-sourced, OroCommerce alleviates these challenges, while also providing a secure platform that integrates with third-party systems, such as ERPs, PIMs, and marketing automation systems (MAS). Though OroCommerce has a native CMS and MAS, it does not limit customers to these programs and will work nicely with others. OroCommerce is also an attractive back-end and front-end system that features a user-friendly interface as well as drag-and-drop capabilities for easy setup.

Sixty to 80% of the OroCommerce solution comes out of the box, and the rest is custom-built according to the customer's needs. Frost & Sullivan notes that one key feature of OroCommerce is its adept corporate account management ability. In light of self-service trends, the solution enables buyers to authorize users and create even the most complicated purchasing rules for their account, such as the need for approval on a bulk order that exceeds the set amount of money spent on a particular item. OroCommerce's out-of-the-box solutions include access controls, roles, and permissions to manage both buyer and seller access levels to information, such as price lists and catalogs. Multiple Web sites, stores, and organizations can be managed through OroCommerce, which is an important capability for organizations looking into global expansion. In addition, OroCommerce operates with various currencies and tax regulations.

Solution Deployment Made Simple with Partners and Experts

A key restraint to a B2B organization's investment into a B2B eCommerce platform is the complicated deployment process. Frost & Sullivan research finds that with B2B sales growing fast and the complex nature of the practice, the technology must be scalable, configurable, and agnostic on many different systems. While OroCommerce does meet these requirements, Oro, Inc. further alleviates deployment concerns with experienced and reputable technology and solution partners.

Partners are typically chosen based on years of expertise in the market and then trained on the platform itself. Once a vendor makes a sale with a B2B organization for the B2B eCommerce platform, the partner takes over the account and facilitates the setup and maintenance. Oro lists an impressive global set of technology and solution partners on its Web site, including Bollore, PayPal, Clever-Age, Gorilla Group, Ekino, Synolia and others.

Conclusion

In the fast-growing B2B eCommerce space, B2B organizations have little choice but to invest in a platform. B2C eCommerce solutions stretched to cover B2B will not be sufficient in the complex transactions that B2B requires, and the less-comprehensive homegrown solutions will fall short as well. B2B organizations need a system that is flexible, scalable, and easily integrated with third-party systems they already use as well as a trusted vendor with experience in the market.

Capitalizing on its reputation with OroCRM, Oro, Inc. launched its OroCommerce solution in 2017 with CRM and B2B at its core. Frost & Sullivan firmly believes that the complete, open-sourced OroCommerce solution features the capabilities and complex integrations that a B2B organization truly needs to succeed.

With its strong purpose-built B2B eCommerce solution that strips away B2B organization hesitance in this changing world, Oro, Inc. earns the 2017 Frost & Sullivan New Product Innovation Award.

Significance of New Product Innovation

Ultimately, growth in any organization depends upon continually introducing new products to the market and successfully commercializing those products. For these dual goals to occur, a company must be best-in-class in three key areas: understanding demand, nurturing the brand, and differentiating from the competition.

Understanding New Product Innovation

Innovation is about finding a productive outlet for creativity—for consistently translating ideas into high-quality products that have a profound impact on the customer.

Key Benchmarking Criteria

For the New Product Innovation Award, Frost & Sullivan analysts independently evaluated two key factors—New Product Attributes and Customer Impact—according to the criteria identified below.

New Product Attributes

> Criterion 1: Match to Needs
> Criterion 2: Reliability
> Criterion 3: Quality
> Criterion 4: Positioning
> Criterion 5: Design

Customer Impact

> Criterion 1: Price/Performance Value
> Criterion 2: Customer Purchase Experience
> Criterion 3: Customer Ownership Experience
> Criterion 4: Customer Service Experience
> Criterion 5: Brand Equity

Best Practices Award Analysis for Oro, Inc.

Decision Support Scorecard

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation. Ratings guidelines are illustrated below.

RATINGS GUIDELINES

1–3 Poor
4–6 Fair
7–8 Good
9–10 Excellent
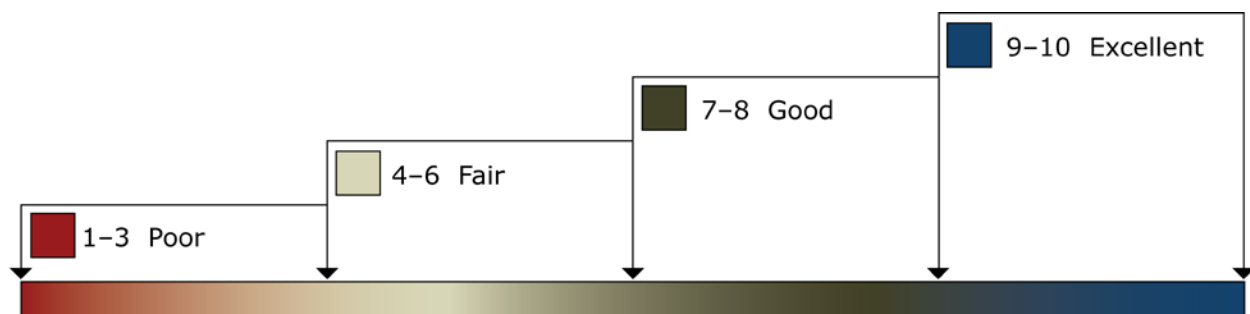
The Decision Support Scorecard is organized by New Product Attributes and Customer Impact (i.e., these are the overarching categories for all 10 benchmarking criteria; the definitions for each criterion are provided beneath the scorecard.). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key participants as Competitor 2 and Competitor 3.

Measurement of 1–10 (1 = poor; 10 = excellent)			
New Product Innovation	New Product Attributes	Customer Impact	**Average Rating**
Oro, Inc.	**9.3**	**9.7**	**9.50**
Competitor 2	8.0	8.5	8.25
Competitor 3	8.5	9.1	8.80

New Product Attributes

Criterion 1: Match to Needs
Requirement: Customer needs directly influence and inspire the product's design and positioning.

Criterion 2: Reliability
Requirement: The product consistently meets or exceeds customer expectations for consistent performance during its entire life cycle.

Criterion 3: Quality
Requirement: Product offers best-in-class quality, with a full complement of features and functionalities.

Criterion 4: Positioning
Requirement: The product serves a unique, unmet need that competitors cannot easily replicate.

Criterion 5: Design
Requirement: The product features an innovative design, enhancing both visual appeal and ease of use.

Customer Impact

Criterion 1: Price/Performance Value
Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience
Requirement: Customers feel they are buying the most optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience
Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience
Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity
Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Decision Support Matrix

Once all companies have been evaluated according to the Decision Support Scorecard, analysts then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.
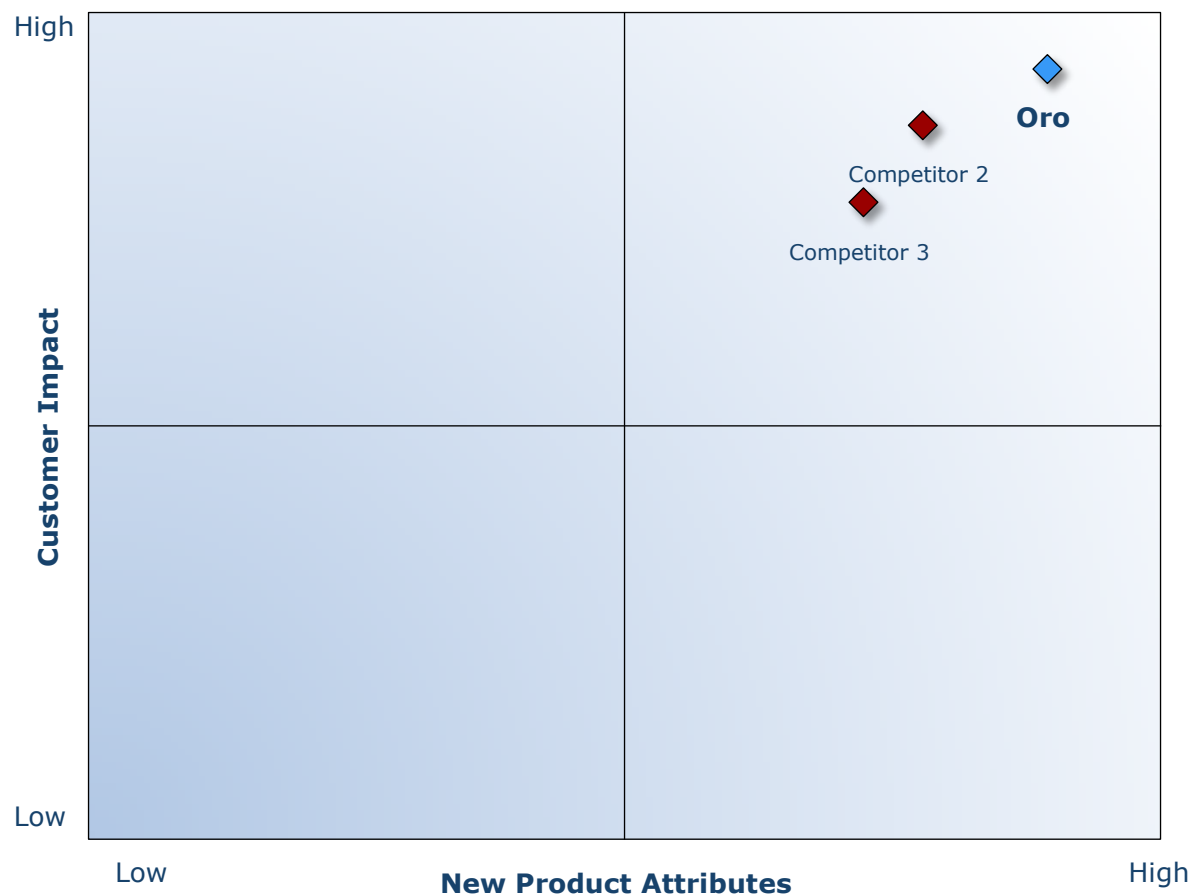
Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate Award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 **Monitor, target, and screen**	Identify Award recipient candidates from around the globe	• Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies	Pipeline of candidates who potentially meet all best-practice criteria
2 **Perform 360-degree research**	Perform comprehensive, 360-degree research on all candidates in the pipeline	• Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates	Matrix positioning of all candidates' performance relative to one another
3 **Invite thought leadership in best practices**	Perform in-depth examination of all candidates	• Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps	Detailed profiles of all ranked candidates
4 **Initiate research director review**	Conduct an unbiased evaluation of all candidate profiles	• Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 **Assemble panel of industry experts**	Present findings to an expert panel of industry thought leaders	• Share findings • Strengthen cases for candidate eligibility • Prioritize candidates	Refined list of prioritized Award candidates
6 **Conduct global industry review**	Build consensus on Award candidates' eligibility	• Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates	Final list of eligible Award candidates, representing success stories worldwide
7 **Perform quality check**	Develop official Award consideration materials	• Perform final performance benchmarking activities • Write nominations • Perform quality review	High-quality, accurate, and creative presentation of nominees' successes
8 **Reconnect with panel of industry experts**	Finalize the selection of the best-practice Award recipient	• Review analysis with panel • Build consensus • Select recipient	Decision on which company performs best against all best-practice criteria
9 **Communicate recognition**	Inform Award recipient of Award recognition	• Present Award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance	Announcement of Award and plan for how recipient can use the Award to enhance the brand
10 **Take strategic action**	Upon licensing, company is able to share Award news with stakeholders and customers	• Coordinate media outreach • Design a marketing plan • Assess Award's role in future strategic planning	Widespread awareness of recipient's Award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages more than 50 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.