



# Isn't it time you got married?

Why subscription commerce is the  
key to long-lasting B2B sales.





## Relationships underpin every business.

In the past, those relationships were often built on occasional interaction. If your customers liked your products and prices, they would likely come back.

In today's always-on digital era, you can't assume your customers will remain loyal – there are so many options, programs, and suppliers they can choose from for any range of needs. Aggressive disrupters are luring them away. They are sophisticated, responsive, and relentless. They know all about your customers and they tempt them again and again with targeted, personalized offers. They will undercut your prices, try to outperform you on delivery, and throw in freebies your customer never knew they were missing.

**How can you protect your B2B business and leapfrog your competition?**

*The answer might be a marriage.*

# B2B relationships need to be much, much deeper.

No matter what product or service you sell, you need to retain and grow your customer base. How do you do that when voracious competitors are chasing those same customers? You must offer new levels of convenience, innovation, and service to maintain customer loyalty.

Subscription commerce is about turning a one-time transaction into a recurring purchase. It's about creating a long-lasting relationship where each party gives what the other needs: a marriage of sorts.

Today's most successful businesses provide positive, highly-responsive experiences and support to their customers. In return, their customers give their loyalty and recurring business, creating a constant source of revenue.

Just like any strong marriage, you commit, and they commit. They gain, you gain. As time passes, the shared assets, shared goals, and shared experiences strengthen the bond and raise the stakes. It becomes ever-more beneficial to belong, and ever-more inconvenient to break away.

Selling by subscription builds a codependent bond between you and your customer. It becomes easier for your customer to buy from you than from anyone else. The choice becomes automatic. And having created that bond, you have the opportunity to deepen the relationship, to extend the products and services you provide, and to keep your customer's attention by learning and meeting their specific needs.

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# The genius of subscription.

Whatever your business offers, imagine it on tap, on demand, and on attractive terms.

Most of us expect the same. As consumers we subscribe to entertainment, software, gym memberships, razors, yard services, furnace filters. We lease cars. We pay each month to use our phones. We do it because regular payments, a little at a time, make sense. Consistent, reliable deliveries give us peace of mind and a sense of relationship with the provider.

The same radical shift is taking place in B2B... and now is the time to capitalize. Your B2B customers are all (surprise!) consumers in their personal lives. They expect the same reliability, flexibility, seamless experiences, and the same peace of mind from you as their supplier. And the good news is, they are prepared to pay for it.

Consider Amazon Prime and what it has achieved. Millions pay Amazon, every month, for their Prime memberships. There are perks to membership, there are savings and entitlements, but in effect Amazon's customers pay Amazon to tell them which products they should buy from Amazon. *It's genius.*

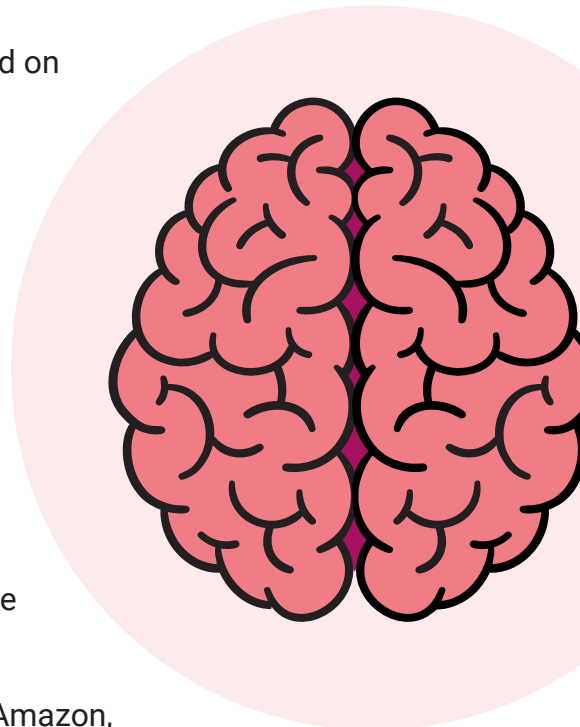
Having paid up front, the members are heavily inclined to favor Amazon above other suppliers. As Amazon expands into new markets such as grocery and pharmaceuticals, the members go with them, *abandoning whoever they used before.*

**Amazon's membership model** is just one of several subscription models. Replenishment subscriptions for products and parts are growing fast. Anything your customer uses and replaces over a predictable period is perfect for subscription replenishment. In fact, alternative approaches make little sense.

**Field service agreements** streamline regular maintenance cycles and provide cover for unforeseen issues. The customer gains reassurance and insurance in one.

**Pay-per-use and monthly billing** ease the financial burden on customers. An expensive one-time capital expenditure can become a reasonable, incremental operating expense – easier to justify, easier to manage, and therefore easier to commit to.

Can your B2B business build similar codependent relationships?  
*The answer is yes. What's more: it's likely to be critical to your future.*



# Subscription commerce in the B2B world.

B2B organizations are finding subscription commerce opens the door to new revenue and strong customer-retention.

Rockwell Automation has turned to subscription commerce to transform the supply of parts and software for manufacturing customers.

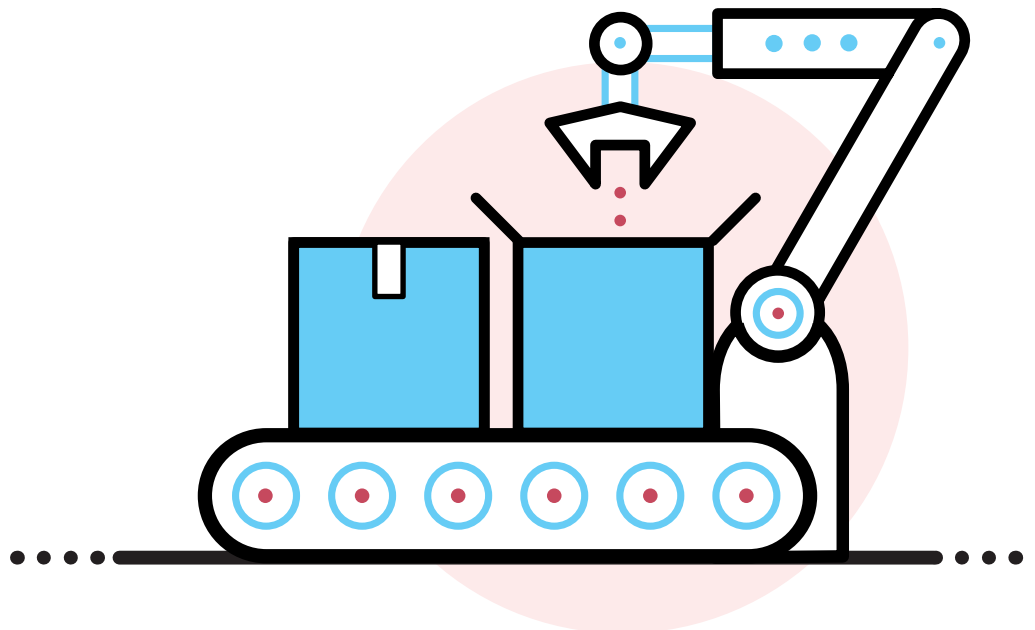
SAP Commerce Cloud enables online selection, purchase, and fulfillment of physical product, and immediate download of software and add-ons. Support and Field Service are by subscription too. Revenue recognition and billing are fully automated.

Customers can scale their entitlements up and down whenever they need. Software updates and upgrades are automatic and seamless. Usage-based fees contain costs and the customer is freed from depreciation and the overheads of ownership.

This is the new B2B marriage. Convenience and rich experiences keep your customers loyal. Long-term high-touch customer relationships become a profit-making channel that gives and keeps on giving.

Why has B2B subscription commerce become more popular now? It requires much less administrative maintenance compared to what was needed only a few years ago. With enhanced self-service portals, credit card updates, and deeper analytics, the administrative burden has been greatly reduced.

So, what does it take to make subscription commerce work? Any new business model calls for adaptation, for new ways of thinking. What does subscription commerce demand of your organization?



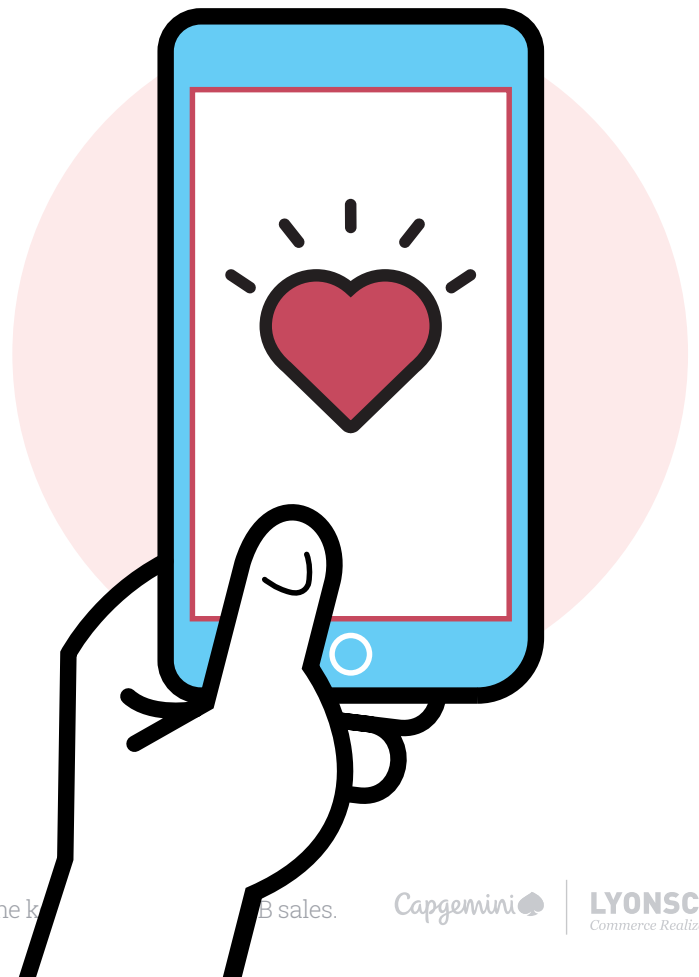
## Focus on customer experience.

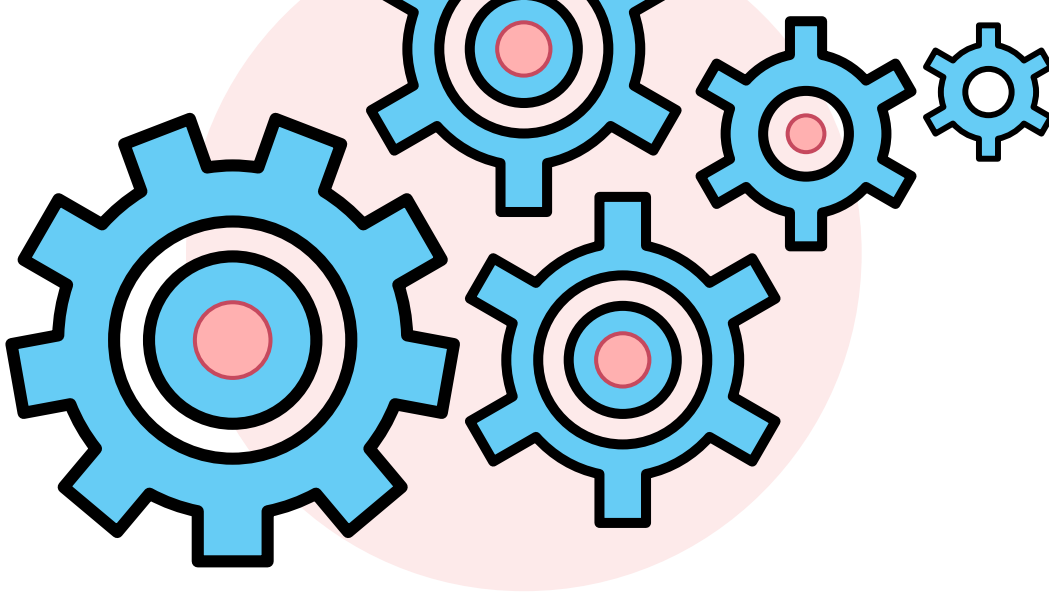
The standard of customer care has been revolutionized and consumer expectations have too. The strongest brands have resources standing by to field calls. They respond to email, to social media posts, and through AI-powered online chat – the same ways their buyers interact with their favorite brands as consumers.

Organizations that don't serve their customers in highly-responsive, up-to-date, and convenient ways are perceived to fall short. Often that negative perception is all it takes for a customer to switch. Today's customers quit their providers more readily, most often in response to poor customer experience.

Every touchpoint needs to provide a consistent, reliable, highly convenient experience. That means exceptional commerce systems, paired with complex billing and CRM platforms, backed by high-touch personalized support. That support can of course become part of the subscription, bringing extra revenue and helping to offset costs.

The one-to-one engagement you gain with your customer is a powerful sales channel. Sales and up-selling become part of the support role. A call about a shortfall or issue might be the first indication of a lead, and the best opportunity to close a sale.





## Be ready to offer more.

When the customer's trust in you deepens, they'll come to you first to see if you can help with other needs. That may stretch you beyond your core business activities. It's important that you're ready to try. Maybe there's a product, your own or third party, that can strengthen your own offering. Do you offer support? If you do, is it up to today's demanding standards?

### Subscription Commerce Means New Operational Models

Subscription commerce can disrupt existing channels, particularly your partners and resellers. You may need new ways to involve and reward them.

Subscription commerce also requires capacity and readiness within your organization. You will need to provide customer service support, and analyze customer behavior to ensure you're providing valuable, relevant, personalized experiences. Your content and offerings will need constant attention to stay current.

Fulfillment may need to be organized in new ways. Your revenues are likely to change from one-time up-front payments to smaller increments over long periods. Studies show that the long-term revenues are potentially higher, but there may be near-term cashflow considerations.

As your sales models shift, you may need to structure new pricing and incentives for your customers. Internal incentives and commissions may also need to be redesigned.

Back-office functions will need attention too. You will need the ability to schedule billing, fulfillment, and revenue recognition, while managing entitlements, contracts, and licensing.

# Data is king!

Data is everything. The more you know about your customer's business, the richer the experience you can provide, anticipating their needs and presenting them with timely, personalized offers.

That's why one of the world's largest tire manufacturers is transforming its business to sell to their buyers through a subscription model. Who would have predicted that from a tire company? But imagine the potential.

IoT telemetry builds a precise record of tire performance and wear, from every vehicle. Now your tire provider has real-time insight into tire performance across different vehicles, geographies, seasons and weather. They can tell you when rotations or replacements are needed – not approximately, but exactly. The data they collect informs the design of their products, their inventory and distribution, and represents value to others too.

Collecting the right data, and making best use of it, provides added customer value and can set you apart from your competitors. In order to take meaningful action, you will need the means to capture and process the data. There is likely to be a systems investment and a process investment too. The potential benefit is to radically differentiate your services and products, both now and for the future.

Data has become a highly valuable asset. It can be pooled, analyzed, even sold and monetized. If you're not collecting and taking advantage of it, someone else will. The good news is the subscription relationship creates the high-touch, regular interaction you need to begin collecting that data in earnest.

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# Where to start with subscription commerce?

Pivoting to deliver a simple, predictable customer experience can seem like an overwhelming task. It means a true digital transformation of your business. But with the right guidance and tools, sensible, achievable strategies are in reach.

In subscription commerce, speed to market and ability to pivot are huge differentiators. SAP is positioned highest for ability to execute in the leaders' quadrant of Gartner's 2018 Magic Quadrant for Digital Commerce. SAP Commerce Cloud offers highly competitive TCO for enterprise and mid-market B2B companies. It enables rapid tailoring of the end-to-end customer experience, including products and related display content, order management, customer service, back-office billing, and fulfillment on a single unified platform.

Capgemini's subscription commerce solutions, powered by SAP C/4HANA, draws on deep and broad experience across customers and industries. It brings you innovative solutions that deliver on your goals and serve your customers with the richest available functionality and usability.



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Together, LYONSCG, Capgemini, and SAP help businesses transform to meet ever-changing customer needs, achieve new revenues, and reduce risk. The marriage of our expertise with the power of SAP can help you build the long-term relationship you need with your B2B customers.

Consumer expectations have been revolutionized in the last decade. Now those expectations are becoming the default for B2B Commerce. To continue to thrive, your business will need to deliver convenience, speed, predictability, and excellent customer service. Subscription commerce gives you the marriage you need with every customer – the stable, codependent foundation for future growth. Are you ready to take the next step?



## About LYONSCG

Lyons Consulting Group (LYONSCG), part of Capgemini, is a leading digital agency and global commerce service provider. From creative to technology to marketing, we offer a comprehensive set of services to help retailers and brands craft successful digital commerce strategies, put them into practice, and continually optimize them for long-term success. For more information, visit [www.lyonscg.com](http://www.lyonscg.com).

## About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 200,000 team members in over 40 countries. The Group reported 2017 global revenues of EUR 12.8 billion (about \$14.4 billion USD at 2017 average rate). People matter, results count. For more information, visit [www.capgemini.com](http://www.capgemini.com).

## About SAP

As market leader in enterprise application software, SAP (NYSE: SAP) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, desktop to mobile device – SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of the competition. SAP applications and services enable more than 404,000 business and public sector customers to operate profitably, adapt continuously, and grow sustainably. For more information, visit [www.sap.com](http://www.sap.com).

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