

## Understanding Your Customers' Journeys: The Foundation of Commercial Excellence

At Ducker Carlisle, we have worked with several clients to help them achieve commercial excellence. These companies typically have a strong value proposition and a value-creating, differentiated offering, but they have not realized the revenue growth and market share gains they deserve. These companies may develop new organizational structures, design new processes, apply new tools and technology, and invest in new personnel but still fail to realize expected results. Quite often, we find limited customer focus and market understanding to be the root cause of these disappointing results. Further, in the post-COVID environment, as buying patterns have changed and customers engage differently, the customer journey requires a re-evaluation. If your company has embarked on the commercial excellence journey and yet realized subpar results, was the organization, processes, tools, and technology you implemented fit for purpose for the customers with whom you are trying to win?

### **What is Commercial Excellence?**

Commercial excellence includes all the ways your organization creates, captures, and manages demand. It must include:

- Robust market intelligence and customer insights to inform your commercial strategy and execution
- Strong value case for your offerings and robust commercial strategy to create and capture demand
- Outstanding execution capabilities in sales, marketing, customer service, channel partnerships, branding, pricing, and product management
- The people, processes, tools, and technology to enable execution capabilities
- Consistent, robust measurement and monitoring to track success and inform refinements

Commercial excellence is an ongoing cycle whereby commercial strategy is designed, executed, and revised. Figure 1 illustrates the ongoing cycle companies must follow to be best-in class.



Figure 1 – The Commercial Excellence Cycle

## Understanding the Market is the First Step in Building Commercial Excellence

As shown in Figure 1, the first step in building commercial excellence is developing a strong understanding of the market. Without this, the value case will likely miss the mark with target customers, commercial strategy won't win against competitors, and the capabilities built to execute commercial strategy will be ineffective.

A client recently embarked on building and integrating a new commercial organization. They hired a well-known firm and followed their standard playbook. The program was rigid and did not take into account understanding the market. One comment from a senior executive summed this up:

*“ I feel like we just spent \$1.4MM to get a bunch of job descriptions and organizational charts for our commercial organization. But we still don't understand the market and really know why we win and how we can win and take share. We need more market insights, we don't understand our customers, and the assumptions we've received from the sales team appear to be incorrect.”*

For this client, the outcome was not revenue and share growth, but the opposite. As business declined, they were unable to fund hiring for the new roles in the newly designed organization.

## Understanding the Customer Journey

While in general understanding the market is the first step in building commercial excellence, fully understanding your current and prospective customers, their experience, and their journey is critical to becoming a best-in-class commercial organization. This means understanding the journey customers take to learn about, select, buy, and use your offering. Understanding this journey reveals two things:

1. The varying decision criteria and processes which reveal unique needs-based market segments
2. How your organization can advantageously position itself along each step of the journey to maximize results and win in each needs-based customer segment

Of course, the customer journey is not a new concept. Most sophisticated companies map and track their customers' journeys. However, this knowledge often sits siloed in the Marketing Department and is used effectively to inform how to reach customers, build awareness, and promote the offering to them. Additionally, as buying patterns and customer engagement changes, becoming more virtual and digital partly as a result to the COVID pandemic, what you previously thought you knew of the customer journey may be very different now and require new examination.

At Ducker Carlisle, we contend that the customer journey is foundational to building best-in-class commercial excellence capabilities and commercial organizations. At each point along the customer journey, opportunities are revealed to position your company and offering to wind against competitors. Taking advantage of these opportunities requires a coordinated effort across functions within the commercial organization and with intermediaries (distributors, dealers, channel partners, integrators, assemblers, installers, etc.) outside your organization.

For this examination, we'll use a generic B2B customer journey to show how in-depth knowledge of your customers' journeys informs the entire operating model of the commercial organization. Figure 2 illustrates this more generic example.

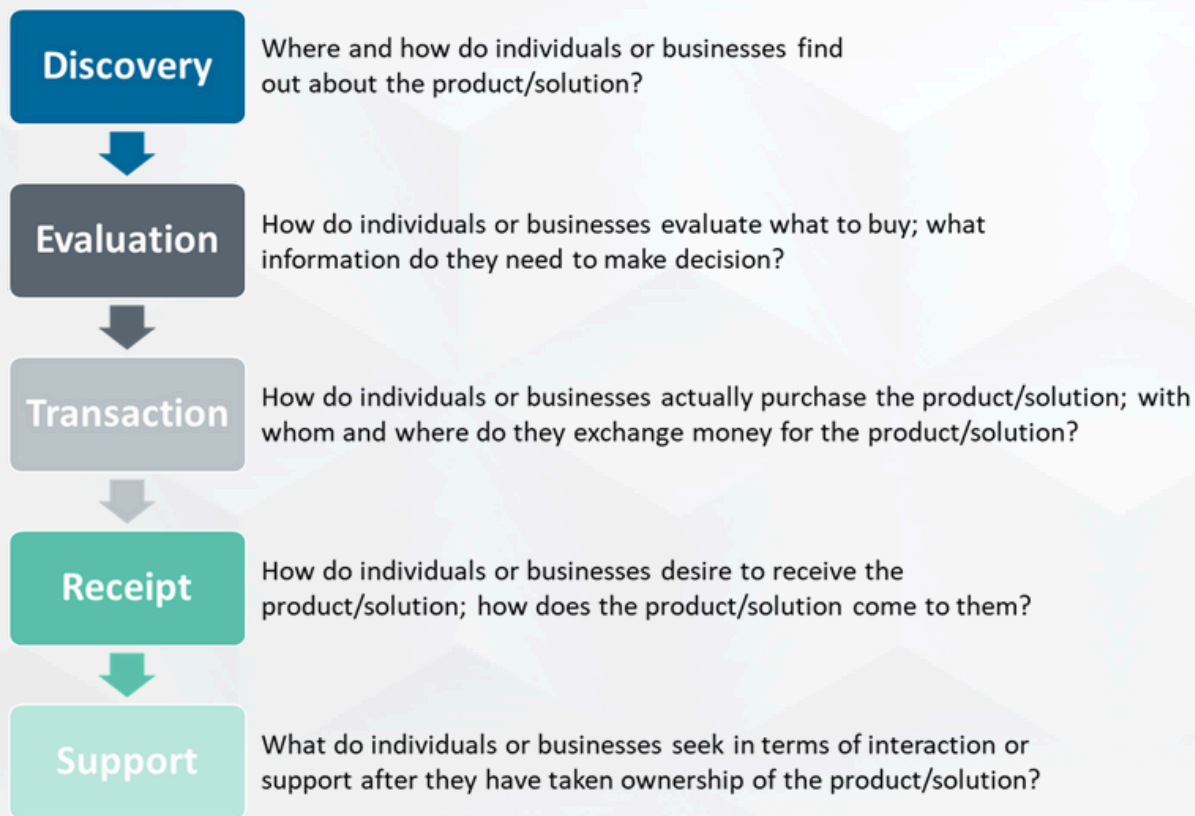


Figure 2 – Generic B2B Customer Journey

Obviously, a detailed mapping of a B2B customer journey is much more complex and nuanced than our generic example. Ducker Carlisle typically evaluates the customer journey at three levels:

1. Actions
2. Experience
3. Thoughts

This rubric enables us to fully unpack the customer journey, beyond simply what the customer does. We evaluate the customer’s experience, satisfaction, and thoughts at each step to reveal opportunities to better engage commercially and to identify product/offering innovations which will create value and delight the customer. Figure 3 demonstrates this approach for a few steps of the customer journey.

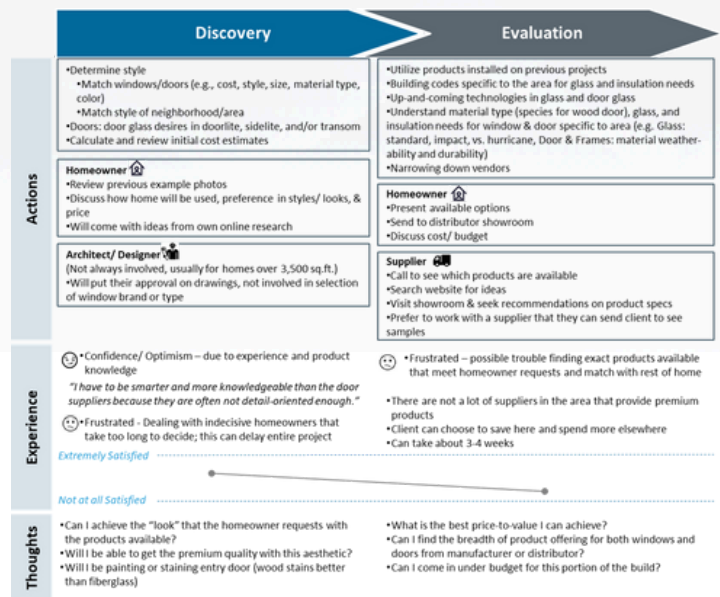


Figure 3 – Example 3-level customer journey evaluation from the Building Products Industry

# Using the Customer Journey as a Foundation for Commercial Excellence

Starting with a well-defined customer journey, you can determine how to influence, engage, and win with customers at each step, and determine the operating model (people, processes, tools, technology) needed to influence and win at each step. This is a three-step process:

1. Map the customer journey (or journeys for different needs-based customer segments)
  2. Determine how best to engage and influence customer decisions at each step in the journey
  3. Design the commercial operating model needed to execute
- Consider the illustrative example in Figure 4, following this three-step process:

	Discovery	Evaluation	Transaction	Receipt	Support
<b>1 What is Customer Journey?</b>	Online search? Referrals? Visit store branch? Etc.	Compare online info? View demos in person? Etc.	Buy online? Buy in store? Buy over the phone? Etc.	Deliver to jobsite? Deliver to warehouse? Pickup? Etc.	Phone support? 24hrs in-person? Etc.
<b>2 How Engage &amp; Influence?</b>	Website + SEO? Push marketing? Etc.	Detailed store branch displays? Online videos? Etc.	Provide transaction options? Direct to website? Etc.	Standardize delivery? Provide options? Etc.	Multi-channel support? Direct to web? Etc.
<b>3 What is the Commercial Operating Model (Resources/Processes/Tools/Tech) Needed?</b>					
<b>Marketing support</b>	Awareness initiatives & lead gen? Targeted marketing?	Solution evaluation content? Product details?	Website content?	N/A	N/A
<b>Sales roles</b>	Business Development? Channel Management?	Channel Management? Product/Solution Experts?	Channel Management? Product/Solution Experts?	Channel Management?	N/A
<b>Other roles</b>	Strategic Marketing? Marketing Communications?	Marketing Communications? Digital Marketing?	Digital/web design? Order fulfillment? Cust. Service?	Customer Service?	Customer Service? Digital/web design?
<b>Channel support</b>	Lead generation? Marketing support? In-store sales?	In-store displays? Branch knowledge? Web content?	Digital/web sales? In-store sales? Financing?	Stock inventory? Delivery & fulfillment?	Customer support? Direct to manufacturer support?
<b>Processes needed</b>	Lead gen? CRM?	Sales playbook & sales process?	Online ordering? Closing playbook?	Fulfillment scorecard & expectations?	Support escalation pathway?
<b>Tools/tech needed</b>	CRM system? Digital marketing tools?	CRM system? Digital sales enablers?	EDI? APIs? Website sales?	Digital inventory tracker? Fulfillment automation?	IP phone system? Digital support tools?

Figure 4 – Illustrative example of customer journey mapping leading to commercial excellence capabilities and commercial operating model elements

## 1. Map the Customer Journey

Mapping the customer journey requires in-depth voice of customer analysis. This goes well beyond a simple set of questions or a standard survey; this requires extensive business conversations with the customer’s business leaders to unpack their decision-making criteria and process for selecting a product/solution/offering. It may require visits to customer production facilities and/or jobsites to fully understand their needs, decision criteria, and steps taken to make select a supplier and make a purchase. This will unlock the key leverage points along the customer journey, where and how they form their consideration set, narrow it down to a few options to evaluate, and ultimately decide which product or solution to buy.

Note that customer journey mapping may, and likely will, reveal unique customer segments which vary based on their buying behavior and needs. Understanding this variety reveals different ways to engage and influence each revealed segment and potentially unique engagement approaches and commercial operating model elements. As a result, this may further inform which customer segments to target based on their size, growth, potential profitability, and other characteristics.

## **2. Determine How to Engage and Influence**

Given what you know of the customer at each step, what are the keys to winning their mindshare and positioning your product or solutions? This does not only include the right product/solution/offering design, or the right value proposition and messaging. It requires marketing and sales activities that engage customers where they are in the process, in the fashion they want to be engaged. If customers begin their journey doing online research to build their consideration set, you better have a strong web presence and SEO capabilities such that you are easily found online and have a well-presented product/solution/offering once found to maximize your chances of being in the consideration set. If customers evaluate detailed specification sheets when deciding between various options in the consideration set, your product specifications best be easily found and easily digestible for the buyer. If customers seek in-person interaction and technical guidance from knowledgeable salespeople, you best have salespeople with strong technical expertise who are also good communicators, and ensure they are backed with outstanding sales enablers and tools to present the product/solution/offering.

## **3. Build a Commercial Operating Model**

The commercial operating model can take many forms and is dependent on the customer journey and engagement model. Do you need highly technical salespeople to hold detailed conversations with technical buyers? What marketing capabilities are needed, and therefore what marketing resources are required, to generate leads, produce content, design sales enablers, and build or enhance digital marketing capabilities that may be needed to engage? What processes and infrastructure are needed to ensure you capture the sale instead of your competitors? What delivery and support resources and capabilities are needed to pull through sales, strengthen the customer relationship, and ideally expand the customer relationship and customer wallet share?

## CASE EXAMPLE – Unpacking the Customer Journey to Advance Omni-Channel Engagement Model

A client in the building products space perceived that the market was shifting in how their customers were seeking to engage and make purchases. Traditional methods of discovery, evaluation, and purchase were shifting online, and the company realized a significant portion of their sales transactions were now online. They had not planned for this, found themselves reacting, and needed to understand how customer behaviors were changing such that they could align commercial capabilities with this evolving customer journey.

Through extensive voice-of-customer analysis, including dozens of in-depth customer interviews and ~500 survey respondents, we mapped the customer journey across different segments of the business. Figure 5 summarizes the omni-channel customer journey for one segment.

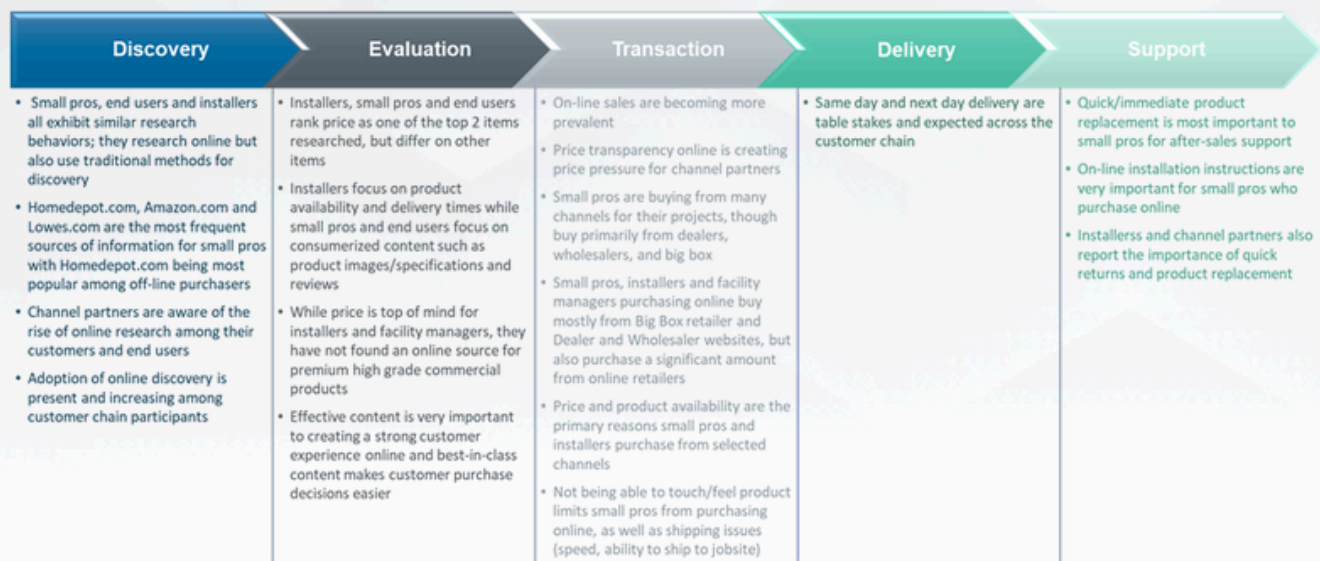


Figure 5 – Customer journey summary findings for building products company

Key insights from the customer journey analysis, which contradicted what the client expected, were:

- Customers typically searched for their product on 3rd party websites, the websites of their channel partners, especially big box home improvement stores
- Customers often purchased product through the websites of dealers/wholesalers after gathering information from big box websites or Amazon

The company had planned to invest in their own ecommerce capabilities, upgrading their digital capabilities on their own website. Our findings demonstrated that it was far more valuable to build a strong presence on 3rd party websites, big box websites, and wholesaler websites. This meant the following for their commercial investments:

- Develop detailed, compelling, standardized, and consistent marketing and product profiling content to be shared and placed on 3rd party websites, ensuring consistency of product and brand presentation across many online channels
- Create content management role(s) to oversee consistency and efficacy of content across many channels
- Work closely with and perhaps co-invest with less sophisticated channel partners (i.e., wholesalers) to advance their digital capabilities to ensure their product was presented in a compelling fashion
- Use own website to direct customers to preferred channel partner websites to evaluate and hopefully purchase their products

The client went from believing they had to advance their own digital marketing and selling capabilities internally, to partnering with 3rd parties, especially big box and wholesalers, to position their product offering in the best light. As a result, the client realized 20%+ annual revenue growth, mostly by capturing demand in the right place along various digital channels.

## CASE EXAMPLE – Customer Journey Informs Sales Team Engagement Model & Structure

A client of ours in the agricultural infrastructure and equipment space was seeking to grow share in its core markets. We engaged in a commercial excellence diagnostic and identified gaps in sales effectiveness capabilities. We then evaluated and mapped their customers’ journeys. Figure 6 shows the detailed customer journey for contractors installing infrastructure on farms.

Figure 6 – Customer journey for installing contractors of farmland infrastructure equipment





This understanding led us to create a new customer engagement model and sales process. We used the customer journey as a guide to connect the sales process to key leverage points in the customer journey, as shown below in Figure 7.

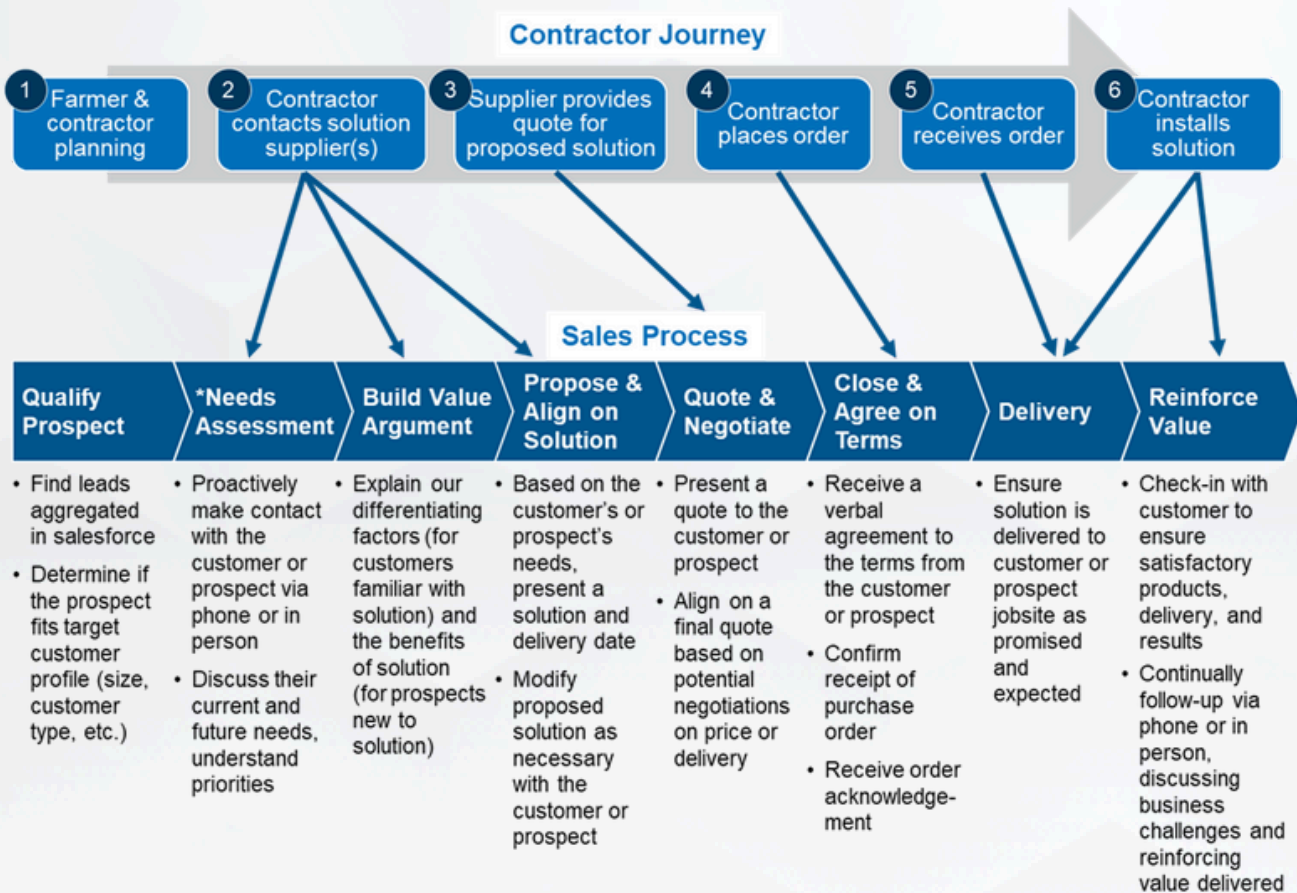


Figure 7 – Sales process designed based on customer journey

And we did not just simply create a sales process, but installed a governance process and updated the CRM processes to be perfectly aligned with the sales process. Rules were put in place that a customer could not be moved forward in the CRM unless certain tasks were completed and checked to ensure adherence to the sales process.

Training and change management techniques were leveraged to bring the sales team along and help them understand the benefits of the new sales process. We worked closely with sales leadership to build the sales process and communicate the value and benefits. This ensured consistent adoption of the sales process across the sales team.

Once the sales process was in place, we determined the sales roles needed to execute all the detailed activities within the sales process. The client had one sales role in place originally--territory managers, who were not demand creators and were not strong prospectors but were strong relationship sellers and did well managing and retaining accounts. Gaps in their capabilities included prospecting and business development, as well as detailed technical knowledge of the solution. The company reallocated some sales resources from territory managers to business development reps and technical specialists, given the needs of the sales process. Figure 8 illustrates the framework used to align sales roles to the sales process.

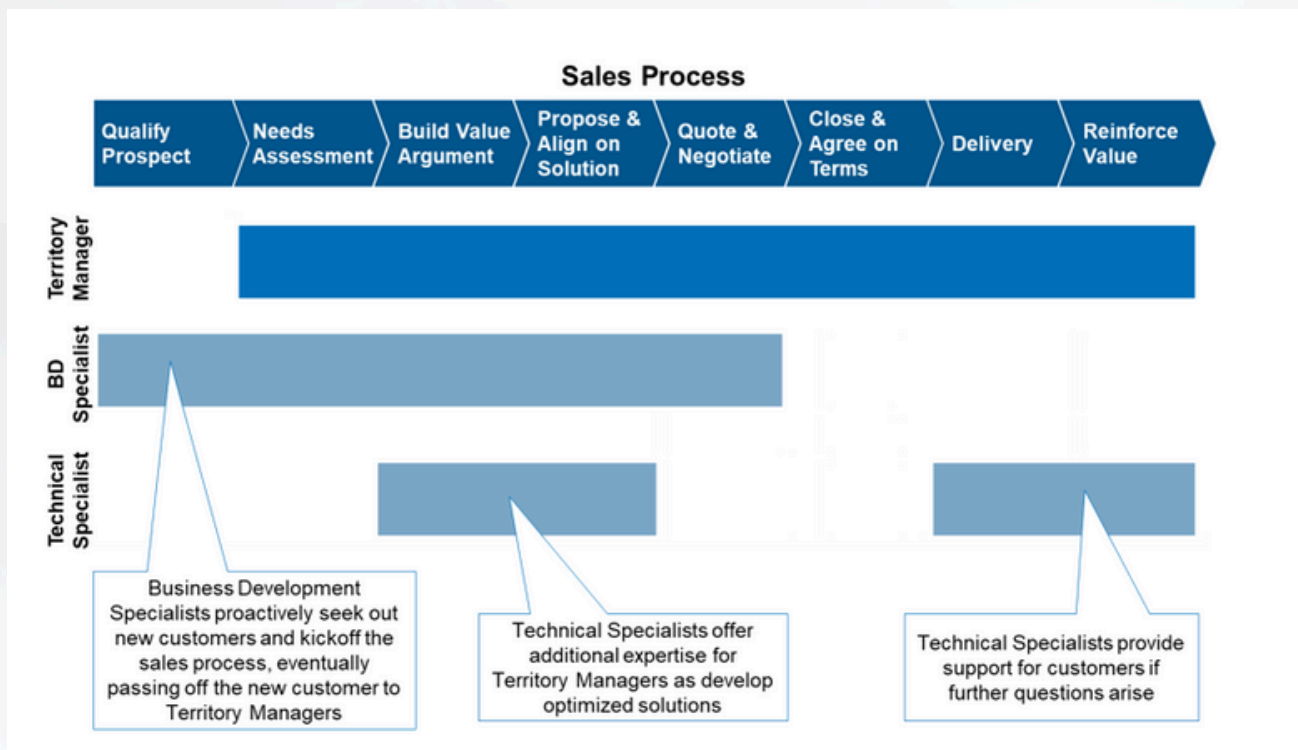


Figure 8 – Defining sales roles to execute sales process

In summary, this client followed the three steps previously described. They...

- Documented the customer journey in detail
- Determined how to best engage the customer along the journey
- Designed processes (sales process in this case) and refined the organization (sales roles) to be able to execute this customer engagement model

As a result, the client nearly doubled its revenue in three years, taking significant share and growing the market for its solution.

## Conclusion

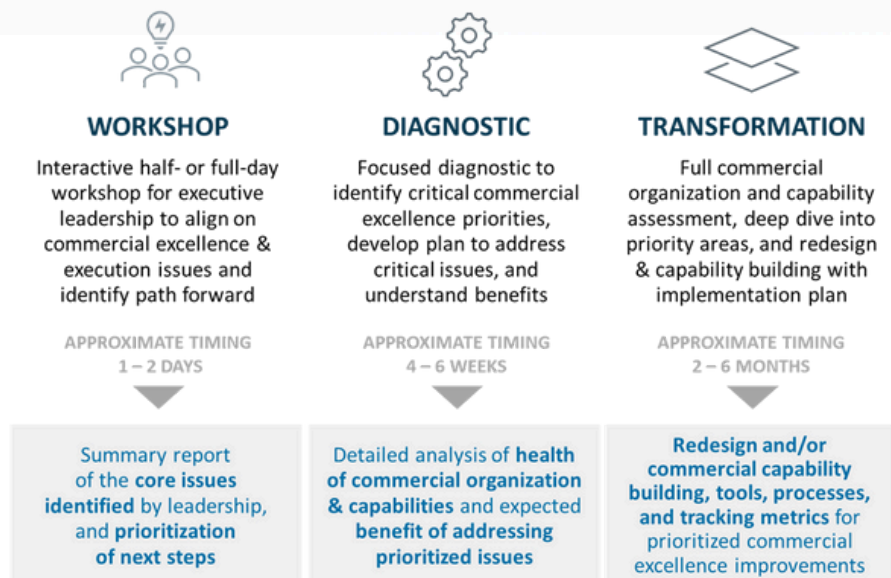
The customer journey is foundational and informs how to win with customers, how to best engage them to drive demand and take share, and what commercial operating model elements are needed.

Too often, companies do not pay nearly enough attention to the customer journey, or if they do, they don't fully apply this knowledge to inform the capability building and organizational design elements to achieve commercial excellence. Don't end up like the senior executive quoted earlier with a bunch of job descriptions and org charts that cannot be filled because you don't know how to win with your customers.

How might you know if your company's understanding of its customers' journeys is lacking, leading to sub-optimal commercial results? Consider the following:

- Are you reacting to RFPs/RFQs or requests from customers, instead of driving the sales process and perhaps helping shape RFPs/RFQs?
- Do you find your commercial team mostly involved in competitive bids, not engaging to get ahead of competitors at the high-leverage points in the customer journey?
- Is your commercial team most often stuck negotiating price with procurement, struggling to demonstrate and communicate value and benefits to other customer stakeholders?
- Do customers provide feedback that interactions with your commercial team are not as valuable as they'd like, not helping them solve problems, identify solutions, and better partner with them?
- Failing to grow wallet share with target customers?
- Inability to upsell and/or cross-sell a bundle of products/solutions?
- Failing to acquire new customers?

**If interested in embarking on the commercial excellence journey, Ducker Carlisle has 3 options to get started depending on initial level of investment desired:**



# Connect with Our Team



## Chris Fisher, Managing Principal

Chris is a Managing Principal at Ducker Carlisle where he is responsible for Global Commercial Team while also leading the firm's Building and Construction industry practice. Chris holds a Bachelor of Science in Industrial Management from Purdue University and an MBA with specialization in global economics from Indiana University. Prior to Ducker Carlisle, Chris served as a Director of Market Development for a British holding company traded on the FTSE 100, where he executed organic and inorganic strategies to grow the industrials portfolio. Today, he specializes in commercial growth strategies for businesses and transaction support for Private Equity firms. Clients value his 25 years of industry experience and his actionable solutions for organic and inorganic growth. Chris is an active participant and speaker among many industry groups, has testified as an expert before the Federal Trade Commission, and often presents at analyst days and board meetings.

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## Kevin G. Sarb, Managing Director

Kevin is a Managing Director at Ducker Carlisle, leading the Industrials Practice. He has nearly 20 years of management consulting experience and has led a multitude of engagements focused on profitable revenue growth across several industrial sectors, including building products, chemicals, climate technologies, electrical products and services, industrial automation, manufacturing equipment, materials processing, security solutions, and water management. Clients value Kevin's capabilities in devising market- and customer-backed growth strategies and building leading commercial capabilities to maximize profitable growth and market share gains. Kevin holds a B.S. in Medical Science and History from the University of Notre Dame, an M.A. in Applied Economics from the University of Michigan, and an MBA from the University of Chicago Booth School of Business. Kevin is an active member of the Association for Corporate Growth (ACG).

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## Dan Snider, Managing Director

Dan Snider is Managing Director at Ducker Carlisle, where he leads a team of project managers and analysts that serves several of Ducker Carlisle's Fortune 500 client programs annually and specializes in business, market and product development, strategic planning, quantitative methodologies and analysis, as well as focus group moderation for both consumers and professionals. Dan holds a Master of Business Administration degree with a concentration in Strategic Marketing from University of Michigan's Ross School of Business. He has experience in new product development, brand assessment, voice of the customer, customer satisfaction including NPS, price elasticity, competitive positioning, product clinics and focus groups among other project types. Clients value Dan's capabilities in B2B market research where he has established product, service, and customer engagement strategies. Dan is an active board member of the Michigan State University Master of Science in Market Research program where he advises on curriculum and mentors students.

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