Me, my life, my wallet

B2B: the human factor
Gone are the days when quality, cost and delivery are the cornerstones of business-to-business (B2B) relationships and decision-making. While undoubtedly still important, they have become commoditized and a hygiene factor in any commercial transaction. What’s at play today is a more complex, multifaceted and, ultimately, human suite of factors that influence how different members of a company’s decision-making process make choices, make trade-offs and select partners, with more parallels to consumer relationships than in years gone by. And although the

**B2B: the human factor**

Business customers are also consumers in their personal lives and they are bringing their rapidly changing expectations to the workplace. Applying consumer behavior lenses in a B2B context can pay dividends
consumerization of B2B markets has long been discussed, the depth of insight available hasn’t kept pace. While *Me, my life, my wallet* focuses on a changing consumer, many of the themes uncovered in our research are both pertinent and evident in a B2B context. And the lenses we apply to understand what’s really driving consumer choices, both today and tomorrow, can be applied with equal potency in a client context.

“Classifying businesses as B2B, B2B2C or B2C risks oversimplification,” said Abhijeet Ranade, Partner and Head of Customer & Channels, KPMG in India. “There is a consumer at the end of most B2B chains and, as products move along this value chain, businesses want to work with supplier organizations that understand their business motivation, personalize the service, understand the expectations, provide value for the time and effort spent negotiating and executing the transaction, and understand the maturity stage of their organization and industry events that impact their needs.”

**Applying the Five Mys**

Consider the dramatic adoption rates of smartphones around the world and their continued growth trajectory among the growing middle class of the East. The widescale penetration of paid subscription services among US consumers. The sheer scale of Alibaba. The ubiquity of WeChat in Chinese consumers’ lives, from communication to shopping to transport to payments and more. Our business customers are heavily using these technologies in their personal lives and the influence is inescapable. Today, advances in consumer technology get into the workplace before advances in office technology get into the home.

Using the Five Mys in a B2B context can help to provide the same holistic understanding of how clients make choices that we’ve explored in a consumer context earlier in this report. Not only are the same factors at play in a business context, but the people making commercial decisions and managing relationships up and down the value chain are all, ultimately, consumers. And our behavior and experiences at
home undoubtedly influence our professional lives. Consider the Five Ms through a B2B lens.

**My motivation:** Although typically tied to financial drivers, B2B decision-making has become characterized by wider aspects of a trusted and sustainable relationship. Cost is rarely a sole or primary driver of choice, with changing expectations around service and transparency having a significant influence on commercial motivations. We must also consider that in the same way as our best experiences as consumers set the benchmark across categories, so do these consumer expectations permeate commercial expectations:

3 in 5

global CEOs believe that acting with agility is the new currency of business

“If my retailer can do this, why can’t these suppliers?” Equally, this transference can be different on a supplier-to-supplier basis, as the client experience in one aspect of their role can quickly become the new expectation. What’s more, motivations also vary based on the role of the decision-maker, for instance, the economic buyer, the user or the approver, all of whom have a different set of motivations and expectations.

**My attention:** Pressures on the attention of different members of a decision-making unit are under just as much of an assault as in our lives as consumers. Work attention has become fragmented as technology...
chain have become more connected in a form of influencer ecosystem, lending itself to collaboration, co-creation, and real-time feedback and insight.

**My watch:** Time is just as precious a commodity in a business context, and can span both an individual and an organizational level. For the individual, this ranges from the time and effort spent negotiating and executing transactions, to implementation, servicing and being serviced. Whereas for the organization, time can take the form of, for example, up-time, implementation timetables, customer service response times and the like.

**My wallet:** Budgets are inevitably a critical influencer on any commercial decision, but it’s also important to understand more broadly the decision-maker’s budget, schedule and cash flow. In addition, it helps to understand how other decisions are reached around investments and purchasing. Combined, this can help to yield insight into the pressures on the company wallet and identify potential opportunities to add value through the structuring of the financial aspect of commercial relationships.

Just as for consumers, the Five Mys are both interconnected and constantly changing. To look at any one of these underlying drivers of decision-making in isolation risks failing to understand the nuances that can make or break a commercial transaction or a client’s unmet needs and trade-offs, which can help shape experience and relationship design.

**Life stages and life events**

As consumers, our Five Mys change to reflect what’s important to us as we progress through different life stages and as we encounter life
events — the watershed moments in our lives that catalyze significant changes in our behavior, such as buying a first home or having a child. As business professionals, we have key career events, such as a first job, key promotions, new jobs with new companies, as well as key career life stages, notably early career, peak-earning years and retirement.

In much the same way, the concepts of life stages and life events can be applied in a B2B context to predict when and how a client’s priorities might shift, to identify how this could be reflected in ongoing service delivery or experience and, ultimately, to build loyalty and foster a sustainable relationship. The importance of understanding what the buyer is experiencing cannot be understated.

In particular, it’s important to recognize the very different contexts that come before and after a transaction has been negotiated and executed. For instance, consider an executive team renting their first office as a cash-strapped start-up, compared with expanding their footprint as a profitable and scaled venture. The context shapes the decision.

“Separating customer acquisition, pre and up to purchase, from customer service, post-purchase use and service, is meaningful as very different dynamics are at play,” said Deno Fischer, principal, advisory,

1 in 2 global CEOs say becoming the victim of a cyberattack is now a case of ‘when’, and not ‘if’, for their organization

As in our lives as consumers, expectations in a B2B context are rising faster than many can keep pace with."
Companies that do not interact with the customer during the acquisition phase may well interact during the use and service phase, or different individuals in a client organization may step up to play a role in the relationship. Understanding the Five Mys in these two different contexts – securing the relationship versus delivering the experience – will enable organizations to tailor their offer and messaging with far greater precision.

What’s more, the generational cohorts of our business customers will influence their expectations from technology. Inevitably, as people reach senior leadership roles, still dominated by boomers for many industries, their interactions with enterprise technology is often limited as such responsibilities are delegated to others. Consequently, they are often divorced from the realities of day-to-day experiences with enterprise technologies for both employees and customers. Add to this the diminishing tolerance of Gen X leaders for legacy technology, and the high expectations of millennials and soon-to-enter the workforce Gen Zers, and the generational lens for technology expectations becomes increasingly important.

In the past, business processes will have evolved over time, with different technology enablers being layered on for operating efficiency at different stages. In the future, however, a more human-centric design approach, or at least greater consideration to how

45% of global CEOs say the biggest challenge to meeting millennial customers’ needs is understanding how they differ from their older customers.
humans across different generations might interact with technology across business processes, will likely become more of an imperative.

**End of benign enterprise**

Beyond the need to understand the individual constituents that make up decision-making groups and influence business purchasing and relationships, it’s also time to recognize that organizations themselves, as brands, are developing their own Five Mys.

Around the world, in unprecedented ways, businesses are increasingly choosing, or facing pressure, to take a stance, aligning themselves with broader issues in the public agenda and showing their hand: “This is what we believe in.”

These could be political or economic issues, such as Brexit or protectionism, societal issues including equality and human rights, or more niche or nuanced issues pertinent to the local workforce or stakeholders including sourcing, minimum pay or employment policies. This may have been more noticeable or prominent initially among the start-up community, but it has recently spread to major, multinational enterprises worldwide.

Whatever the issue may be, the brand of the organization is developing and revealing more of a soul, becoming more of a living organism. With this, it reveals a distinctive pattern of ‘mys’ to its employees, partners, clients, investors and other stakeholders.

**Growing expectations**

As in our lives as consumers, expectations in a B2B context are rising faster than many can keep pace with. Features and price alone cannot be relied upon to secure or maintain sustainable commercial relationships, and the benchmark for ongoing client experience is continually being reset.

“Clients are sending the same message in a commercial setting as they do as consumers at home,” said Kes Sampanthar, Managing Director of KPMG Innovation Lab, KPMG in the US. “Know me: I want my partners to understand my company and reflect this in how we work together. Make it easy: I want ease of transacting with you. Value me: Pay close attention to my company’s financials, but also pay attention to providing me with value-added services. And protect me: my company’s data, my company’s reputation and, in particular, my cybersecurity.”