



The Business Life Cycle & How Ecommerce Can Help B2B Businesses

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Whether you're a startup or you've been running a small business for years, it's a good idea to familiarize yourself with the four stages of the business life cycle. **That's even more the case now that inflation has become a big challenge for small businesses.**

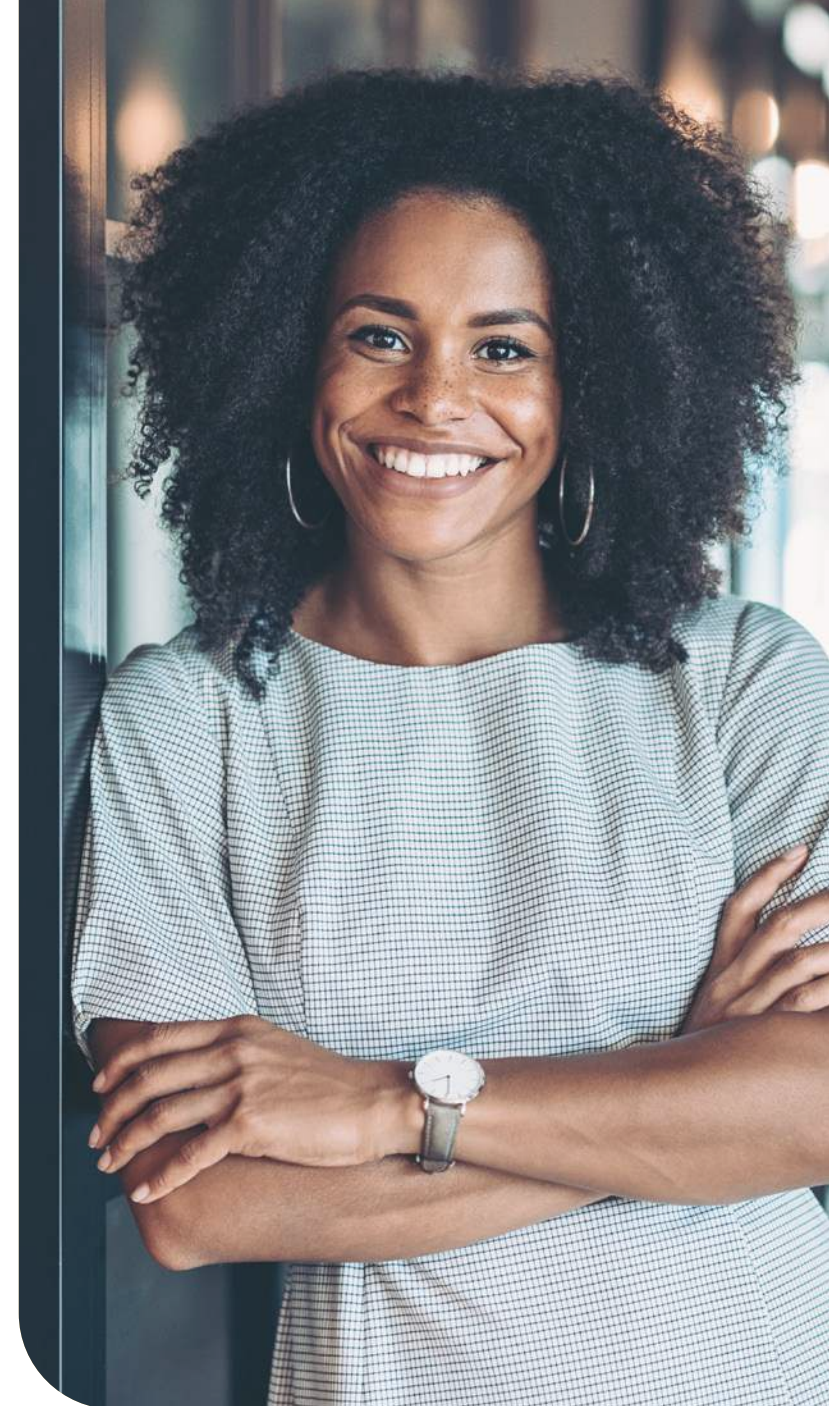
Research shows that [52% of small businesses](#) are very concerned about inflation in 2022, while 68% say they have cash flow problems.

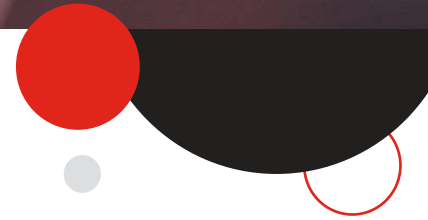
Understanding where you are in the business life cycle will help you know how to deal with the current challenges and move to the next stage of business growth.

One way to accelerate growth and get your business to the next phase is through ecommerce.

Here's what we'll cover:

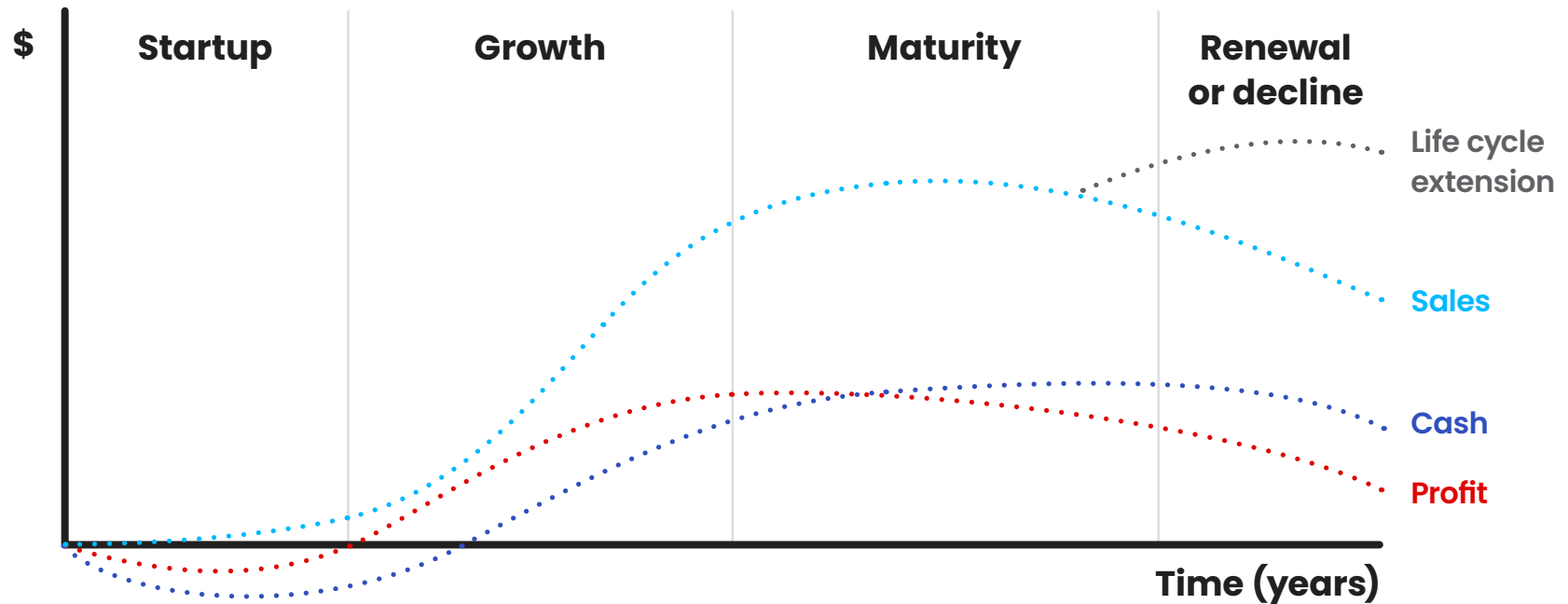
- Business Life Cycle Stages
- How Ecommerce Can Help B2B Business Move to the Next Phase
- Benefits of Ecommerce for B2B Businesses
- How To Scale and Succeed in B2B Ecommerce
- Final Thoughts: Business Life Cycle & How To Grow an Ecommerce Business





Business Life Cycle Stages

The business life cycle shows how a business progresses in phases over time. It's commonly divided into four stages: startup, growth, maturity, and renewal or decline.



Startup Stage

During the startup phase, you spend most of your time and energy bringing your business idea to life. And that requires you to invest resources to get the business off the ground.

Some challenges you may face in this stage include:

- Establishing a target audience
- Creating a market presence
- Managing cash reserves
- Facing larger competitors

As a result, revenue is low since the business is new and doesn't have an established customer base. So most entrepreneurs look for investors to provide [financial support](#) and capital to their startup.

That said, since you won't have many processes, adjust your business strategy to align with market demands and understand how to make a profit.

Also, keep sustainability in mind during this stage. Develop a business model that allows for consistent growth and sustainable cash flow.

For example, aim for a sustainable balance when hiring. If you're understaffed, your business becomes less productive. If you're overstaffed, the extra payroll eats into your revenue.





Your Ecommerce Strategy

Speaking of startup, it's important to think about getting your name out there. Your business needs to be online in some way. This can be as simple as having a website with information about your organization and your offering, or using your ecommerce platform as your first sales rep.

Going with the basic ecommerce route can be quick and easy. In a few weeks, you can set up an online store that looks good and accepts your low-volume orders. Processing those orders and getting paid is also simple. Overall, the low order volume allows you to manually set up the store with all the products, prices and customers you might need, as well as manually take all the orders you receive and create them in your ERP.



**It's important to invest your time
and resources in digital solutions
that help the business grow.
Ecommerce channels give you the
tools to increase sales volume.**

They work for you 24/7/365.

Growth Stage

In the growth phase, your business plan is paying off, and your market share is growing. Customers also know about your service or product and can explain your business model to other potential customers.

Your business will pass the break-even point and start to see increasing profits, but not as high as your sales level. As your customer base grows and the company generates more revenue, you'll be able to explore new business opportunities and cover operating expenses.

At this point, your business may face challenges such as:

- Managing increased revenue
- Handling more customers
- Increasing competition

As a result, you'll have to give back profitability to finance growth or look for outside investment through debt or investors.

You'll also need to build a solid team and hire qualified individuals to run operations. Invest your time and resources in digital solutions that help the business grow and identify [barriers that could inhibit growth](#).





Your Ecommerce Strategy

As mentioned earlier, at this point, it's important to invest your time and resources in digital solutions that help the business grow. Ecommerce channels give you the tools to increase sales volume. They work for you 24/7/365.

If you have a basic ecommerce platform, it is essential to upgrade your existing platform so that it can serve as a hub for all your sales channels. You'll be able to generate more sales volume by having one main source that connects your pool of product to your online store, to your Amazon store, as well as your eBay store. This way, you can see all orders in one centralized location, and fulfill them from one place.

Another way to accelerate growth is to opt for an ERP-integrated ecommerce solution. This helps you optimize the time spent configuring customers, prices, products, taxes, etc. Until now, when a new shipment of products came in, you had to go to your online store and manually enter the new quantities received. And when you received a new order, you received an email, and had to manually enter that order into your ERP. This was fine when you could do it with the low volume you were receiving, but it can quickly become too difficult to manage. By integrating your online store with your ERP, when a customer places an order, it is automatically created in the ERP.

Maturity Stage

At the maturity phase, you should feel more secure in your business than at any other stage. Significant capital expenditure is largely behind the business, and you should be able to get regular dividends from the company.

Many mature businesses have solid cash flow and grow by acquiring or spinning off other product lines. And this attracts challenges such as:

- More competition
- Maintaining and growing your existing business
- Creating new products and services
- Expanding into new markets

Many companies extend their business life cycle during this stage by investing in new technologies — becoming digitally mature. Those with high [digital culture and digital intensity](#) use technology to run their business and can drive change across the organization.

As a result, they can reposition themselves in their dynamic industries and refresh their market growth. That's why [41% of business owners](#) plan to expand or remodel their business in 2022. And [79% of companies](#) with fully-integrated online and offline systems predict growth in 2022.





Your Ecommerce Strategy

If your company has an ecommerce platform integrated with its ERP, it is important that it is robust and reliable. It must allow for high traffic and a wide product offering. It should allow returning customers to see what they need and place orders in real time.

You should be able to add new products, or even new websites entirely, quickly, and efficiently, while maintaining a single source of truth for all that information.

It also needs to turn into a place where returning customers who have a net 30 open balance can pay THEIR open invoices AND write those cash receipt payments back to the ERP.

Renewal or Decline Stage

Many business owners are unaware when their business is in the decline stage. They feel their customer base is growing and demanding more of their products or services and see the market as relatively stable. And it becomes difficult to perceive decline.

If your revenue has been reducing for three quarters in a row, you most likely started the declining phase two or three years ago.

Businesses decline because of several reasons, including:

- Not pursuing opportunities to reinvent themselves or expand during the maturity stage
- Not adapting to technology advances or updates
- Industry changes affecting customer demand
- Competing with companies that have better products or services

During this stage, you may be faced with two choices: have an exit strategy and cash out to pursue new opportunities or reinvest in your company and its sustainability.

If you decide to cash out, assemble a team of accountants, investment bankers, and other people familiar with [mergers and acquisitions](#).

If you choose to reinvest in the business, consult your sales and marketing team to determine how to adapt to market changes. You may need to modify your current offering or start a new business to meet customer demands.





Your Ecommerce Strategy

At this stage, you should be able to grow your ecommerce platform to fit new market changes.

How Ecommerce Can Help B2B Business Move to the Next Phase

B2B firms have historically been slower to adopt digital solutions than their B2C counterparts. Standard operations for many B2B companies included siloed legacy systems and manual processes.

However, due to rapid global digitalization, the B2B industry is increasingly investing in innovation and technology to support digital transformation.

In fact, [91% of business owners](#) say it will be important for consumers to find or buy from their businesses online over the next 12 months.

With that in mind, here's how ecommerce can take your B2B business to the next life cycle stage:



1 Ecommerce ERP Integration Increases Productivity

ERP software is central to your business infrastructure. It runs critical business functions such as finance, accounting, inventory, and other operations.

If your ecommerce platform functions as an isolated system, you must manually copy everything — inventory, orders, pricing, customer information, promotions, and so on — to the business's ERP or accounting software.

But [ERP integration](#) enables real-time information exchange between your website and ERP system. It also helps customers make payments online at any time through a portal with no support needed.

For instance, [k-ecommerce Integrated Payment](#) (KIP) helps customers access their account information easily. So, instead of calling your business, they can just log in and check their order status, add new payment methods, and update their address on their own.

As a result, an ERP-integrated ecommerce platform will help you save a significant amount of time and money, empowering you to concentrate on growing your business. And that's especially true in the growth stage of the life cycle.

2 Ecommerce Enhances the Scalability of Your Business

An ecommerce platform helps your business grow by removing the physical limitations of traditional business models that require a place (brick-and-mortar store) and time (opening hours). That opens the door for more sales from anywhere in the world.

As your business goes through the growth phase, your ERP-integrated B2B ecommerce platform will scale up with it, handling high order volumes with the same ease that it runs a few orders daily.





3 Customer Relationships and Experience

As customers use your B2B ecommerce website, it gets to know them better. Returning customers can immediately see their previous purchases and items they've already viewed when they log in.

That makes reordering simple, and you can even empower your customers to automate recurring orders.

Your B2B ecommerce platform can also suggest related products for ongoing cross-selling and upselling. And you can design personalized promotions for your customers, such as free shipping, rebates, gift cards, and loyalty points.

As you hit the maturity stage of a business, a versatile and convenient B2B ecommerce website will help customers become even more engaged with your company.

4 Flexibility

A B2B ecommerce website enables you to manage the complexity of your business model more efficiently.

With a properly-configured B2B ecommerce platform, you can add as many product catalogs as you want and assign them to specific customers or customer groups. And clients will only view products assigned to them.

The same applies to pricing structures. B2B ecommerce websites can accommodate highly complex pricing systems that differ from one client to the next. And similar to product catalogs, your customers will only see the prices you've assigned to them.

Benefits of Ecommerce for B2B Businesses

B2B sales have shifted from traditional outbound to inbound online platforms. According to [Guidant](#), the ecommerce space made up the largest industry category in 2022 at 15.05%.

Along with enabling your clients to purchase products online, B2B ecommerce solutions also provide numerous benefits for businesses — helping them optimize efficiency, increase sales, and reach new markets and customers.

Here are the main benefits of ecommerce for B2B businesses:

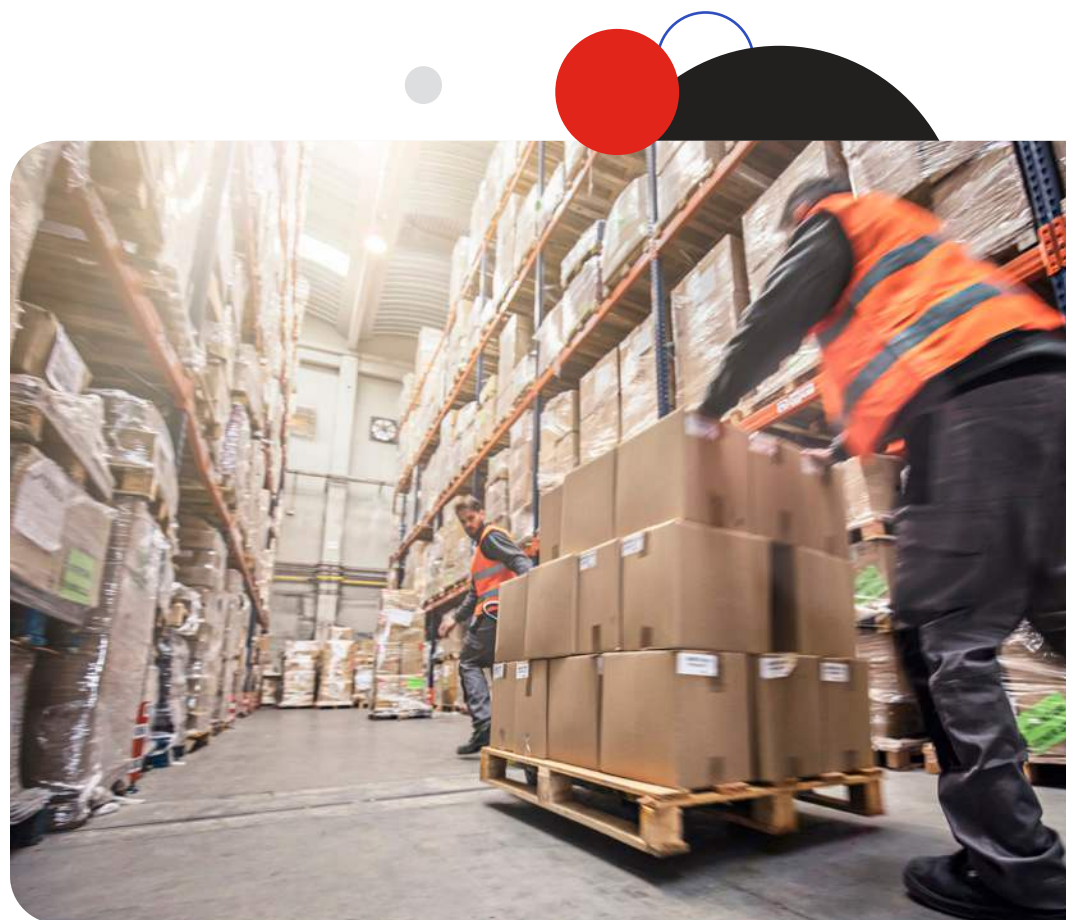
Improved Efficiency and Productivity

Through ERP integration and other back-end business systems, ecommerce offers significant efficiency for B2B companies. Since customers can conveniently order online, you can focus on providing services to them instead of simply taking orders.

In addition, an [integrated ERP solution](#) will automatically highlight sales statistics for your clients, including:

- Revenue
- Order totals
- Discounts
- Profit percentages

As a result, automated ordering and workflows eliminate the need to reconfigure data in isolated systems, improving the efficiency of shipping processes and increasing order throughput.





Tap Into a Fast-Growing Market

During the 2020 pandemic, most consumers shifted dramatically toward online channels, and companies responded in return. A [McKinsey](#) report found that businesses had accelerated the digitalization rate by seven years at the peak of the 2020 pandemic.

That's why global ecommerce sales are expected to increase from [\\$4.9 trillion in 2021](#) to \$7.3 trillion in 2025. And [Forrester](#) research notes that B2B ecommerce in the U.S. will reach \$1.8 trillion by 2023, making up 17% of the country's B2B sales.

For that reason, it's vital to implement an ecommerce strategy to put yourself on top of the pile and claim your share of the growth before everyone else does.

Lower Your Operational Cost

An ERP-integrated ecommerce solution grows your revenue while minimizing costs. It streamlines almost every aspect of your business, cutting down on unnecessary expenses.

For example, you can avoid the ongoing costs of designing, printing, and distributing manual order forms and product catalogs by putting all product information online and automating ordering processes.

Manual ordering processes such as re-entering order data into ERP and accounting systems are often repetitive and duplicated. Such processes waste valuable time and resources, resulting in financial loss.

Without dealing with manual processes, your employees can focus on crucial tasks such as marketing initiatives or retaining customers.



Analytics to Help You Track Progress

Ecommerce solutions make it much easier for businesses to acquire, analyze, and measure core data such as product mix, [customer engagement metrics](#), sales, and inventory turns.

Integrating analytics with your ERP can provide invaluable data and actionable insights that will elevate your customer understanding to a new level. You can use these insights for:

- Improving lead generation
- Enhancing the customer experience
- Forecasting future outcomes

Improve Your Brand Recognition

A [B2B ecommerce platform](#) gives you an online presence and control over your brand, helping you expand your customer base.

New customers can come from various sources. For example, that could be old, inactive customers drawn to doing business online or clients in geographical areas your sales and marketing team has previously been unable to reach.

As a result, you can grow, strengthen, and promote your business locally and internationally, opening up a world of new marketing opportunities to build revenue.

How To Scale and Succeed in B2B Ecommerce

We live in the golden age of online shopping. And there's no better time than now to start your B2B ecommerce business.

According to QuickBooks, 88% of small businesses say online sales will be a crucial source of revenue in 2022. Likewise, 97% say digital technology will be vital to their business.

That means many businesses are getting into the B2B ecommerce space. And if you want to scale and succeed in your business, you need to make some smart moves.

Here's what you can do to ensure your business grows and succeeds in the B2B ecommerce sphere:



1. Create a Plan

A [2021 Quickbooks survey](#) of 2,000 small businesses in the U.S. revealed that 31% said one of their top priorities in 2022 is investing in technology.

For this reason, you need a strategic plan that outlines your organization's digital future and the strategies and resources you'll use to achieve its objectives. That will ensure your entire company heads in the same direction.

A good strategic plan includes:

- Establishing the company's priorities
- Clarifying the business goals and vision
- Considering all the variables that can affect the business
- Specifying the competitive position of the business
- Providing the tools required to monitor operations

Before creating your ecommerce strategy, determine which stage your business is in and understand the issues that come into play in that specific phase. That will help you create a solid long-term and short-term strategy.

2. Build a Solid Team

Since ecommerce affects many parts of your organization, involve people from every department to bring the necessary skills and knowledge to the table.

All team members should understand how ecommerce can benefit their respective departments and how they can contribute to achieving success.





3. Communicate Your Ecommerce Strategy

Once you build a solid team, ensure your whole company is on board with your ecommerce plans and understands the benefits.

Ideally, you should involve each stakeholder and department from the planning phase, so everyone feels heard.

4. Prepare an Integration Plan for Your ERP System

Choose an ecommerce platform that integrates directly with your ERP system.

It will automatically transfer all the information back and forth between your website and ERP, keeping both systems updated and accurate while eliminating human error.

Also, credit card security is a top priority when doing business online. A data breach can be disastrous to an ecommerce business. Furthermore, [42% of small businesses](#) say they have already suffered a cybersecurity breach.

PCI Certification is the only way to ensure credit card data security. But obtaining it is a time-consuming and costly process you must repeat every year.

So, look for an [ecommerce provider](#) that undertakes annual PCI Certification of its platform. You'll benefit from the security of a PCI-certified solution without having to invest the time and money in obtaining the certification yourself.



Final Thoughts: Business Life Cycle & How To Grow an Ecommerce Business

B2B ecommerce is crucial to gaining new business and retaining current customers, no matter the business life cycle stage you're in. As a result, you must be ready to adapt your business to a more digital B2B commerce experience.

k-commerce has helped mid-market B2B businesses with their digital evolution for nearly two decades. We specialize in ERP-integrated solutions for companies in the SAP and [Microsoft](#) ecosystems.



Download our
ROI calculator

If you're ready to seize the B2B ecommerce opportunity, schedule a call with one of our ecommerce experts to discuss your project. [Contact us today.](#)

If you're still unsure how much would an investment like that be worth to your business?sets to sync with ease and improved efficiency. Stahls' Transfer Express now simply needs to balance to the bank deposit and post the batch.

About k-commerce

k-commerce is mdf commerce's platform for SMBs, providing all-in-one ecommerce and digital payment solutions integrated to Microsoft Dynamics and SAP Business One.

k-commerce simplifies and accelerates online growth, offering a complete omnichannel ecommerce solution supporting both B2B and B2C engagement.

Strengthening Our Market Position

By combining k-commerce and Orckestra, mdf commerce is strengthening its market leadership position in the digital commerce landscape.

- ▶ The Orckestra headless commerce platform is designed to serve the complex needs of enterprise-level retailers and global brands as they unify omnichannel operations and shopping experiences online or in-store.
- ▶ k-commerce provides SMBs with intuitive, all-in-one ecommerce and digital payment solutions that seamlessly leverage ERP data for automation, security and speed.

Contact us today for more information.

www.k-commerce.com

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website