THE LEGACY TAX

Unlocking Value in Modern B2B Commerce

OVERDOSE.

INTRO

B2B Commerce is under quiet, but sustained pressure.

Rising cost to serve, tighter margin expectations, and increasing buyer demand for speed and self-service are colliding with operating models that were never designed to scale digitally.

Many organisations sense this tension, but struggle to pinpoint where inefficiency is actually occurring or how to address it without introducing risk.

Overdose Digital is a global commerce consultancy specialising in complex B2B and omnichannel transformation. For more than a decade, we have partnered with manufacturers, wholesalers, distributors, and enterprise retailers across Australia, New Zealand, and international markets to modernise their commerce platforms, operating models, and customer experiences.

Through this work, we have consistently seen the same pattern. The biggest performance gains rarely come from new platforms or emerging technology alone, but from addressing the hidden friction embedded in data, process, pricing, and governance.

This paper explores that gap.

It looks beyond technology and growth narratives to examine how value leaks through everyday B2B operations, why those leaks persist, and how organisations can move forward deliberately.

The aim is not to prescribe transformation, but to provide leaders with a practical lens for understanding their current state, prioritising effort, and unlocking efficiency without disruption.

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EXECUTIVE SUMMARY

Forrester, Gartner and McKinsey all predict B2B Commerce can replace over one third of manual sales activity.

For many organisations, the shift toward modern B2B commerce is not about driving growth. It's increasingly about protecting margin, reducing operational load, and improving the return on existing revenue. Yet most mid-market B2B businesses still operate portals that function as little more than digital catalogues, surrounded by email, spreadsheets, manual quoting, and re-keyed purchase orders.

Across wholesale, distribution, manufacturing businesses, buyer expectations have evolved faster than internal systems and operating models. Buyers increasingly expect to research, configure, price, reorder, and manage their accounts digitally, a shift accelerated by generational change as many buyers have grown up with intuitive consumer technology and expect the same ease, speed, and transparency in B2B interactions.

When those experiences are slow or fragmented, friction increases. Internal workload rises, errors multiply, revenue is delayed, and trust is quietly eroded. At the same time, sales and service teams are carrying growing administrative burdens at a point where talent is scarce and cost discipline is under intense scrutiny.

The impact often goes unnoticed at first. Revenue appears steady. Orders keep flowing. But beneath the surface, cracks begin to form. Manual workarounds become routine. Pricing exceptions multiply. Onboarding slows. Critical workflows start to hinge on individual knowledge. Complexity creeps in - not by design, but through a slow accumulation of inefficiency.

Meanwhile, the capability of modern B2B platforms has advanced dramatically. Today's best implementations go far beyond online ordering. They support governed quoting, complex account structures, inventory visibility, CPQ workflows, embedded analytics, and project-based purchasing.

When designed properly, these capabilities do not replace sales teams; they are additive to the business operational model. They shift how time is spent, removing low value administrative work and allowing experienced people to focus on complex selling, customer relationships, and commercial decision making.

This paper introduces two practical frameworks to help senior leaders understand where value is being lost today and how to systematically unlock it.

The first is the **B2B Value Leakage Model,** which identifies six common zones where manual effort, inefficiency, and inconsistency drain commercial performance. These include manual demand capture, slow and inconsistent pricing, poor buyer self service, inefficient onboarding, integration gaps between systems, and under-utilised content, search and merchandising. For each of these zones, there is a direct link between operational friction and fiscal impact.

The second is the **Operational Efficiency Ladder.** A five-level maturity model that shows how B2B organisations typically evolve from manual, fragmented processes through to governed digital workflows, orchestrated self service, and ultimately intelligent, proactive commerce. This ladder is not about large-scale transformation in one step. It provides a clear crawl, walk, run pathway that allows businesses to prioritise changes that deliver the greatest return at each stage.

Taken together, these frameworks provide a practical lens for executives to assess their current state, challenge assumptions about uniqueness and complexity, and build a credible business case for change. They also explain why many B2B initiatives fail to deliver value when they focus on technology alone, rather than aligning buyer experience, commercial governance, operating model, and integration strategy.

The organisations moving fastest in this space are not necessarily the largest or most sophisticated. They are the ones willing to quantify the true cost of manual processes, challenge long-held assumptions, and treat B2B commerce as a strategic lever rather than a support channel. For these businesses, digital portals are becoming a source of competitive advantage that reduces operational overhead, strengthens customer relationships, and creates room for growth without proportional increases in headcount.

This paper is written for senior leaders responsible for revenue, margin, operations, and digital strategy who want a clear, commercially grounded view of what modern B2B commerce can achieve. It is designed to help you identify where value is leaking in your organisation today, understand what best practice looks like in practice, and take informed next steps toward a more efficient, scalable, and resilient B2B operating model.

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The belief that B2B requirements are too unique or too complex to digitise has become one of the most expensive myths in commerce today.

PAUL PRITCHARD, GROUP CEO, OVERDOSE.

WHERE B2B COMMERCE STANDS TODAY

The illusion of 'working'

At a surface level, many B2B organisations appear to be functioning well. Orders are flowing, revenue remains stable, and long-standing customers continue to buy. This often translates into an assumption that the current model is good enough.

Stability, however, is a blunt signal. It tells leaders what is happening, not how efficiently or sustainably it is happening. In many cases, revenue is maintained despite underlying friction, not because systems and processes are working well. The cost of that friction is spread across time, headcount, error rates, delayed revenue, and operational fatigue.

The absence of customer complaints reinforces this illusion. Buyers adapt. They learn which email address to use, which contact responds fastest, and how to work around portal limitations. That adaptation is often mistaken for satisfaction. In reality, it is tolerance. Tolerance tends to disappear the moment a better alternative becomes available.

When leaders rely on revenue stability and low complaint volumes as proof of effectiveness, inefficiency remains hidden. Cost to serve increases quietly. Manual effort becomes normalised. Growth becomes harder to achieve without proportional increases in headcount. Over time, the organisation finds itself working harder simply to maintain the same level of performance.

Normalisation of manual effort

One of the most common characteristics of underperforming B2B commerce models is the volume of manual work embedded in daily operations. Sales teams spend significant time creating quotes, rekeying orders, chasing clarifications, managing exceptions, and acting as the connective tissue between customers and internal systems.

In many organisations, this is viewed as an unavoidable part of B2B. Complexity is assumed to require human intervention at almost every step. As a result, administrative work becomes embedded in role descriptions rather than questioned as a design failure. In many cases, this effort is invisible at an executive level precisely because committed people continue to make the system work, and defend the status quo.

The consequences are material. Highly paid, commercially minded salespeople spend less time selling. Service teams become bottlenecks rather than enablers. Knowledge accumulates in inboxes and individual heads rather than systems. The business becomes increasingly dependent on specific personnel and less resilient to change or growth.

Crucially, much of this work is repeatable and predictable.

Quotes follow defined rules. Pricing is governed by contracts and tiers. Orders are often reorders with minor variation. When these patterns are handled manually, the business pays the cost every time. When they are governed and digitised properly, that cost is removed permanently.

Exceptions dominate decisions

B2B transformation conversations often stall because organisations anchor their thinking around edge cases. Discussions become dominated by the hardest scenarios, such as unusual pricing conditions, legacy customer agreements, or highly specific workflows.

These exceptions matter, but they are rarely representative of the majority of activity. Yet they exert disproportionate influence on decision making. Projects become over engineered. Digital initiatives slow down or are abandoned.

Teams convince themselves that the business is simply too complex to change.

What is lost is the opportunity to materially improve the vast majority of interactions.

Most orders, quotes, and service requests follow consistent patterns. Solving for those patterns can dramatically reduce workload, improve accuracy, and enhance customer experience, even if some edge cases continue to require manual handling.

As experienced operators have observed, progress often depends on making deliberate trade-offs and resisting the urge to customise for every exception. When exceptions dictate the model, inefficiency is preserved and transformation is framed as risk rather than opportunity.

Quiet customers and hidden risk

B2B customers are often tolerant, until they don't need to be.

They accommodate poor search, limited self service, unclear pricing, and fragmented ordering processes because relationships matter and switching costs can be high. They compensate by creating their own workarounds and relying on familiar contacts.

Tolerance must not be confused with loyalty.

When customers invest effort to work around systems, that effort becomes part of their decision making. It lowers the threshold for change when a better experience becomes available.

As digital expectations continue to rise, particularly among newer buyers and procurement teams, this risk increases. Competitors are investing in clearer pricing, faster onboarding, and more intuitive self service. When customers encounter those experiences elsewhere, the gap becomes obvious.

Churn rarely announces itself early. It emerges quietly through reduced engagement, slower reorders, and shrinking share of wallet. By the time dissatisfaction becomes visible, the underlying causes have often been present for years.

Why this persists

These dynamics persist not because they are inevitable, but because they sit at the intersection of habit, legacy systems, and underestimated opportunity. Many organisations have not revisited their B2B operating model in light of what modern commerce platforms can now support.

As a result, inefficiency becomes accepted as the cost of doing business. Manual effort becomes invisible. Opportunity remains unrealised. The conversation shifts from what could be unlocked to why change feels hard, often because no one is clearly empowered to make the trade-offs required to move forward.

Most companies do not remain inefficient because they lack capability or intent. They remain inefficient because inefficiency becomes familiar. Teams learn how to work around system limitations. Sales and operations professionals become highly skilled at compensating for process gaps rather than questioning why those gaps exist. Over time, these workarounds stop feeling temporary and instead become the accepted norm.

This adaptation is rarely visible at a strategic level. It appears in small, repeated moments such as re-keying orders, chasing approvals, clarifying or fixing prices, resolving exceptions, or manually bridging systems that do not align. Individually, these moments feel insignificant. Collectively, they shape cost structures, limit scale, and consume capacity that could otherwise be directed toward growth.

The organisations that move fastest are not those with the simplest products or the fewest edge cases. They are the ones willing to examine the friction they have normalised and quantify its cost. In most cases, the opportunity is not to reinvent the business, but to realign it around existing patterns and remove inefficiencies hiding in plain sight.

When workarounds become normal, opportunities become invisible.

The next sections of this paper take a different approach. Rather than starting with technology or transformation programmes, they focus on identifying where value is leaking today and how those leaks can be systematically closed.

The aim is not to eliminate complexity, but to manage it in ways that reduce cost, improve experience, and allow the business to scale without simply adding more people.

THE B2B VALUE LEAKAGE MODEL

A practical framework for identifying where margin, time, and capacity are being lost in everyday B2B operations.

1. Manual demand capture

For many distributors and manufacturers a significant proportion of demand still enters the business through email, phone calls, PDFs, or spreadsheets. Even when customers place orders digitally, those orders are often re-interpreted, re-keyed, or corrected downstream.

This manual handling introduces delay, error, and cost at the very first step of the commercial process. Sales and service teams spend time interpreting intent rather than progressing demand. As volume increases, so does operational drag.

Manual demand capture also obscures true demand patterns. When orders arrive through fragmented channels, it becomes difficult to analyse buying behaviour, forecast accurately, or identify opportunities for automation.

2. Pricing and quoting friction

Pricing is one of the most common and costly leakage zones.

Across much of the market, pricing rules exist but are applied inconsistently. Quotes require manual validation. Discounts and surcharges are negotiated offline. Errors are often detected only after an order is placed or fulfilled.

This creates margin leakage in small, repeated cuts. Incorrect prices, missed conditions, delayed approvals, and rework all add up. Over time, the business loses confidence in its ability to protect margin at scale.

When pricing and quoting rely on individual judgement rather than governed workflows, efficiency and consistency become difficult to sustain.

3. Limited buyer self-service

Self-service is often misunderstood as a threat to relationships. In reality, limited self-service increases cost to serve and constrains scale.

When customers must contact sales or service teams for routine tasks such as reordering, order tracking, account management, or basic configuration, high-cost human resources are consumed by low-value activity.

This work is necessary, but it is rarely where relationships are strengthened or value is created.

Over time, limited self-service reduces digital adoption, increases internal workload, and makes growth dependent on headcount rather than capability.

4. Inefficient customer onboarding

Customer onboarding is a critical but often overlooked source of long-term leakage.

For a large number of businesses, onboarding involves manual setup across multiple systems, inconsistent application of pricing and terms, and ad-hoc exception handling. Decisions made during onboarding frequently create complexity that persists for years.

Poor onboarding rarely stays contained. It generates downstream issues across pricing, ordering, service, and reporting. Each exception adds friction to every future interaction with that customer.

When onboarding is inefficient, the cost is not just initial effort. It is ongoing operational drag.

5. Fragmented systems and integration

Disconnected systems turn people into integration layers.

When ecommerce, ERP, CRM, and finance systems are not aligned, teams manually bridge gaps through spreadsheets, emails, and workarounds.

Data becomes inconsistent. Reporting requires reconciliation rather than insight.

Efficiency gains in one area are often offset by friction in another. The organisation expends effort simply to maintain coherence across systems.

Over time, integration gaps limit scalability, reduce confidence in data, and make change slower and riskier than it needs to be.

6. Underutilised content, search and merchandising

Transaction capability alone does not enable confident B2B buying.

When product information is incomplete, difficult to find, or poorly structured, customers rely on sales teams to fill the gaps. Search and navigation that do not reflect real buying behaviour push effort back onto people rather than systems.

This leakage zone often goes unnoticed because orders still happen. However, poor discovery increases sales workload, limits cross-sell and upsell, and reduces the effectiveness of digital channels.

Content, search and merchandising are not cosmetic. They directly influence efficiency, adoption, and revenue quality.

How leakage compounds

Each leakage zone has a direct operational cost. Together, they compound significantly.

Manual demand capture amplifies pricing errors. Poor onboarding creates long-term exceptions. Limited self-service increases reliance on fragmented systems. Over time, the business becomes more and more complex, not because the business demands it, but because inefficiency has been allowed to accumulate.

What makes this compounding effect particularly challenging is that it rarely sits within a single function or system. Leakage spans sales, operations, finance, and customer experience. As a result, no one team owns the full problem, and the cost is distributed thinly across the organisation rather than concentrated in one visible line item. This diffusion makes leakage easy to tolerate and difficult to prioritise.

As complexity grows, so does organisational drag. Teams spend more time coordinating, reconciling, and resolving exceptions. Decision making slows. Change becomes riskier. Initiatives that should create efficiency instead introduce new work because they are layered on top of existing friction rather than designed to remove it.

The Value Leakage Model does not suggest eliminating complexity. Complexity is inherent in B2B. Instead, it provides a way to manage complexity intentionally by making hidden effort visible, connecting operational friction to commercial impact, and focusing leadership attention on the few areas where change will materially reduce cost, protect margin, or unlock capacity.

Most importantly, it reframes the conversation. The question is no longer whether the business is complex, but whether that complexity is being handled by systems and workflows, or by people compensating manually.

The next section of this paper dives into how organisations typically evolve as they address these leakage zones, and why progress tends to happen incrementally rather than all at once.

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Most inefficiency doesn't show up as a single issue. It shows up as small amounts of friction, repeated thousands of times, until the business is working harder just to stay in the same place.

TIFFINY HODGSON, DIRECTOR OF MARKETING & BUSINESS DEVELOPMENT, ALLEGION

HOW B2B ORGANISATIONS TYPICALLY EVOLVE

Meaningful progress happens in steps, not one big-bang.

Achieving utopia rarely happens all at once. Successful digital programs evolve incrementally, improving specific journeys, workflows, or capabilities over time rather than through a single, large-scale transformation.

The Operational Efficiency Ladder provides a practical way to understand that progression. It outlines the common stages B2B businesses move through as they shift from manual, fragmented operations toward more governed, scalable, and intelligent commerce. The intent is not to define an end state, but to help leaders identify where they are today and what the next meaningful step looks like.

Large-scale transformation programs often fail not because the ambition is wrong, but because the sequencing is. When change is framed as a single, end-to-end initiative, organisations are forced to solve every edge case upfront, align every stakeholder at once, and justify large investments before value is proven.

In B2B environments, where complexity is real and relationships matter, this approach quickly creates resistance. Teams become risk-averse. Exceptions dominate design decisions. Momentum slows. What begins as a transformation initiative becomes a source of operational drag.

Level 1: Manual & Fragmented

At this stage, B2B operations rely heavily on manual processes and individual knowledge. Orders arrive through multiple channels. Pricing and approvals are handled offline. Customer onboarding varies by team or region. Systems exist, but they are loosely connected and often bypassed.

Sales and service teams act as the glue holding the business together. They interpret customer intent, correct errors, manage exceptions, and reconcile inconsistencies between systems. This work keeps the business running, but it is fragile and difficult to scale.

From the outside, the organisation may appear functional. Revenue flows. Customers are serviced. Internally, growth increases pressure rather than efficiency. Headcount rises to absorb volume. Knowledge concentrates in individuals.

Most organisations do not choose to operate this way. They arrive here through legacy systems, incremental decisions, and the normalisation of workarounds. The constraint at this level is not ambition, but capacity.

Level 2: Digitised but Inconsistent

Here, some parts of the B2B operation are digitised. Customers may place orders online, access product information, or use basic self-service tools. Some manual steps are reduced, but many still occur offline.

Digitisation varies across teams, regions, business units, or customer groups. Pricing and approvals often require manual validation. Digital channels sit alongside email and phone rather than replacing them entirely.

Externally, the organisation appears more modern. Internally, coordination effort remains high. Sales and service teams still bridge gaps between systems and processes. Efficiency improves in pockets, but inconsistency prevents those gains from compounding.

Organisations reach this level through well-intentioned initiatives and incremental improvement. The constraint is not capability, but the lack of shared rules and end-to-end alignment.

Level 3: Governed & Repeatable

At this level, organisations introduce governance across core B2B workflows. Pricing rules are defined. Quoting and approvals follow consistent paths. Customer onboarding becomes structured rather than improvised.

Manual effort reduces as shared processes replace individual judgement. Errors decrease. Predictability improves. The business becomes less reliant on specific people to operate effectively.

However, workflows are still not fully connected. Customers may move between channels. Teams continue to intervene to progress orders or resolve issues. Systems support the work, but coordination is still required.

Organisations arrive here by standardising what already exists. The constraint shifts from control to the effort required to connect processes end to end.

Level 4: Governed Self-Service

At this stage, B2B commerce moves beyond enabling transactions and begins to orchestrate complete journeys. Core workflows such as onboarding, ordering, quoting, and account management are designed end to end, spanning systems, teams, and channels rather than operating in isolation.

Customers can complete routine tasks independently within clearly defined rules. Reorders, order tracking, account updates, and standard configurations no longer require intervention. Sales teams focus less on transaction handling and more on complex, high-value conversations where judgement and relationships matter.

Operational coordination decreases as systems carry more of the load. Data flows more consistently across functions. Visibility improves for both customers and internal teams, reducing the need for follow-ups, clarifications, and exception chasing.

Organisations reach this level by connecting previously governed processes into cohesive workflows. The constraint shifts from execution to how effectively insight is used to anticipate demand, manage risk, and guide decision making.

Level 5: Intelligent & Adaptive

At the highest level, B2B operations become adaptive rather than reactive. Data from across commerce, sales, operations, and finance is actively used to inform decisions, anticipate demand, and surface risk and opportunity before they materialise.

Workflows adjust based on context. Pricing, inventory, and service decisions are guided by patterns rather than intuition alone. Automation reduces repetitive effort and cognitive load, allowing teams to focus on judgement, strategy, and relationship management.

Insight is embedded into day-to-day work rather than confined to reporting. Sales teams receive guidance on prioritisation and next best actions. Operations teams can intervene earlier. Leaders gain clearer visibility into performance drivers, not just outcomes.

Advanced analytics and AI may support this level, but they are not the foundation. Intelligence creates value because the underlying operating model is coherent, governed, and connected. Few organisations operate fully at this stage, but those that do treat learning and adaptation as continuous, not episodic.

What this means in practice

Progress through the Operational Efficiency Ladder is rarely linear or uniform. Most B2B organisations operate across multiple levels at once, with pockets of maturity sitting alongside areas that remain manual or fragmented. This unevenness is normal and often reflects where the business has historically invested attention rather than where value is most constrained.

The purpose of the ladder is not to define a destination or rank organisations against one another. It exists to create shared understanding. By identifying where key workflows sit today, leaders can focus on the next meaningful step rather than attempting to modernise everything at once.

The sections that follow connect this maturity model back to the Value Leakage Zones, helping prioritise where change will have the greatest impact based on your current operating reality.

MAPPING VALUE LEAKAGE TO MATURITY

The Value Leakage Model and the Operational Efficiency Ladder are designed to be used together.

The Operational Efficiency Ladder shows how B2B organisations typically mature. The Value Leakage Model highlights where inefficiency and manual effort tend to accumulate. When combined, they help leaders pinpoint the operational bottlenecks constraining performance today.

Most businesses don't evolve uniformly. Some workflows are digitised and governed, while others remain manual or ad hoc. This unevenness often reflects where attention has been focused in the past - not where the greatest opportunity lies now.

Overlaying leakage zones onto maturity levels allows leaders to distinguish foundational gaps from higher-level inefficiencies. It helps avoid two common traps: trying to fix everything at once, or investing in advanced capabilities before core processes are stabilised.

Together, these models offer a practical decision lens:

- Which leakage zones are most acute today?
- Where do they sit on the maturity ladder?
- What changes would reduce friction with minimal disruption?

This shifts the conversation from sweeping transformation programs to focused prioritisation. It helps organisations move forward deliberately, not just ambitiously.

How Value Leakage Shifts as Maturity Improves

Inefficiency shifts rather than disappears as businesses evolve

Leakage typically concentrates at different stages of operational maturity. Rather than showing a simple reduction in inefficiency over time, the chart below highlights how leakage changes shape as organisations evolve.

At earlier stages, operational friction is dominated by manual effort, fragmented demand capture, and inconsistent pricing and approvals. As organisations introduce digitisation and governance, some of that is reduced, but new forms emerge. Coordination effort, partial adoption, and orchestration gaps often become the primary constraints.

At higher levels of maturity, leakage is less visible but not eliminated. The risk shifts toward underutilised data, missed insight, and decision-making that lags behind capability.

Understanding where leakage concentrates at each stage helps leaders prioritise change without assuming that maturity alone resolves inefficiency.

MANUAL DEMAND CAPTURE:

PRICING & QUOTING:

BUYER SELF-SERVICE:

ONBOARDING:

SYSTEMS & INTEGRATION:

CONTENT & SEARCH:

Greatest Leakage · Moderate Leakage · Diminishing Leakage

Maturity reduces some forms of leakage while exposing others. The objective is not to eliminate complexity, but to manage it intentionally.

IDENTIFYING WHERE TO FOCUS FIRST

The challenge is not knowing that inefficiency exists. It is knowing where to act first.

When multiple teams experience friction at once, prioritisation becomes difficult and transformation efforts often stall.

The combination of the Value Leakage Model and the Operational Efficiency Ladder provides a practical way to focus attention. Rather than asking "how mature are we?", leaders can ask more useful questions: where is effort being wasted today, which workflows create the most downstream friction, and what changes would unlock capacity without destabilising the business.

In practice, the highest-impact opportunities are rarely found at the edges of the organisation. They sit in repeatable, high-volume journeys such as ordering, pricing, onboarding, and account management. Improving these areas often removes friction across sales, operations, and customer experience simultaneously.

Progress does not require addressing every leakage zone at once. Organisations that move fastest identify one or two constrained workflows, align on a target level of maturity for those areas, and sequence change in a way that delivers value early while building confidence for what comes next.

A practical way to pressure-test where value is leaking today

Demand and ordering

- How much demand still enters the business via email, phone, or PDFs?
- Where are orders rekeyed, corrected, or clarified before processing?
- Which steps rely on individual judgement rather than defined rules?

Customer onboarding

- How long does it take for a new customer to transact independently?
- What exceptions or workarounds are created during onboarding that persist?
- How much variation exists between regions or teams?

Systems and insight

- Where do teams bridge gaps between systems manually?
- How visible are bottlenecks, exceptions, and cost-to-serve drivers?
- Where does data exist but fail to influence day-to-day decisions?

Sales enablement and role focus

- How much of the sales team's time is spent on administration versus selling?
- Which activities require sales involvement simply because systems or workflows cannot support them?
- Where do reps rely on personal knowledge, inboxes, or spreadsheets to get deals over the line?

Pricing and quoting

- How consistently are pricing rules applied across customers and channels?
- Where do approvals slow down response times or introduce errors?
- How often are pricing issues discovered after the order is placed?

Self-service and support

- Which customer tasks still require manual assistance despite being repeatable?
- Where do sales or service teams act as intermediaries between systems?
- How much effort is spent supporting routine activity versus high-value work?

Customer onboarding

- How long does it take for a new customer to transact independently?
- What exceptions or workarounds are created during onboarding that persist?
- How much variation exists between regions or teams?

Exception management

- Which exceptions occur frequently enough to be considered normal?
- How clearly are rules defined for when automation applies and when humans intervene?
- Where do teams create one-off fixes that later become permanent processes?

THE OPERATING MODEL SHIFT ORGANISATIONS UNDERESTIMATE

Why technology change alone is not enough

For many B2B organisations, digital transformation is still framed as a technology initiative. A new platform is selected, features are prioritised, and success is measured by launch milestones rather than by how work actually changes inside the business.

What this framing misses is that most B2B inefficiency is not caused by a lack of systems, but by how those systems are used. Manual effort persists because roles, rules, and workflows have evolved around legacy constraints. Technology does not create these patterns. It exposes them.

As a result, organisations often invest in digital capability while leaving the underlying operating model untouched. Sales teams continue to absorb administrative work. Operations teams manage growing exception volumes. Customers still rely on human intervention for routine tasks. The surface appears modern, but the engine underneath remains unchanged.

The organisations that make sustained progress approach B2B commerce differently. They start by agreeing how work should flow through the business. They define where automation applies, where judgement is required, and how exceptions are handled. Only then do they introduce technology to support that model consistently at scale.

This shift is subtle but material. It moves the conversation away from channels and features toward roles, responsibilities, and governance. It reframes digital investment as a way to reduce friction, not simply to add capability. And it makes progress measurable in terms that matter to leadership: cost to serve, sales capacity, resilience, and customer experience.

Importantly, this does not require a wholesale redesign of the business. Most organisations already have clear patterns in how customers buy, how prices are governed, and how orders are fulfilled. The opportunity is to formalise those patterns, remove unnecessary variation, and allow systems to carry the load that people have been compensating for.

When B2B commerce is treated as an operating model decision rather than a platform project, the outcomes change. Efficiency gains compound. Complexity becomes manageable rather than overwhelming. And the business gains room to grow without simply adding more people.

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The real work isn't choosing a platform. It's aligning sales, operations, pricing, and service around a new way of serving customers, grounded in a deep understanding of the customer journey. That's why B2B transformation is fundamentally a business model shift, not a technology one.

SUZIE YOUNG, HEAD OF DIGITAL - ANZ, METAGENICS

AI AS AN ACCELERATOR, NOT THE FOUNDATION

Artificial intelligence is rapidly becoming part of the B2B commerce conversation.

From assisted selling and demand forecasting to automated quoting and service workflows, AI offers significant upside for B2B and is already a common part of executive remits.

However, it's critical for leaders to understand that AI is not a shortcut, and it will not solve foundational issues. AI accelerates what's already there.

When data is messy, pricing logic is unclear, or workflows depend on human judgement, AI doesn't fix the problem, it just moves inconsistency faster and with less visibility. Inaccurate outputs, hallucinated responses, and misapplied rules become harder to spot and correct at scale.

That's not a theoretical risk. In B2B, errors around pricing, approvals, or account hierarchy can erode trust and margin. If governance is weak, AI introduces noise. If logic is undefined, AI guesses.

But when foundations are sound - data is structured, workflows are digitised, and pricing is governed - AI becomes a true multiplier. It reduces low-value work, flags anomalies, and supports better decisions.

The danger isn't adopting AI too late. It's adopting it too early, before the operating model can support it. The organisations seeing value from AI focus first on simplification and systematisation. Then they use AI to scale what already works - not compensate for what doesn't.

Ensuring AI Readiness: Data, Integration, and Governance

Before layering AI onto your commerce operations, savvy leaders conduct an AI readiness check. Think of this as shoring up the foundation so that AI can safely accelerate your business. Key pillars of AI readiness include:

High-Quality, Unified Data

AI is only as good as the data it draws from. B2B organisations need structured, consistent product, customer, and transaction data across systems. If key workflows still depend on CSV exports, email attachments, or disconnected tools, AI will simply amplify confusion.

Human Oversight by Design

Autonomous AI sounds appealing, but early-stage deployments need a co-pilot model. Human checks and overrides reduce risk, build confidence, and provide a feedback loop. Oversight is not a crutch - it's a discipline that prevents errors from becoming systemic.

Clear Use Cases and Success Metrics

AI should target specific problems with measurable goals. Use cases like quote acceleration, reorder prediction, or service triage work well when framed around value rather than novelty. Clarity around KPIs ensures focus and fast feedback.

Robust Process Governance

AI systems perform best when rules, thresholds, and workflows are well defined. Without governance over pricing logic, data ownership, and workflow boundaries, automation becomes risky. Strong governance ensures consistency, auditability, and compliance.

Workforce Preparedness

The best systems fail without adoption. AI readiness means more than tech enablement - it requires training, cultural buy-in, and clear role alignment. Teams should understand how AI fits into their workflow, not fear it as a black box or threat.

Integration and Interoperability

AI thrives when systems talk to each other. If your ERP, CRM, and commerce stack require human middleware, it's a red flag. Ensure data flows cleanly between platforms otherwise, automation will stumble at the seams.

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AI is incredibly powerful, but it doesn't fix broken processes. If the operating model underneath isn't sound, all AI does is make the problems move faster.

MIKE BAYLY, MANAGING PARTNER, ALLEXIVE

FROM INSIGHT TO ACTION.

The patterns outlined in this paper are not unique to a particular industry or platform.

In most cases, the challenge is not ambition or intent. It is knowing where to focus first and how to make progress without destabilising the business.

Quiet inefficiency rarely resolves itself. Left unaddressed, it compounds through higher cost to serve, growing dependency on individuals, and increasing operational complexity. Addressed deliberately, however, it can be converted into capacity, resilience, and competitive advantage. The difference lies in treating B2B commerce not as a channel to optimise, but as an operating model to design.

The Value Leakage Model and Operational Efficiency Ladder are not prescriptions. They are tools to help leadership teams have more productive conversations about where effort is being consumed, which workflows matter most, and what change would unlock meaningful return. For many organisations, progress does not come from doing more, but from doing a small number of things well and in the right order.

The organisations making sustained progress tend to start the same way. They create shared clarity across commercial, operational, and digital leaders. They prioritise based on impact rather than completeness. And they treat technology as an enabler of better decisions, not a substitute for them.

If the ideas in this paper resonate, the next step is not a platform decision or a transformation programme. It is a focused conversation about where value is leaking today and what a realistic next step looks like for your organisation.

That conversation is often the most valuable place to begin.

CONTINUE THE CONVERSATION

A chance to pressure-test assumptions and priorities with people who see this daily.

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