

ORDER DISORDER

# BUSINESS TO BUSINESS IN THE CLOUD

&gt;&gt;&gt; Pallavi Chakravorty

Modern FMCG B2B players gain from competitors due to cloud agility. Cloud companies are now taking this plus to smaller players and distributors

**B**y 2025, 80% of business-to-business (B2B) sales interactions between suppliers and buyers will occur over digital channels, said Gartner's 2022 *Strategic Roadmap for B2B Digital Selling* report. It had also said that 2021 would see the total number of B2B digital commerce transactions overtake the total number of B2B direct sales transactions. A major part of this digital wave is being driven by cloud computing. Today, cloud-based platforms are built to support complex pricing models and diverse product portfolios and deliver custom experiences to different customers. Several cloud providers are offering bespoke solutions to B2B players, including for the FMCG sector.

## FMCG on the Cloud

Cloud computing is seen as a tool for big tech to intervene in large market segments. Market leaders in the cloud space want to change this perception. They say that just as large companies have rejected an inward-facing approach to manage their data and migrated to the cloud, smaller B2B players can

leverage the cloud infrastructure to get better of competition. Customer relationship management (CRM) firms like Salesforce are targeting B2B players with the pitch that they can study customer behaviour to detail and plan their strategy. With its dedicated Consumer Goods Cloud, Salesforce is onboarding small players in the FMCG B2B space and helping them manage inventory levels, predict market-product fit and check impact of campaigns among others.

Arun Kumar Parameswaran, senior vice president and managing director, sales and distribution in India, Salesforce, says, "These predictions are driven by Einstein—an artificial intelligence (AI) capability that is built into our platforms. Its predictions are fundamental to everything we do. At the backend, we are trying to integrate everything through our marketing cloud where you could use hyper-personalisation and AI on the customer data sets."

Major B2B players in the FMCG sector see themselves as tech companies, too, and already bank on cloud features and data analytics. In fact,



it will not be incorrect to say that the success of modern B2B players in the FMCG space rests on data analytics. Ankur Bisen, senior vice president of retail and consumer products at Technopark Advisors, says, "B2B players started out with the premise of collecting data. They are technology-enabled companies where data analytics plays an important role. As they grow, they will have tools to analyse data. They have a comparative advantage to incumbents in this aspect."

### Resource-Poor Distributor

The story is, however, different for traditional FMCG distributors. They face problems when they want to scale up, as they do not have deep pockets to invest in technology and expand even if they are forward looking enough to grow out of traditional CRM practices. Start-ups and micro, small and medium enterprises do not prefer large capital expenditures, given their business model and cost structures. That makes subscription-based services the best fit for them.

Even industry leaders are customising their cloud apps keeping the requirements of this segment in mind. "In the B2B space, the customer experience has to involve multiple parties with zero-trust security and using past relationship data to create journeys that are both innovation-led and outcome-driven," says Puneet Chandok, president, commercial business, Amazon Web Services (AWS) India and South Asia. His company attracts smaller players in the B2B space with easy-to-adopt features, like Amazon SageMaker Canvas, which provides a visual, point-and-click user interface. User interface is considered a barrier for the entry of new users, which is driving big players like AWS to spend more on app design.

The pressures are different in the FMCG B2B space as the products come with a rigid shelf life. That is where forward supply chain solutions based on software-as-a-service (SaaS) model come into play. In supply chain and commerce, for example, where the focus is intercompany, these tech platforms enable far-flung partners to see and act on a common set of shared business objects and related transactions. Purchase orders, invoices, shipments, inventory flows, events, payments and other core objects are centralised in a common community

platform, so that the connected partners can go to one place to make updates as and when needed. It is unimaginable that an individual distributor can access all these services without going to the cloud.


Smaller businesses, which cannot afford to work with the big tech companies, opt for start-ups in the space for business solutions. Effitrac Solutions is one such business process solution engineered for small and medium-sized businesses, including B2B retailers or start-ups and distributors. "Our sales management solution simplifies the ordering and fulfillment process

for the FMCG industry. The inventory management solution helps them track the shelf life and the expiry of the items. We also provide seamless integration to enable e-commerce and marketplace channels," says Logesh Velusamy, CEO and founder, Effitrac Solutions.

### Disruption Ready

Sify Technologies helps its customers leverage its multicloud capabilities. It offers private and public clouds, cloud security and network, subscription-based application services and business outcome-based models. Large enterprises can utilise its hybrid and multicloud industry-grade partnerships to deploy disruptive cloud solutions for their business. "Our cloud capability gives our customers the visibility on how their business is evolving and growing which can be automatically viewed on the dashboard," says Manikannan Shetty, assistant vice president and business head, Sify Technologies.

The tech ecosystem in the B2B space is evolving with multiple cloud providers and enterprise resource planning (ERP) solution providers offering innovative products. Gofrugal Technologies, for example, offers a comprehensive distribution management solution for the entire downstream supply chain network,

covering stockists, warehouses and distribution centres. "Distributors can manage their inventory levels with an app where they can perform stock audits and get real-time visibility on their current stock. Integration to third-party order management systems, channel inventory visibility, returns (expiry, breakage and damage returns) and vendor-managed inventory, sale or return process are the other highlights of the system," says Kumar Vembu, founder and CEO, Gofrugal Technologies. 



**Our cloud technologies, such as Dynamics 365 and Power Apps, help make CPG businesses agile and enable end-to-end visibility and better collaboration with distributors and suppliers**

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