



 HENRY SCHEIN®

B2B eCommerce
A Digital Transformation Journey

TMC Group
探 谋 网 络 科 技

Background

Henry Schein (NASDAQ: HSIC) was founded in 1932 in New York. Now it is one of the largest dental and animal care providers in the United States and the world's largest distributor of dental equipment and supplies. After almost 90 years of rapid development, Henry Schein, a Fortune 500 company, operates in 34 countries and regions of the world, and is ranked first in the Forbes "World's Most Respectful Companies in 2019 and 2020" list.

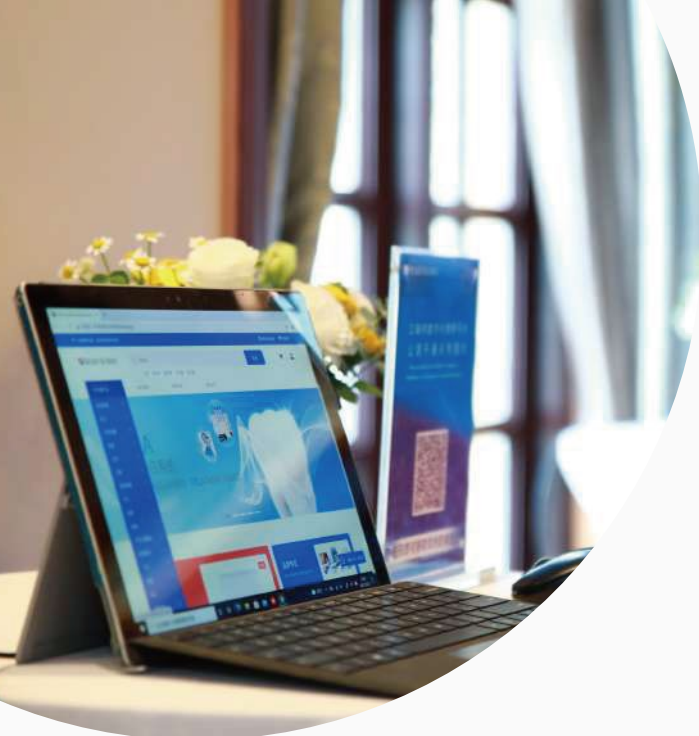
Challenge

The post-pandemic era affected B2B businesses in a special way. Social distancing and other epidemic prevention measures moved to online spaces most of the traditional communication methods: offline exhibitions, face-to-face seminars and interpersonal sales pitches. At the same time, the market was suddenly full of vertical eCommerce platforms, catalyzing competition for customers – with either prices or convenience of the sales process. Facing this new challenge, traditional B2B companies hardly can continue to operate in their old ways.

Henry Schein was impacted as much as, if not more than other B2B companies. Dealing with a large number of scattered demands, burdened with manual processing of orders, the company struggled to keep the error rate down and the sales efficiency up. There are a number of questions that need to be answered to turn this situation around.

HOW TO?

- How to embrace digital transformation, create opportunities out of challenges, and build a communication platform that would become one of the important features of the brand?
- How to break out of the confinement of the traditional offline B2B model, establish new marketing channels, integrate marketing and inventory data with internal informational systems?
- How to use vast amounts of generated data to generate new insights into both customers and suppliers?
- How to use digital transformation as a jumpboard to upgrading various aspects of the enterprise: from procurement and manufacturing to design and marketing — potentially ending up with an absolutely new business model?
- How to create a smooth modern user experience that can help transition from offline to online, alleviate concerns, cultivate digital habits, convert skeptics into evangelists – both among customers and employees?
- How to satisfy personalized needs of B2B customers, support complex pricing strategies, diverse payment options and fulfillment process.
- How to compile a digital product catalog, despite the lack of digitalization in currently used assets.



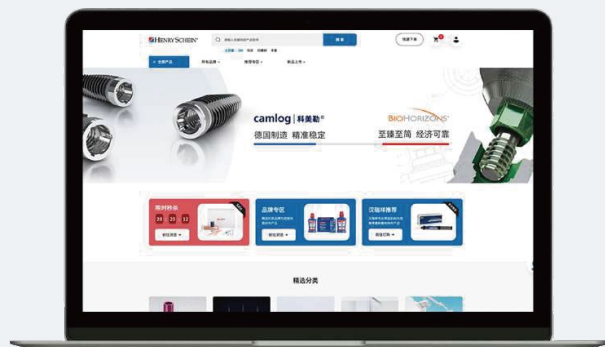
Solution

Henry Schein has a strong internal demand for digital transformation. The development of a B2B eCommerce platform is expected to become a solid foundation for the reshaping of the existing business model and for the overhaul of the internal processes of the company. This should bring Henry Schein's operations to a completely new level, creating new value for the company.

TMO provided a comprehensive list of suggestions and action points, aimed at building a data-driven eCommerce platform that will be a cornerstone for the company's digital operations in China and South East Asia. We used modern technologies and our expertise to optimize and customer-center operations of every branch in the company.

Henry Schein has presence in a number of countries in Asia, and each regional branch can benefit from a country-specific eCommerce solution. These solutions need to be centralized in terms of development, deployment, IT support, and core architecture, but at the same time implementation and operation details should follow local requirements. The final decision was to choose Adobe Commerce (Magento) to be the main framework for all operations in Asia.

Adobe Commerce (Magento) is a multi-language, multi-locale system, built of loosely coupled components, full to the brim with B2B-focused functions and features. Let's have a look at how TMO Group used Adobe Commerce (Magento) to build a high-efficiency platform for Henry Schein's eCommerce business.



Desktop website



WeChat Mini Program

ACHIEVEMENTS

Digital Transformation Workshop

Extensively communicating with regional offices, we carried out a detailed analysis of internal processes, estimated digital maturity of different branches, scrutinized existing operational and organizational structures. This allowed us to clearly define problems and challenges, bring to light pain points, and locate opportunities that digital technology can create on every level of the organization's structure. Finally, we closely worked with Henry Schein's managing team to develop achievable and sustainable B2B eCommerce models and strategies.

B2B eCommerce setup for Asia

Having collected a comprehensive list of requirements from each market, TMO defined core features of the platform, UI and workflow. These then became the basis of localized versions for each country, completed with local payment methods, legal requirements, social media integrations and more.

We used Adobe Commerce as the main framework for the platform as its modular architecture ensures cost-effective development, deployment and maintenance. Adobe Commerce helps address every subtle requirement coming from regional teams. This way we strike the perfect balance between localization and centralization.



250,000 SKUs in catalog

The digital catalog is expected to contain over 250,000 SKUs (unique products) – such a big number is not unusual for a company that serves a wide range of B2B and B2b customers.

Our goal was to create a complete digital assets management system – to accommodate this huge number of entries and complex product information structure, common in the pharmaceutical industry. Implementing this feature, we focused on great user experience and efficient navigation: this was achieved through intuitive filter and search functionality. Resulting interface not only helps users easily find the required product, but also provides them with supply data, technical specification, product and brand information.

Additionally, following existing business cases, digital catalog can be personalized according to the customer type, qualifications and so on. It is open for further enhancements, such as incorporating marketing strategies and other prerequisites for the company's long-term growth.

"1000 people, 1000 prices": A multi-dimensional pricing strategy

B2B pricing is notoriously complex. Prices are adjusted according to external factors, such as the price of raw materials, and clients-specific ones. Henry Schein's multi-dimensional pricing engine, for example, takes into account factors such as purchase volume, purchase history. To make price changes consistent, customers can be grouped into tiers, adjustments can be made by both fixed amount and percentage. Finally, for the top-level customers, exclusive prices can be set manually, while previous contract prices will be maintained and displayed.



Multi-person decision-making

Usually there are several people involved in making a decision about a B2B purchase. Henry Schein needed to mirror this real life procurement process, establishing different levels and roles within each account: supply manager, physician, finance manager etc. Further adding flexible rules for requests and approvals in the procurement workflow will meet the needs of customers even with a complex group of stakeholders.

Shaping the B2B digital experience

After conducting comprehensive research and competition analysis, we came up with the updated positioning for the brand and a new approach to the customer experience. Similar to many B2C eCommerce platforms, convenience was the primary objective in workflow design, combined with the B2B-specific features and functions. Among those features are: consistent user journey across all platforms (website and mini-program) and login methods (email, mobile number, WeChat/Line login); features to streamline B2B workflow: purchase lists, one-click repurchase, product list upload and many more.

Variety of payment methods

We streamlined the payment process for each country by implementing a region specific payment methods for each one. On top of that such options as offline transfer, purchase order, company credit can be added to provide the most convenient payment experience.



Automation of business processes

To implement automatic order fulfillment, inventory management, billing and financial monitoring, we integrated the eCommerce platform into relevant company's systems (ERP, CRM etc). This integration can also be used to monitor closely each link of the business process chain, immediately addressing any bottlenecks.

Building data assets

The eCommerce platform is a focal point for a number of data generating processes: browsing, communication with the company, order placement, payment processing, logistics and a few others. Collected data is processed and stored for future analysis. It will give Henry Schein insights into user's behavior on the new platform, and serve as an impartial feedback on the introduction of the new features. It can also be an invaluable tool in examining the efficiency of internal operations.



Operational support

TMO helped Henry Schein to convey the benefits of digitalization to relevant user groups (be it customers, partners or employees), making them true evangelists of the new platform. We also participated in planning and production of marketing content (for example, short videos) that can be used to influence B2B users, to raise their level of digital literacy.



NEXT STEPS

Following the launch of their eCommerce platform, Henry Schein will look to expand successful solutions from one market to another one, then to the other regions, going all the way to international expansion. As the next step of their digital transformation journey they will explore and adopt new digital B2B eCommerce models, adapting to constantly changing market demands.

TESTIMONIALS

“ By completing this endeavor, we have not only digitized catalog, sales, supply chain and logistics, but we also used the synergy of these parts to create an entire digitized sales process. In the future we are going to introduce new features, such as enterprise planning, product design, different channels and more data integration. This will bring Henry Schein digital transformation to the new level and create a digital ecosystem around the company. ”

Mr. Gary He, General Manager of the project.

“ The biggest result of this project is catalyzed the change in the corporate management. That includes optimization of work execution, higher efficiency, coordination between departments, and improvement of the talent training procedures. ”

Mr. Sterling Chen, General Manager of Henry Schein Hemao Branch.



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TMO Group

West Guangfu Rd 1107, Room 302, Putuo District, Shanghai, China
(+86) 021-61700396
www.tmogroup.asia | www.tmogroup.com.cn
info@tmogroup.asia