

OSF DIGITAL

The Commerce Shift:

How Manufacturers and Auto Brands Are Reducing Cost to Serve

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Executive Summary

Manufacturing and auto brands have a gap to bridge to create customer experiences that simultaneously increase satisfaction while reducing cost to serve. Many have deployed fast or low-cost portal solutions that do not hit the mark for increasing customer expectations. Many businesses are underestimating their total cost to serve and the underlying inefficiencies across their business that not only erode margin but also create negative experiences for customers. With the coming agentic wave, coupled with a generational shift in buyers, businesses need to adapt and rethink their strategies quickly to not be left behind as the gap between leaders and laggards grows. Gartner forecasts that by 2028, 90% of B2B buying will be AI-agent intermediated, channelling over $15 trillion of spend through agent exchanges. What follows sets out the cost-to-serve problem, the forces making it urgent, a practical framework for change, and six steps to start.

Introduction

A huge opportunity is still ahead for many manufacturing and auto brands as AI and automation continue to evolve quickly. Mated to this evolution is a legacy of systems built for a different era. Channels that haven't been modernized in decades. Old practices that have been built on top of instead of reimagined. Complexity added, nothing removed. More admin, more tracking, more data, but not more effectiveness.

We're in a typical period of disruption. Like the Internet before it, AI is rewriting some of the rules of the game, while age-old principles still hold. For many manufacturing brands, there are two waves of catch-up needed. Not only do they have the opportunity that AI creates, but some are only in the infancy of self-service and digital channels. There's been a significant lag that we haven't seen in some other industries like software or retail, where consumer-grade experiences are demanded. That same demand is now coming to all sectors, including manufacturing. McKinsey's B2B Pulse Survey finds buyers now use an average of 10.2 channels in their buying journey, up from five in 2016. After all, all humans are consumers, even if we happen to be at work.

What follows in this white paper is a deeper dive into the issues, how to solve them, and how others have solved them already. We hope to bring you valuable insights coupled with clear next actions to move your business in the right direction to not only reduce the cost to serve but also turn commerce into a margin creation strategy.



The cost to serve problem

Not counting all the costs

There's often a hidden, hard-to-identify tax on most businesses when it comes to calculating their costs to serve. We need to insist on a complete picture: the fully loaded cost. Here's a clear set of costs that cannot always be accounted for correctly, leading to a less-than-useful view of gross margin or cost to serve:

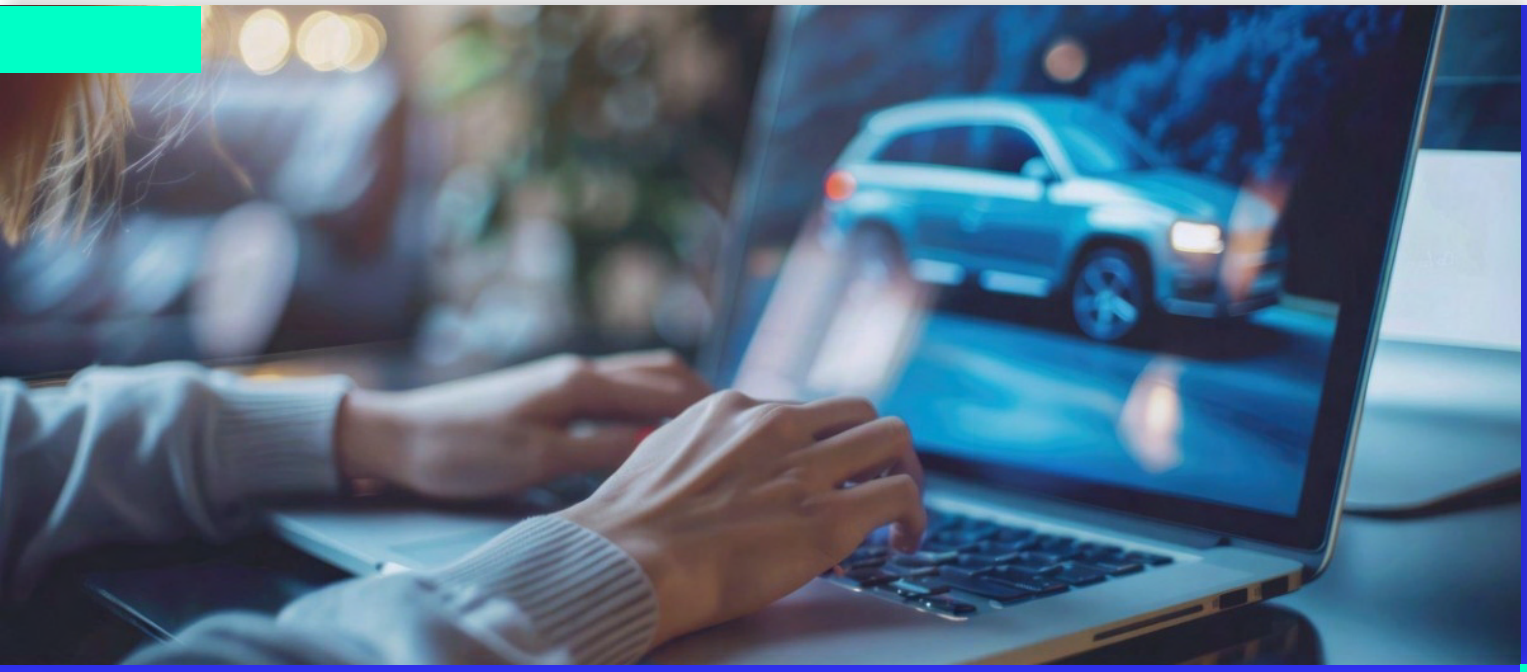
Fulfillment costs:

The obvious ones here are the physical: couriers and mailing companies. However, there are often costs to fulfill other types of orders too, which should be considered. Making sure of the best use of multiple couriers for different types of fulfillment is also a good area to look into.

Return costs:

Problems happen. Deadlines get missed, and products can be defective from the manufacturer or damaged in transit. Often, we can see this isn't tracked as diligently as it could be, meaning that manufacturing defects go unaccounted for and source problems are not fixed, couriers are let off the hook, or inadequate packing is missed. Breaking this down, we can assess:

- Courier damage rates and costs
- Manufacturing defects (by batch, factory, etc.)
- Costs for handling returns (restocking or reporting as well as receiving and examining)
- Courier costs supporting returns



Legacy structure increasing costs

While it should be straightforward to get data on all the costs above, we need to deal with the elephant in the room: your organizational structure is likely the biggest limiter on growth and the biggest cost to serve anchor.

Most of your ordering channels were set up from a regional or field sale model. Roaming reps that picked up new orders all day, every day through direct contact with their customers. Old as the hills, and in some ways, still effective! However, this is not the modern world where many people work from home at least some of the time. There's also a faster pace of need, more just in time ordering and higher expectations. Waiting for your rep has become, in many ways, antiquated.

Even the idea of calling or emailing your rep an order form, and suffering the delay that entails for processing, seems alien and not how business should be done. Not to mention that reps hate this too. While these are new orders and drive commission, the admin involved in scanning or keying in orders is just a drag on their productivity too, when they could be calling, visiting, prospecting and more. The greatest salespeople do not often have the greatest of administrative diligence.

The use of sales reps as order takers and processors is a huge tax on your cost to serve. They are expensive, not well designed for the task, and have other, higher-level relationship work to do. Industry estimates put a live agent call at $6 to $12, against around 25 cents for an automated self-serve equivalent: a 25 to 50 times differential on every routine transaction. Freeing them of as much admin and processing as possible, and moving that to self-serve or AI-assisted processes will reduce their burden and increase their results.

Next: we look to the service center. If the reps aren't available, you likely have a customer service team continually helping customers. Whether that is placing new orders, finding out order statuses, or answering queries, they are a busy team. Sadly, they are likely suffering structural issues. Systems set up to force their use as opposed to self-service. Swivel chairing between systems to get information rather than a centralized customer view. Dealing with sales rep issues or delivery issues that could be automated.

Add all this together, and you have 5-10 factors that are creating drag in organization. In the end, that drag is felt most acutely by your customers. When they think about what they want from a supplier, simplicity and speed of service on their terms are pretty high. An old school Excel order form that needs to be emailed? Not so much.





The expectation gap

We're all consumers. We're spoiled consumers too. Next-day delivery on so many things, not just from Amazon, but other major retailers too. Same-day delivery or even one-hour delivery for some convenience shopping. We don't need to leave the house; it all comes to us. Then we go to work.

IT has blocked this. I can't access that. Where was that file again? I need to reorder from XYZ supplier, do they have a portal again? Ah, yes, it is that one I find hard to use. Why can't it be more like my grocery app? Our time at work seems fraught with barriers and stoppages. Yet, the consumer world has moved at a fast(er) pace. Our expectations have grown with it, and we bring them to work with us.

McKinsey finds that 54% of B2B buyers will switch suppliers after a poor digital experience. That includes the ordering portals they use: their existence, their ease of use, their features. Reordering can be about discovery of the right part (and certainty they have found it), or it could be about speed: they know their product codes and what quantities they need, or it's a reorder of the same thing last month with a few tweaks.

Let's consider a few features customer demand these days:

Delivery and availability

- **Real-time inventory:** I know I can get the product
- **Clear delivery promise:** I know when I'll get the product
- **Delivery status:** Where is my order?

My arrangement

- **My pricing:** My agreed pricing already in place
- **My products:** Any special products I am entitled to I can see
- **Credit:** Use my credit limit

Speed

- **Easy reorder:** Find previous orders and model a basket on that
- **Card:** Pay by card if I need to
- **Product discovery:** Getting the right part, right year, right model, etc., especially for complex parts in automotive

This is just the basics. With the generational shift in your B2B buyers, expectations have increased, and the desire to have to call someone to do anything has gone down considerably. If they would rather call their rep than use the portal, you have a very serious experience problem on your hands!

While we're here, let's address the 'ERP portal' problem. To protect their position and further entrench technology, many ERP providers offered a 'portal' built on top of their software. Rarely do these portals provide the experience customers are after. Did they check a box? Sure. Did they produce the business results expected? Rarely. Customers need a superior experience that helps you drive incremental revenue, is open all hours, and does so at speed. Often, you accidentally add a cost center, rather than a revenue driver.



Why is it more urgent now?

While the case to reduce cost to serve has been clear for a long time, the forces driving it have never been stronger.

Economic pressure

Cost pressure is nothing new. However, in our current climate, there is a lot of scrutiny on underperforming channels, margin leakage and more. Ensuring you are running as efficiently as possible rather than with some wastage is top of most CFOs' minds.

Supply chain maturity

We're well beyond post-COVID recovery for supply chains, and the influence of technology to ensure supply chain reliability and stability is continual and applies to your customers too.

The agentic promise

Agents are coming, and for B2B, they are coming quickly, potentially even more quickly than for B2C, as the argument for automation is high. Forrester's *2026 State of Business Buying* reports that 94% of procurement teams already use generative AI weekly, even though procurement is still only 6% of enterprise AI use cases — a gap that is closing fast. Procurement platforms are already building agents that find inventory, compare pricing and place orders on behalf of buyers. If your commerce channel can't be read and transacted by a machine, you risk becoming invisible to a new class of buyer. If your systems are still based on physical, you are far from ready. Making all your products and availability easily available in a machine-readable way is key to success.

Competitive pressure

There will be competitors who have improved their technology faster or are operating a leaner, less human model and outmaneuvering your legacy approaches.

Multi-modal

You need to cope with your big customers, your long tail, distributors, and direct buyers and more. This level of complexity requires a great understanding of customers, data and automation.

Right people, right seats

Sellers more than ever need to be selling, forming relationships and building trust. They need your systems and customer experience to match their promises.



How to change: what matters and what doesn't

Too many people have built portals with their ERP providers because they started with the wrong question. It's not 'How cheaply and quickly can I stand up a customer portal?', it is 'How can we provide such a superb customer experience that I generate incremental revenue, improve retention and reduce the cost to serve?'

Start with the business problem we're looking to solve together. Next, it is essential to add three voices to the change to ensure we lock in the benefits.

Voice of the sales team

They hear it directly from customers, and they often do a lot of the hidden admin work themselves when it comes to sorting out issues or placing orders on behalf of customers.

Voice of the customer service team

If sales don't do orders, then this team certainly does. What problems are they constantly solving for customers that are simple and repeatable tasks? What do they hear about the portal, if it exists? What do customers wish for or complain about?

Voice of the customer

It may be obvious, however, speaking with your customers about what they want is critical. I don't just mean big customers, but customers of all sizes. Also, not just your main contact, the people placing the orders, receiving the goods and more. Get down to the grassroots where issues happen, not the summaries at the top, where you miss the key insights.

What moves the needle

- **Self-service ordering and reordering:** Obvious, but the experience must be slick, intuitive and fast. Gartner finds 83% of B2B buyers prefer to self-serve for routine orders, and around 75% would prefer a rep-free sales experience altogether.
- **Contract pricing and catalog entitlements:** Everything they get when they order from their rep, they get on self-service too.
- **Real-time inventory and clear delivery timelines:** You have it, and they can have it when they want it.
- **Integrated support:** Easy to use, 24x7 where is my order, returns, simple help queries and more, all there for use.
- **Useful suggestions:** Think upgraded parts, new versions, complementary service items and more, which drive incremental growth.

- **Business change to make the experiences work:** If every customer is a unique deal, unique pricing, etc., you're creating a scaling problem for yourself. Think about banded customers and entitlements to make your entire stack more manageable.
- **Sync with sales and service:** Have one view of the customer, their orders, always accessible. No mistakes due to lack of clarity or opaqueness.

Less important

- **Perfect design:** The experience is the key factor, not a luxury feel or true B2C experience, but the one that suits their needs, ordering and more.

- **Huge change:** Big bang launches and huge pushes to use B2B online ordering often are met with eye rolls by customers. Gradual change management and adoption strategies work better, seamlessly working with reps and customer service to steer people in the desired direction that is better for everyone.

A quick word on automotive distributors and dealers: we need to increase our end-customer usefulness and allow self-serve without disintermediating these key stakeholders (unless that is the strategy!). It is better to keep these groups happy and show how you are helping them, while reducing their burden and their own cost to serve.





One key lesson: the double jump

You must not digitize existing processes. Analysts estimate that 80% to 95% of B2B ecommerce projects underperform or fail outright, with 70% of distributors and 50% of manufacturers labelling their online commerce efforts unsuccessful. Turning what has worked for reps and service centers into digital versions exposed to customers does not provide a fantastic experience. A super user on a green text screen in SAP can place incredible numbers of orders quickly. A new user from one of your customers would find that interface incomprehensible. Your inner machinations of how you do business don't need to be shown to the customer. We need to meet them where they are.

Many businesses are looking ahead to AI and an agentic future. There is no surer way to slow down progress in this arena than to digitize existing processes. The double jump refers not just to rearchitecting processes and ordering to meet how customers want it now, but also to how agents could be part of that process in the future. Their need for knowledge, data and ability to act is very high. If we don't want AI agents to make mistakes, we have to really help them understand the customer, their context, and your products and rules.

This doesn't come from an out-of-date CRM and a heavy SAP ordering process that's that is hard to access via API. It comes from modern agentic practices that work hand in hand with human needs to get faster outcomes at a fraction of the cost.

Six practical next steps

We like to give advice that can be acted on now. Organizations that get self-service right often see a 15% to 30% lift in revenue from existing accounts, on top of the cost-to-serve reduction. Here are six recommendations for you to get started in reducing your cost to serve while increasing customer satisfaction:

1. Survey your customers, frontline service employees and sales staff on current pain points and frustrations holding them back
2. Map the customers' top Jobs To Be Done (JTBD) without reference to your current setup, and then compare how well you solve their needs
3. Audit your existing portal against modern buyer expectations
4. Start a business case focused on BOTH growth and reduction of cost, including more intangible factors like extra sales rep time to sell
5. Quantify clearly and completely your cost to serve across channels, customer types and orders
6. Map current adoption of self-serve channels vs. number of customers, by customer segment

If you'd like a partner to run any of these for you, OSF does this work daily.





Change in practice: case studies

Here, we highlight just two case studies from OSF where we have rearchitected platforms to drive cost to serve down while increasing satisfaction.

CASE STUDY 1

Manufacturing

A global industrial drive and motion-control manufacturer faced a textbook cost-to-serve problem. Its B2B eShop was outdated, off-brand, and unable to handle a catalog of more than 1.6 million products. Customers struggled to find the right part. Sales reps absorbed the admin burden. The ERP-bolted portal had checked a box without delivering an experience.

OSF rearchitected the channel on a modern B2B commerce platform with an intuitive product finder, deep SAP ERP integration, and self-service designed for genuinely complex industrial purchases. The MVP launched in North America in under a year. From that template, localized B2B storefronts rolled out across 19 countries in 19 months.

The result is not a single number but an architecture. One platform now scales country by country, customers self-serve across millions of SKUs, and reps spend their time selling rather than processing orders.

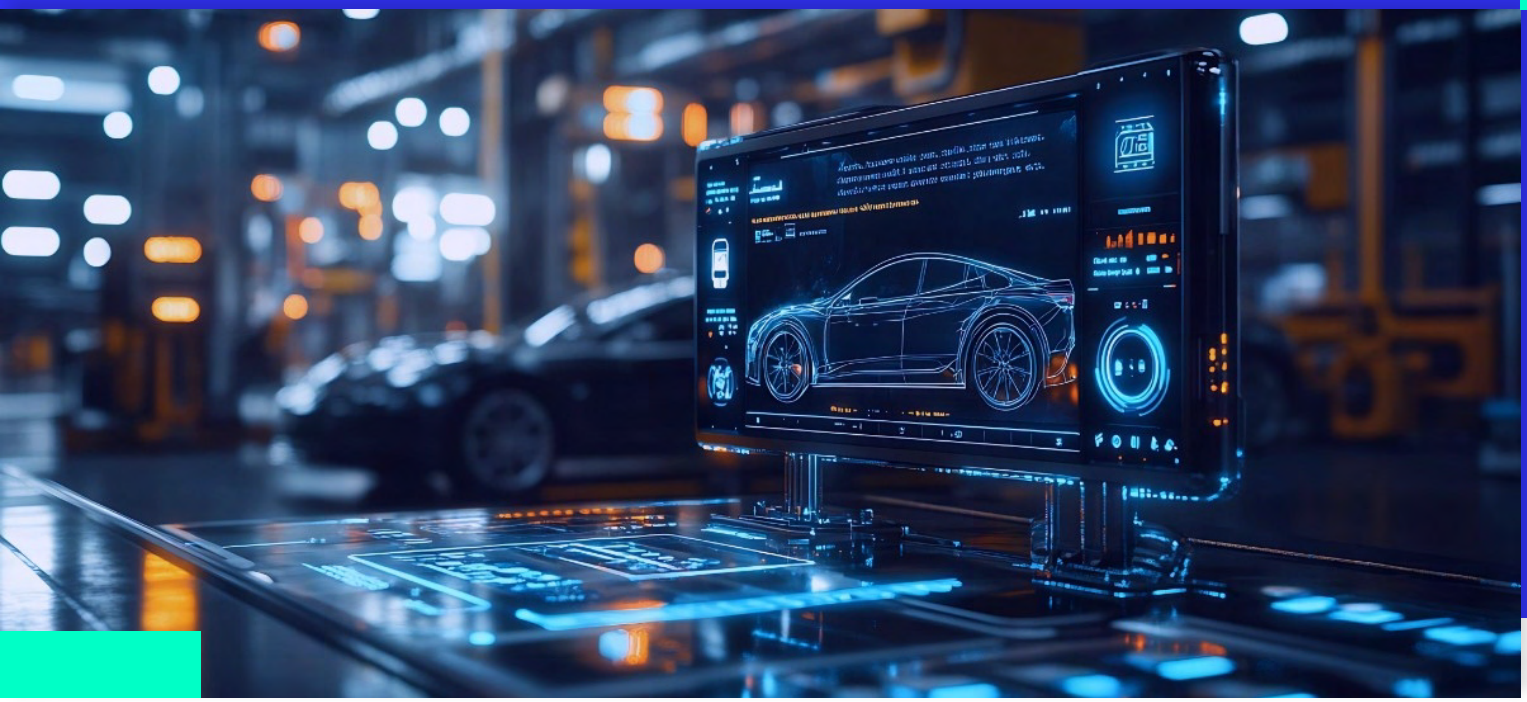
CASE STUDY 2

Automotive

A global automotive OEM running a large regional dealer network had hit the limits of its legacy model. Dealer stock was siloed. There was no unified online channel for parts and service. Sales conversations were happening on WhatsApp with no visibility back to the brand. Cost to serve was high, and the experience varied dealer by dealer.

OSF built a connected Parts and Service marketplace across the dealer network on Salesforce B2B Commerce, Experience, Sales, Service, and Marketing Clouds. Customers can compare and order parts from any dealer in one basket, with shipping calculated upfront and order tracking end-to-end. Dealer stock is unified for the OEM, sales and after-sales operate on one customer view, and WhatsApp conversations flow into the CRM.

Crucially, the model keeps dealers at the center rather than around them. In its first year, the new channel drove a 462% lift in pageviews, retained an additional 163,000 customers, and added meaningful operational profit to the parts and service business.



Wrapping up: commerce as a margin strategy

Many projects have ended up where commerce is deployed to reduce the cost to serve and automate the long tail. Not enough attention is put on listening to stakeholder groups, and a cheap solution is put in place. Adoption is slow and doesn't live up to expectations. In some areas, costs go up, as does TCO of your technology stack.

This is an avoidable story. Now, the companies winning here have evolved their strategies to figure out that reducing the cost to serve can result in higher retention, higher customer satisfaction and incremental revenue. Unsurprisingly, adoption also increases and reps and service centers are relieved of day-to-day battles and can concentrate on what matters most.

The gap between leaders and laggards is also widening. Gartner expects that by 2028, B2B organizations using AI agents for 80% of customer-facing processes will outperform competitors. Closing that gap must be a key priority for execs before too many customers lose faith and go to where the experience is better. The experience can count for more than price too: we're all humans after all, and avoiding friction is a common goal in business.

Lastly, we have agentic commerce. For some, it is already here, and it is moving fast. You can't digitize the now. We must double jump to the future, which is a key way to close the gap quickly.

Above all, we must listen to customers, to our reps, to our service centers. They know the truth that often doesn't reach exec levels and where the most incremental value can be added.

The cost of inaction in the next 12 months will be high: the leaders will sprint ahead, widening the gap and making catch-up harder. AI-native businesses will flourish and, without all the legacy baggage, can move faster than legacy players. The choice to act is now.

About OSF Digital

OSF Digital is a Salesforce-first consulting partner helping organizations turn AI, data, and trust into measurable business impact. With 20 years of hands-on Salesforce experience and deep platform (multi-cloud) expertise, OSF guides clients from strategy to implementation to managed services across industries.

We get our customers to value, faster—whether by modernizing legacy systems, unlocking Customer 360 with data, or creating the digital workforce with Agentforce. Known for our award-winning delivery and distinctive partnership mindset, we act as an expert extension of our clients' teams to deliver lasting impact and measurable results. With regional hubs across North America, LATAM, EMEA, and APAC, we combine global reach with personal, high-touch delivery. For more information about OSF Digital, visit osf.digital.



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