



# A new strategy for commercial operations

**Customer Operations: The next  
evolution in front office operations  
and enablement**

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Breaking down silos between commercial functions such as marketing, sales, and service is a critical component of designing, delivering, and orchestrating seamless customer strategies. When these teams work together, you can achieve more than just scale. You can build true customer intimacy. And when they don't align, your company can be left behind.

### The case for change

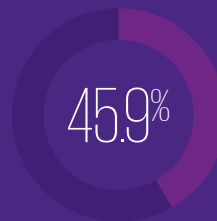
In the not too distant past, front-office functions established strategies, plans, and operations in functional silos. Marketing, sales, and service could meet a few times a year, align on a high-level plan, then go back to their teams and do what they wanted. This type of approach led to disconnects between key customer-facing processes such as campaign-to-lead, lead-to-opportunity, opportunity-to-order, and order-to-renewal, refresh, or upsell.

Teams that supported this model often reflected the dysfunction. They were

- reactive to the needs of the business
- under-resourced
- constantly justifying ROI
- not set up to break down barriers

Customers often tolerated poor customer experiences because they either didn't know better or didn't have viable alternatives.

That's no longer the case. Driving intentional customer experiences requires better orchestration between demand generation, sales, and service activities. KPMG can help you get there.



45.9% of CEOs put customer experience as a top concern

Source: 2019 SuperOffice Research



75% of organizations accelerated their investments in creating seamless customer experiences

Source: 2020 US CEO Outlook, KPMG Research



86% of buyers pay more for a better customer experience

Source: Pew Research, 2018

# What do today's connected customers want?

Today's "connected" customers expect more: speed, intimacy, and targeted solutions. And when they don't receive it, they will quickly leave for a competitor.

While high tech sales teams were the first to experience this trend, it quickly spread across B2B sectors as the default experience expectation.

Commercial sales should view customers as "a place of business." They expect orchestrated experiences around their day-to-day lives and roles, and don't want to be "sold" to. They seek solutions—not products—customized and aligned to what they need to accomplish. They expect relevant, empathic, real-time interactions across a rich set of multi-channel engagement options.

It's time to rethink traditional organizational constructs for the front office if you truly want to know and keep your customers.

As shown in the diagram below, not only is there duplicated and siloed work being done within functions, but several critical activities may be slipping through the cracks.



## What's missing?

In the above model there is often only ad hoc or no ownership of:



Experience orchestration



Continuous improvement



Employee experience



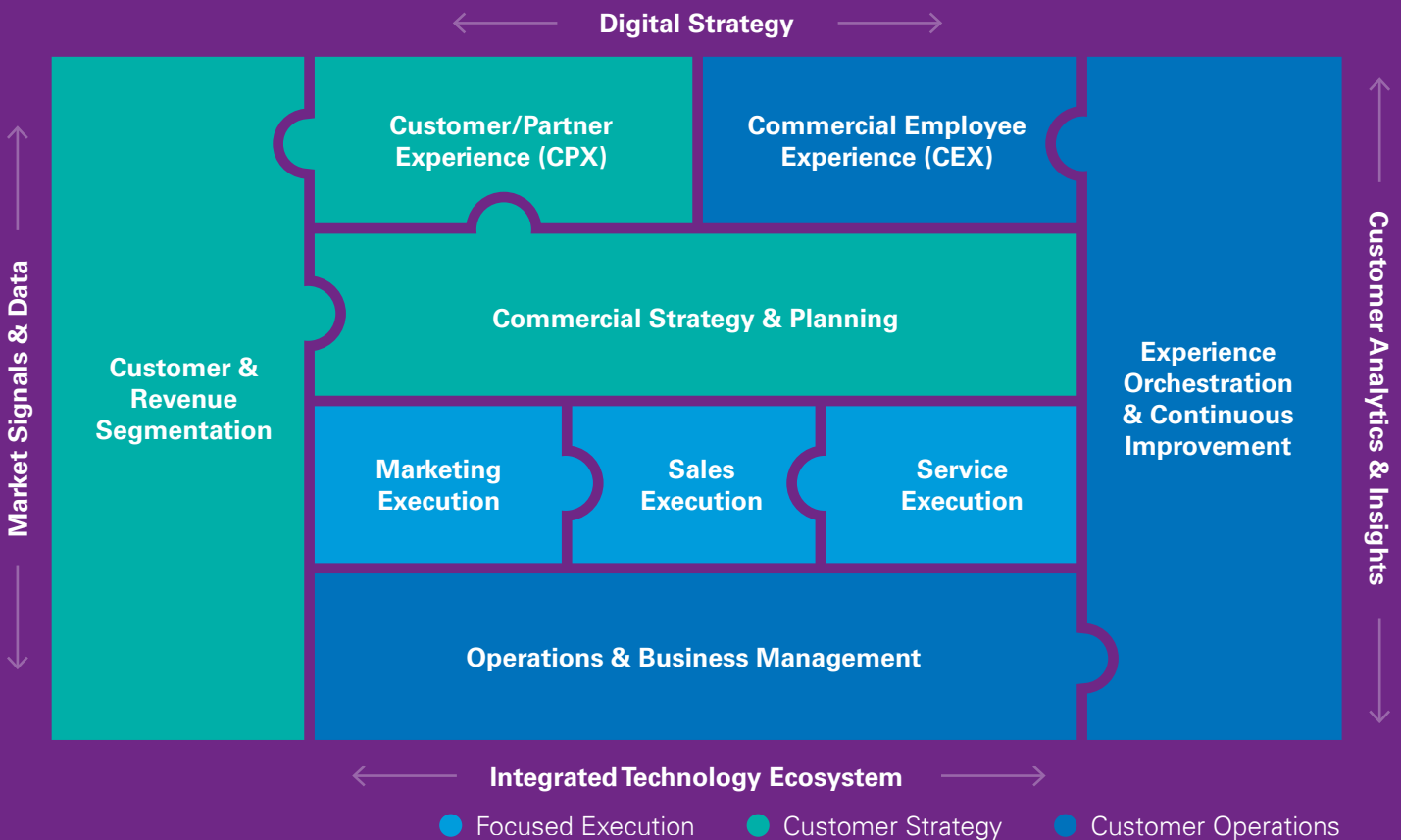
Customer master data management

# Building better alignment

The **new customer model** should rely on cross-enterprise customer experience (CX) strategies, operational planning, and a comprehensive view of the customer. This blurs the boundaries between marketing, sales, and service, and requires leaders to elevate to new roles with expanded charters.

Many heads of sales roles have evolved to **chief commercial officer (CCO)** or **chief revenue officer (CRO)** roles. These roles are empowered and accountable for delivering great customer experiences, managing front-office digital transformations, and orchestrating omnichannel strategies—all while driving revenue growth targets within a closely scrutinized cost envelope.

The new model also requires a fresh look at **segmentation** models and **demand generation** processes. Coordinated effort eliminates the previous negative and siloed norms, such as leads being tossed over from marketing to sales, and undifferentiated service treatments that don't reflect customer value.



## How it works

Extract key planning and operational activities from the functions so that they can be performed with an end-to-end perspective. Create a strategy and operations wrapper around the execution of marketing, sales, and service activities to truly empower the entire customer journey.

# A new function called Customer Strategy and Operations

Many companies are taking control of disconnected front offices with a commercial operations lead. Rather than being reactive to the way things were done in the past, they are wrapping the front office with a unified layer of market signals and customer insights.

This new function is called **Customer Strategy and Operations**. Let's look at how this function is structured, what makes it better and different, and what you can do to start down the path.

## 1. The structure:

- All front office siloed operations teams have **common elements**, such as strategy, planning, operations, analytics, reporting, and technology.
- Customer Strategy & Operations brings these common functions together into a **unified "wrapper"** around the sales, marketing, and service organizations.
- The model lets the **functions focus on execution excellence**, while the wrapper focuses on end-to-end insights, enablement, communication, and technology.

## 2. How this model is better:

- **Drives scale** through common process, data, talent, and governance aligned to customer strategy and operations
- **Improves customer experience and intimacy** as you work on end-to-end processes that span traditional functional areas (e.g. lead-to-order) and whole-customer strategy
- **Gets out of the way of functional operations**, helping them focus on what they do best: marketing, sales, and service execution
- **Generates better insights** through connected data and a unified, digital front office, improving performance measurement, forecasting, planning, and real-time course corrections
- **Delivers better return on your tech stack** by cutting out silo-focused tools, tool proliferation, and low-value tool interactions that go nowhere (e.g. CRM data entry for no reason)

## Isn't this just a commercial operations excellence function?

No. Commercial operations functions are still reactive. They are vestigial remnants cobbled together by legacy sales ops or marketing ops leaders looking to get cost reductions or based on a mandate from their leader. They may deliver some scale, but their culture, processes, and tools will be an albatross they can't shake. It isn't until you extract and reposition your core charter that you can really focus on the customer.

## Does the front office now have a back office?

Yes. Making the front office more complex: the front office now has a back office. Commercial strategies are enabled by a complex commercial tech stack and reams of data. We are well beyond CRM and service ticketing platforms. Tools are linked together with these programs:

- Robotic process automation
- Machine learning
- AI to feed business planning and forecasting
- Customer experience
- Marketing automation
- Sales enablement
- CPQ pricing
- Supply chain
- Churn prevention

Leaders need insights, visibility, and smart analytics. Companies that do this well can see a 2x positive impact in customer experience and commercial ROI.

SOURCE: 2018 Forrester KPMG Connected Enterprise Research.



# What you can do to get started

It's time to take a fresh look at your commercial model to empower the entire customer journey. Consider these questions as you consider the Customer Operations function:



What commercial silos can you break down?



What digital tools and platforms will be the core of your unified front office tech ecosystem?



Where in the operating model can you get scale in technology, process, or governance?



Where can you shift from reactive operations to proactive and predictive operations?



How will you help commercial functions focus on execution excellence?



How will you manage the change and get your teams on board for these new ways of working?

As you focus on the challenges ahead, KPMG can help you improve the ROI on your sales investments by informing sales strategies, processes, and talent with connected insights. KPMG can help you create winning customer interactions.

We're ready to help!

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